

SUBCOMMITTEE REPORT

Agency: Judicial Council                      Bill No. 27                                      Bill Sec. 2  
 Analyst: Duffy                                      Analysis Pg. No. 59                              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 Operations:			
State General Fund	\$ 246,452	\$ 212,213	\$ 21,665
Grants and Gifts Funds	0	0	--
TOTAL	<u>\$ 246,452</u>	<u>\$ 212,213</u>	<u>\$ 21,665</u>
FTE Positions	4.0	3.0	1.0

Agency Request/Governor's Recommendation

The Judicial Council requests \$246,452 from the State General Fund for expenditures in FY 1990. The agency's request includes an additional clerical position; funding to maintain 51 Council and Advisory Committee meetings; and printing and distribution of supplements to the Kansas Municipal Court Manual, PIK-Criminal 2nd, Probate Forms, and a Kansas Judicial Council Bulletin.

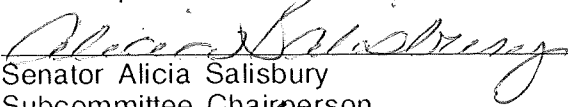
The Governor's recommendation for FY 1990 totals \$212,213, which is a reduction of \$34,229, from the agency's FY 1990 request of \$246,452. The Governor does not recommend the additional clerical position requested by the agency. Major reductions from the agency's FY 1990 request are in printing (\$14,494), communication (\$3,845), and travel (\$2,664).

Senate Subcommittee Recommendation

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

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

1. Add \$845 from the State General Fund for postage for the PIK-Criminal 2d Supplement. The Governor's recommendation included funds for the printing of this publication, but failed to provide adequate funds for the mailing of the publication.
2. Add \$23,203 from the State General Fund and 1.0 FTE for a clerical position.
3. Delete \$2,383 for temporary part-time employees because of the addition of the permanent clerical position.

  
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Senator Alicia Salisbury  
Subcommittee Chairperson

  
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Senator Frank Gaines

## SUBCOMMITTEE REPORT

Agency: State Board of Indigents' Defense Services

Bill No. 80

Bill Sec. 36

Analyst: Duffy

Analysis Pg. No. 62

Budget Pg. No. 336

<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	\$ 5,761,800	\$ 5,765,934	\$ --
Other Assistance	279,672	304,646	(24,974)
TOTAL	\$ 6,041,472	\$ 6,070,580	\$ (24,974)
State General Fund:			
State Operations	\$ 5,685,521	\$ 5,662,655	\$ --
Other Assistance	279,672	304,646	(24,974)
TOTAL	\$ 5,965,193	\$ 5,967,301	\$ (24,974)
FTE Positions	58.5	58.5	--

### Agency Request/Governor's Recommendation

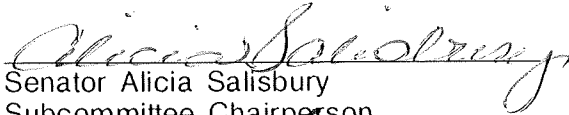
The Legislature approved total expenditures of \$6,096,561 during FY 1989 to provide legal services to indigent criminal felony defendants by public defenders, assigned counsel, and Legal Services for Prisoners, Inc. (LSP). Of the total approved \$5,993,282 is from the State General Fund and \$103,279 is from the Indigents' Defense Docket Fee Fund. The Board's revised estimate of total expenditures for FY 1989 is \$6,041,472, an amount which is \$55,089 below that approved for FY 1989. The difference is attributed to the Board's expending in FY 1988, \$55,089 of a reappropriated balance of \$57,186. According to the agency, the expenditures were necessary because of unanticipated activity in the area of assigned counsel.

The Governor recommends expenditures of \$6,070,580 in FY 1989, an amount which is \$29,108 more than the agency's revised estimate. For state operations, the FY 1990 recommendation reflects an increase in salaries and wages of \$6,339 and a decrease in other operating expenditures of \$2,205. For other assistance (*i.e.*, the LSP contract), the FY 1990 recommendation is \$304,646, an increase of \$24,974 over the agency's estimate. Of the total amount recommended for FY 1989, \$5,967,301 is from the State General Fund and \$103,279 is from the Indigents' Defense Docket Fee Fund.

### Senate Subcommittee Recommendation

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

1. Delete \$24,974 from the Governor's recommended State General Fund supplemental appropriation of \$29,108 for a total supplemental appropriation of \$4,134. The Governor's recommendation overstated the State General Fund amount necessary to finance the FY 1989 contract.

  
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Senator Alicia Salisbury  
Subcommittee Chairperson

  
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Senator Frank Gaines

## SUBCOMMITTEE REPORT

Agency: State Board of Indigents'  
Defense Services

Bill No. 27

Bill Sec. 3

Analyst: Duffy

Analysis Pg. No. 62

Budget Pg. No. 336

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
All Funds:			
State Operations	\$ 7,521,512	\$ 6,432,176	\$ 18,596
Other Assistance	323,801	306,589	--
TOTAL	\$ 7,845,313	\$ 6,738,765	\$ 18,596
State General Fund:			
State Operations	\$ 7,521,512	\$ 6,323,676	\$ 18,596
Other Assistance	323,801	306,589	--
TOTAL	\$ 7,845,313	\$ 6,630,265	\$ 18,596
FTE Positions	119.0	68.5	(6.0)

### Agency Request/Governor's Recommendation

The Board's request for expenditures in FY 1990 totals \$7,845,313, which is a 29.9 percent increase over the Board's FY 1989 revised estimate. Most of this increase may be attributed to requested new positions associated with the Board's request for a regional delivery of indigent defense services plan and incremental increases in expenditures spread across the various object codes. The Board proposes no expenditures from the Indigents' Defense Docket Fee Fund in FY 1990, but requests that the fund balance be used as a contingency fund.

The Governor recommends expenditures of \$6,738,765 in FY 1990, an amount which is \$1,106,548 less than the agency's request. Of the total amount recommended, \$6,630,265 is from the State General Fund and \$108,500 is from the Indigents' Defense Docket Fee Fund. The FY 1990 recommendation reflects a reduction in salaries and wages of \$1,447,183 from the agency's request; an increase of \$749,953 for assigned counsel expenditures from the agency's request; and a reduction of \$409,318 in other operating expenditures from the agency's FY 1990 request. The FY 1990 recommendation includes a 4 percent salary increase for classified employees (\$19,323); a 5.8 percent merit pool for unclassified (\$72,145); 10.0 new FTE positions for public defender offices in the 10th Judicial District (Johnson County) and 29th Judicial District (Wyandotte County) (\$302,300, including fringe benefits); and increased funding for employee health insurance.

### Senate Subcommittee Recommendation

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

1. Add \$71,178 to the salaries and wages line-item of the appropriation bill and 3.0 FTE positions, and delete the same amount from the assigned counsel and other professional payments line-item. Currently, BIDS is

contracting for the work of two attorneys and a clerical position in the Appellate Defender office and the Subcommittee believes that BIDS should convert these contractual employees to full-time employees. Practically, the recommendation simply transfers funds from one line-item to another line-item in the appropriation bill.

2. Add \$18,596 from the State General Fund and 1.0 FTE position for an additional investigator for the Sedgwick County Public Defender Office due to increased case loads.
3. The Subcommittee convened a public hearing on the issue of the regional delivery of indigent services, specifically the Governor's recommendation to provide public defender offices in the 10th Judicial District (Johnson county) and the 29th Judicial District (Wyandotte County). The Subcommittee received testimony indicating support for a public defender office in Johnson County, however, there was no evidence of support for an office in Wyandotte County. The Subcommittee recommends that a public defender office be established in Johnson County, only. The Subcommittee believes that it is important that the Board have flexibility in establishing the office in Johnson County and that it be adequately funded to insure its success. The Subcommittee recommends that the 10.0 FTE positions recommended by the Governor for the Johnson and Wyandotte offices be deleted and that a proviso be included in the bill to provide that the position limitation not apply to the positions associated with the new Johnson County public defender office for the first year of operation, in order to provide BIDS the flexibility necessary to start the new office. Further, the Subcommittee recommends that in addition to the \$302,300 recommended by the Governor for the two public defender offices that \$167,700 be shifted from assigned counsel to salaries and wages and other operating expenditures to be available to support the operations of the new public defender office. Also, the Subcommittee recommends that a proviso be added to the salaries and wages line-item and the other operating expenditures line-item requiring BIDS to consider the utilization of a contract for indigent defense services, if a contractual arrangement would be less expensive and at the same time provide quality defense services.

  
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Senator Alicia Salisbury  
Subcommittee Chairperson

  
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Senator Frank Gaines

## SUBCOMMITTEE REPORT

Agency: Judicial Branch

Bill No. 27

Bill Sec. 4

Analyst: Duffy

Analysis Pg. No. 70

Budget Pg. No. 362

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
State Operations:			
State General Fund	\$ 53,966,684	\$ 54,586,899	\$ 567,564
Special Revenue Fund	3,317,316	3,216,231	
TOTAL	\$ 57,284,000	\$ 57,803,130	\$ 567,564
FTE Positions:			
Appellate Court Judges and Justices	17.0	17.0	17.0
District Court Judges	218.0	217.0	218.0
Nonjudicial Personnel	1,534.5	1,513.5	1,513.5
TOTAL	1,769.5	1,747.5	1,748.5

### Agency Request/Governor's Recommendation

The Judicial Branch requests a total of \$57,284,000 for FY 1990, of which \$53,966,684 is from the State General Fund and \$3,317,316 is from special revenue funds. The total request represents an increase of 7.1 percent over the agency's estimate for FY 1989. Of the total expenditures requested, \$53,143,047 is for salaries and wages and \$4,140,953 is for other operating expenditures.

The Governor recommends total FY 1990 expenditures of \$57,803,130, of which \$54,586,899 is from the State General Fund and \$3,213,231 is from special revenue funds. The Governor's recommendation for expenditures in FY 1990 is \$519,130 more than the amount requested by the Judicial Branch. The Governor's FY 1990 recommendation reflects reductions from the agency's FY 1990 request in areas including: fees -- other services (\$133,842); capital outlay (\$104,279); travel and subsistence (\$110,431); printing and advertising (\$42,632); fees -- professional services (\$30,930); and other operating expenditures (\$107,113). The Governor's FY 1990 recommendation for salaries and wages of \$54,191,404 is an increase of \$1,048,357 over the agency's FY 1990 request. The Governor's salary and wage recommendation includes a 4 percent salary increase for judges (\$490,859) and nonjudicial personnel (\$1,702,606); 17 new FTE positions, including 4.0 FTE nonjudicial personnel for the court of appeals (\$110,259, including fringe benefits) and 13.0 FTE nonjudicial personnel for the district courts (\$238,981, including fringe benefits); and additional funding for the upgrade of a magistrate judge in Coffey County to the status of district court judge (\$36,311, including fringe benefits); and additional funds for employee health insurance.

### Senate Subcommittee Recommendations

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

1. Add \$40,145 from the State General Fund for travel and subsistence for judicial education in the district courts. The Subcommittee encourages the Judicial Branch to sponsor one judicial conference rather than the current practice of sponsoring two judicial conferences.
2. Reduce \$20,072 from the State General Fund for salaries and wages in the district courts. The reduction is based upon a revised turnover rate.
3. Add \$251,850 from the State General Fund for salaries and wages in the district courts to upgrade the salaries of Court Service Officers. The increase would allow Court Service Officers to retain parity with the salaries of Parole Officers. The salaries of Parole Officers were included in Phase III which established new classes and salary ranges for Parole Officers effective June 18, 1988. The Subcommittee recommends that the upgrade for Court Service Officers occur at the same time as the Parole Officer upgrade. The Subcommittee is concerned about the availability of Court Service Officers to clients. The Subcommittee suggests that the Court consider implementing some type of flexible hour working schedule to allow probation functions to be performed outside normal working hours.
4. Add \$74,164 to salaries and wages of the district courts and add 1.0 FTE for a new district court judge in the 5th judicial district (Lyon and Chase counties). The Subcommittee recognizes that the Court requested an administrative assistant and a court reporter for the new district court judge, however, the Subcommittee believes that the Office of Judicial Administration can manage these two positions within the 1,513.5 nonjudicial personnel recommended for FY 1990.
5. Delete \$36,111 from salaries and wages of the district courts for the upgrade of the magistrate judge in the 4th judicial district (Coffey County), as recommended by the Governor.
6. The Subcommittee concurs with the Governor's recommendation to add 13.0 nonjudicial personnel, but disagrees with the Governor's designation of 5.0 FTE for Shawnee County and 8.0 FTE for Johnson County. The Subcommittee adopts the plan presented by the Court for designation of nonjudicial personnel. The Court recommended that three of the FTE recommended by the Governor be assigned to different districts. The Court's recommendation does the following:
  - a. delete a Trial Court Clerk IV in the 3rd Judicial District and adds a Trial Court Clerk III in the 1st Judicial District;
  - b. deletes a Trial Court Clerk I in the 3rd Judicial District and adds .5 Trial Court Clerk I for the 25th Judicial District and 26th Judicial District;



- c. delete one Trial Court Clerk I in the 10th Judicial District and adds 1 Trail Court Clerk I to the 29th Judicial District.

Further, the Subcommittee recommends that one of he Trial Court Clerks I be deleted from the 10th Judicial District and that a Secretary II be added to the 30th Judicial District. The Subcommittee recommends that the Court be allowed the flexibility to place the recommended nonjudicial personnel in the judicial districts with the most critical need for judicial support.

- 7. Add \$257,588 from the State General Fund to grant each justice and judge of the Judicial Branch and additional 2 percent base salary increase in FY 1990. This proposed increase is in addition to the 4 percent general salary adjustment included in the Governor's FY 1990 recommendation. The Subcommittee believes that adequate compensation is necessary to attract and retain well-qualified judges. A proviso would be needed to implement this additional salary increase, as judges' salaries are set by statute and tied only to the general salary adjustments granted to classified employed.
- 8. The Subcommittee recognizes the necessity for an Administrative Assistant for the Chief Judge of the Court of Appeals. The Subcommittee recommends that the second house review this position.

  
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Senator Joe Harder

  
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Senator Jim Allen

  
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Senator LeRoy Hayden

## SUBCOMMITTEE REPORT

Agency: Judicial Branch                                      Bill No. 80                                      Bill Sec. 5  
 Analyst: Duffy    Analysis Pg. No. 70                                      Budget Pg. No. 362

<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	\$ 50,336,953	\$ 50,361,351	\$ 64,269
Special Revenue Fund	3,150,714	3,052,852	
TOTAL	<u>\$ 53,487,667</u>	<u>\$ 53,414,203</u>	<u>\$ 64,269</u>
FTE Positions	1,730.5	1,730.5	--

### Agency Request/Governor's Recommendation

The FY 1989 approved budget for the Judicial Branch is \$53,465,867, of which \$50,336,953 is from the State General Fund and \$3,218,914 is from special revenue funds. The agency's revised estimate for FY 1989 totals \$53,487,667, an amount which is \$21,800 over the approved FY 1989 budget. The agency's revised estimate includes \$50,336,953 from the State General Fund, as approved by the 1988 Legislature, and \$3,150,714 from special revenue funds, an increase of \$21,800 over the approved FY 1989 estimate for special revenue funds. The requested increase is attributed to a special federal grant of \$15,000 and additional spending of \$6,800 from the Bar Admission Fee Fund. On September 2, 1988, the Finance Council approved the request of the Chief Justice to increase the FY 1989 expenditure limitation on the Bar Admission Fee Fund from \$47,889 to \$54,689.


The Governor recommends total FY 1989 expenditures of \$53,414,203 of which \$50,361,351 is from the State General Fund and \$3,052,852 is from special revenue funds. The recommendation reflects a supplemental from the State General Fund of \$24,398 and a reduction in special revenue funds of \$97,862. The Governor's FY 1989 recommendation reflects reductions from the agency's revised request in areas such as travel and subsistence (\$82,116); fees -- other services (\$62,308); fees -- professional services (\$16,415); printing and advertising (\$14,438); and other operating expenditures (\$21,577). The Governor's FY 1989 recommendation for salaries and wages includes an additional \$123,390 over the agency's estimate. The increase is attributed to revised FY 1989 employee health insurance rates.

### Senate Subcommittee Recommendations

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

1. Add \$64,269 from the State General Fund for travel and subsistence for judicial education in the district courts.

  
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Senator Joe Harder

  
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Senator Jim Allen

  
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Senator LeRoy Hayden

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SUBCOMMITTEE REPORT

Agency: Department of Revenue -- Bill No. 28 Bill Sec. 2  
 School District Income  
 Tax Rebate

Analyst: Rampey Analysis Pg. No. 277 Budget Pg. No. 522

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
Aid to Local Units:			
State General Fund	\$ 156,000,000	\$ 156,000,000	\$ 2,200,000
FTE Positions	--	--	--

Agency Estimate/Governor's Recommendation

It is estimated that distributions to school districts will total \$148.0 million in FY 1989 and \$156.0 million in FY 1990. The revised estimate for FY 1989 and the estimate for FY 1990 were derived from the individual income tax receipts estimates made by the Consensus Estimating Group in November, 1988.

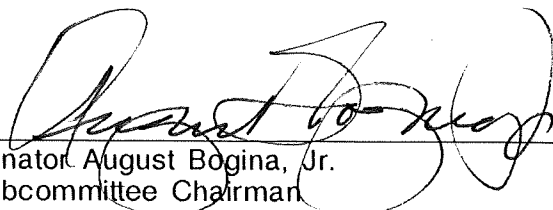
The Governor concurs with the estimates made by the Consensus Estimating Group for both FY 1989 and FY 1990. However, for FY 1990, the Governor recommends that the law be changed so that none of the rebate would be deducted by school districts in computing their general state aid entitlements. Second, the Governor recommends that the amount of the rebate be increased from 20 to 22 percent.

The effect of the recommendation to increase the percentage of rebate would be to increase the amount of money school districts receive. However, changes to the tax structure recommended by the Governor would have the effect of reducing the amount of taxes paid for tax year 1989 and, consequently, reducing the rebate in FY 1990. Thus, the effect of the Governor's recommendation to increase the rebate to 22 percent would be offset by his recommendation to revise the tax structure.

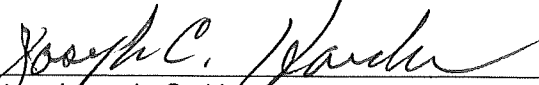
Senate Subcommittee Recommendation

Since the Governor submitted his recommendation, the Legislature has enacted S.B. 24, which makes a number of changes to the state's tax structure. Among the changes is that the income tax rebate would be increased from the current 20 percent to 23 percent for tax year 1989 and 24 percent for tax year 1990 and thereafter.

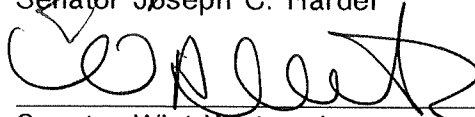
The Subcommittee concurs with the estimate of \$148.0 million for FY 1989. For FY 1990, it concurs with the revised estimate of \$158.2 million. The estimate is an increase of \$2.2 million over the estimate prior to the passage of S.B. 24.



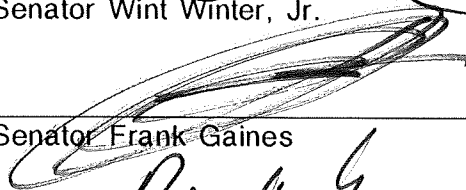
Senator August Bogina, Jr.  
Subcommittee Chairman



Senator Joseph C. Harder



Senator Wint Winter, Jr.



Senator Frank Gaines



Senator Mike Johnston

## SUBCOMMITTEE REPORT

Agency: Department of Education      Bill No. 80      Bill Sec. 25  
 Analyst: Rampey      Analysis Pg. No. 263      Budget Pg. No. 190

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 11,332,602	\$ 11,272,691	\$ 71,628
Aid to Local Units	802,964,931	801,516,944	752,794
Other Assistance	12,090,486	12,090,486	--
<b>TOTAL</b>	<b>\$ 826,388,019</b>	<b>\$ 824,880,121</b>	<b>\$ 824,422</b>
<b>State General Fund:</b>			
State Operations	\$ 4,949,892	\$ 4,931,150	\$ 7,095
Aid to Local Units	702,596,345	700,940,240	752,794
Other Assistance	135,486	135,486	--
<b>TOTAL</b>	<b>\$ 707,681,723</b>	<b>\$ 706,006,876</b>	<b>\$ 759,889</b>
<b>FTE Positions</b>	<b>187.0</b>	<b>187.0</b>	<b>--</b>

### Agency Request/Governor's Recommendation

**FY 1989.** The Department of Education estimates total expenditures of \$826,388,019 in FY 1989, of which \$707,681,723 is from the State General Fund. The estimate for FY 1989 exceeds the approved amount by \$1,730,456, which consists of the following requested supplemental appropriations and expenditure limitation increases: \$33,727 from the State General Fund for payments to employees who retire, a total of \$1,656,845 from the State General Fund for community college credit hour and out-district state aid, \$19,829 in federal funds for employees who retire, \$11,008 in federal vocational education funds, and \$9,047 in federal Job Training Partnership Act funds. The number of authorized positions in FY 1989 is 187.0 FTE.

For FY 1989, the Governor recommends expenditures of \$824,880,121, of which \$706,006,876 is from the State General Fund. The Governor approves supplemental appropriations totaling \$510,056 for the community colleges and expenditure limitation increases of \$11,008 on expenditures of federal vocational education funds and \$9,047 on expenditures of federal Job Training Partnership Act Funds. The Governor reduces agency operating expenditures, excluding salaries, by \$48,086 in the current year, of which \$7,435 is from the State General Fund, and reduces expenditures for school district transportation aid from \$43,413,155 to \$42,903,839 (a reduction of \$509,316).

### Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Governor, with the following exceptions:

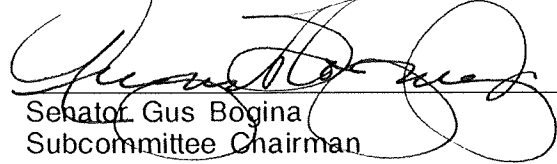
1. Increase the expenditure limitation on federal funds by \$19,829 in order to make retirement payments to two federally-funded employees who retired last fall.

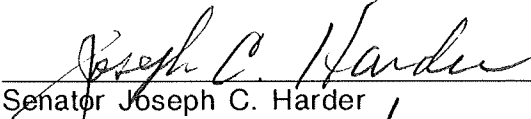
2. Restore \$12,451 for agency travel that was deleted by the Governor. Of that amount, \$3,412 is from the State General Fund, \$2,554 is from the State Safety Fund, and \$6,485 is from federal funds.
3. Restore \$14,348 for fees for other services (primarily data processing and janitorial services and federally-funded workshop expenses) that was deleted by the Governor. Of that amount, \$3,683 is from the State General Fund and \$10,665 is from federal funds.
4. Increase the expenditure limitation on federal food service funds by \$25,000 to enable the State Department to begin the development of a computerized system for use by schools to process food service reimbursement claims. The new system would be implemented in FY 1990.
5. Attach a proviso to the appropriation for general state aid to school districts to specify that USD 402 (Augusta) will receive general state aid and proceeds from the income tax rebate in the amount currently budgeted for FY 1989. An unprecedented situation has occurred whereby an individual taxpayer living in the district has paid taxes of such magnitude and affected the computation of district wealth to the extent that, without legislative intervention, state aid to the district will drop dramatically. (The combination of general state aid and income tax rebate originally estimated for the current year is \$3,047,450 for USD 402. That amount will decrease to \$2,689,183 if nothing is done. In the Augusta district, a \$358,267 loss in state aid is equivalent to 14.1 mills.) The Subcommittee thinks that this unusual situation involving an individual taxpayer should not be allowed to adversely affect property taxpayers in the entire district.
6. Reduce the appropriation from the State General Fund for special education by \$393,995. Based upon revised estimates for FY 1989, 94 percent of special education excess costs is a reduction of \$393,995 from the amount appropriated by the 1988 Legislature. (The policy of the 1988 Legislature was to fund special education excess costs at the 94 percent level.)
7. Add \$849,549 from the State General Fund for community college credit hour state aid. The addition reflects an approximately 9 percent growth in credit hours over school year 1987-88 and is based upon the most recent enrollment information received by the State Department of Education. The Subcommittee encourages the House Appropriations Subcommittee to review this recommendation in light of spring enrollment information that is yet to come.
8. Add \$297,240 from the State General Fund for community college out-district state aid. The amount assumes an approximately 9 percent increase in eligible out-district hours over school year 1987-88. This recommendation should be reviewed by the House Appropriations Subcommittee when spring enrollment information becomes available.
9. In order to reflect the Governor's recommendation for school district transportation, with which the Subcommittee concurs, amend S.B. 80 to lapse \$509,316 from the State General Fund in the current year, for a total of \$42,903,839. (This amount would fund the transportation formula




at the 96 percent level, which is the level agreed to by the 1988 Legislature.)


10. In order to reflect the Governor's recommendation concerning federal money for drug abuse education, amend S.B. 80 to increase the expenditure limitation on federal funds from \$1,022,272 to \$1,230,604.

  
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Senator Gus Bogina  
Subcommittee Chairman

  
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Senator Joseph C. Harder

  
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Senator Wint Winter, Jr.

  
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Senator Mike Johnston

  
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Senator Frank Gaines

## SUBCOMMITTEE REPORT

Agency: Department of Education      Bill No. 28      Bill Sec. 3  
 Analyst: Rampey      Analysis Pg. No. 263      Budget Pg. No. 190

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 12,262,245	\$ 11,939,703	\$ 401,649
Aid to Local Units	940,129,906	862,472,386	(526,796,740)
Other Assistance	15,070,486	15,065,486	--
<b>TOTAL</b>	<b>\$ 967,462,637</b>	<b>\$ 889,477,575</b>	<b>\$ (526,395,091)</b>
<b>State General Fund:</b>			
State Operations	\$ 5,317,910	\$ 5,253,411	\$ 93,563
Aid to Local Units	835,779,906	757,590,707	(526,796,740)
Other Assistance	140,486	135,486	--
<b>TOTAL</b>	<b>\$ 841,238,302</b>	<b>\$ 762,979,604</b>	<b>\$ (526,703,177)</b>
FTE Positions	192.0	186.0	4.0

### Agency Request/Governor's Recommendation

**FY 1990.** For FY 1990, the Department of Education estimates expenditures of \$967,462,637, including expenditures of \$5,317,910 from the State General Fund for the operation of the agency, \$835,779,906 for state aid to local units, and \$140,486 for state aid to nongovernmental units. The State Department is requesting 5.0 FTE new positions in FY 1990, for a total position limitation of 192.0 FTE. The Governor recommends expenditures of \$889,477,575, of which \$762,979,604 would be from the State General Fund. The Governor approves the addition of 1.0 FTE new position but deletes 2.0 FTE existing positions, for a total recommended position limitation of 186.0 FTE.

### Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Governor, with the following exceptions:


1. Add \$53,997 for agency travel, of which \$8,092 would be from the State General Fund, \$1,000 would be from the Certificate Fees Fund, and \$44,905 would be from federal funds.
2. Add \$40,947 for telephone and postage, of which \$22,579 would be from the State General Fund, \$5,000 would be from the Certificate Fees Fund, and \$13,368 would be from federal funds.
3. Add \$62,892 from the State General Fund for capital outlay.
4. Add \$68,813 from federal special education funds for 2.0 FTE new Education Program Specialists to increase the State Department's ability to determine whether state and federal special education requirements are being met.

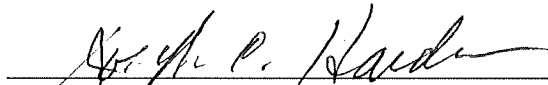
5. Approve the expenditure of \$175,000 from federal food service funds (in addition to the \$250,000 recommended by the Governor) for the development and implementation of a new computer system for use by schools for processing school food service reimbursement claims. The amount includes \$66,633 in federal funds for the salaries of 2.0 FTE new positions: a Computer Systems Analyst II to help develop and maintain the school food service financial management and claims processing computer system and a School Food Service Specialist to help administer the Child Care Food program. (The State Department's responsibilities under this federal program now include the administration of the program in adult care centers.)
6. The Subcommittee notes that a secretarial position was requested, but not approved, for the postsecondary education program, which oversees community colleges, adult education, proprietary schools, and the GED program. The Subcommittee suggests that, if legislation is enacted that would remove postsecondary education institutions from the State board of Education's jurisdiction, attention should be given to possible reductions in the State Department's staff.
7. Delete \$533,527,252 in general state aid to school districts, which is the amount recommended by the Governor. The Subcommittee does not endorse the level recommended by the Governor and thinks that a decision on funding for school finance can only be made later in the session when more information about the effects of reappraisal are known. It is the Subcommittee's intention that members of the Senate will have the opportunity to discuss the appropriation for school finance in a Senate appropriations bill.
8. Add \$934,052 from the State General Fund for school district transportation, which would increase funding for the formula from the Governor's recommended level of 94 percent (\$43,900,459) to 96 percent (\$44,834,511), the same percentage as the current year.
9. Add \$2,056,160 from the State General Fund for special education excess costs. The addition would increase funding for excess costs from the 92 percent level recommended by the Governor (\$108,599,381) to the 95 percent level (\$110,655,541).
10. Add \$50,000 from the State General Fund for bilingual education, for a total of \$600,000. The addition would increase the amount available per bilingual education student from approximately \$122 to \$133.
11. Concur with the Governor's recommendation for area vocational school capital outlay aid of \$1.0 million from the State General Fund. However, for those five schools designated Type II schools, the Subcommittee recommends that the proviso limiting expenditures of capital outlay aid to equipment be expanded to include equipment and building maintenance. The Subcommittee's rationale is that Type II schools, governed by multi-district boards of control, do not have the access to local capital outlay funds that area schools governed by a single school district or community college boards do.

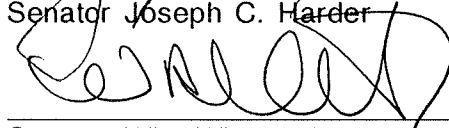
12. Delete \$12,036 from the State General Fund for community college credit hour aid, for a total of \$28,486,648. The effect of the Subcommittee's recommendation is to fund community college credit hour aid based upon present law, not the five-year plan requested by the State Board and recommended by the Governor. Additional funding will be considered if legislation to implement the five-year plan is enacted. The Subcommittee's recommendation assumes a 5 percent growth in credit hours over the current year and should be reviewed by the House Appropriations Subcommittee when actual spring enrollment figures become available.
13. Pending passage of legislation to implement the five-year plan, delete \$1,285,596 from the State General Fund for community college out-district state aid, for a total of \$8,548,512. The amount reflects a 5 percent increase in credit hours from the current year to school year 1988-90 and should be reviewed when spring enrollment figures are available.
14. Pending passage of legislation to implement the five-year plan, delete \$1,115,626 for community college general state aid, for a total of \$400,000, the same level as the current year.
15. Add \$3,769,095 from the State General Fund for credit hour state aid for Washburn University, which is the same level as the current year. (The Governor included no funding for the University in the State Department's budget, based upon his recommendation to transfer the school to the Board of Regents.)
16. Pending passage of legislation that would change the status or funding mechanisms of Washburn University, add \$737,213 from the State General Fund for Washburn University out-district state aid, which is the same level as the current year. (The Governor includes no funding for the University in the State Department's budget.)
17. Pending passage of legislation that would change the status or funding mechanisms of Washburn University, add \$210,000 for the Washburn University operating grant, an increase of \$10,000 over the current year. (The Governor recommends no funding for Washburn University in the State Department's budget.)
18. Add \$56,000 from the State General Fund for adult basic education, for a total of \$186,000. This is the amount of state money necessary to meet a federal matching requirement that has increased from a 10 percent to a 15 percent state match of federal funds, estimated to be \$1,055,000 in FY 1990.
19. Add \$331,250 from the State General Fund for in-service education, for a total of \$1,250,000. The amount would pay approximately half the cost of 180 approved in-service education plans.
20. Add \$1.0 million from the State General Fund for innovative education programs, to be combined in a single line item with the Governor's recommended \$2.0 million for at-risk pupil assistance, for a total of \$3.0 million for at-risk pupil and innovative program assistance. It is the Subcommittee's recommendation that a proviso be added stipulating that \$2.0 million of the appropriation be used for programs for at-risk pupils and that \$1.0 million be used for innovative educational programs.


Further, any state grants from this appropriation must be matched on an equal basis from local sources.

21. The Subcommittee concurs with the recommendation adopted by the Senate Committee concerning the Bicentennial Commission: "The Subcommittee notes that the Commission has requested for FY 1990 \$5,000 for a video on the U.S. Constitution featuring Justice Harold Herd to be distributed to high schools across the state. The Subcommittee directs the Department of Education to undertake the project with the available resources contained in the Department's budget for FY 1990."
22. The Subcommittee calls attention to the fact that the minimum competency assessment program as created in statute will terminate at the end of the 1988-89 school year. The Board of Education proposes and the Governor recommends funding of \$210,725 for a developmental year for the State Board to redefine test objectives. Following that developmental year, testing would resume in FY 1991, with the possibility that what is now known as the minimum competency assessment program could be changed considerably. The Subcommittee concurs with the Governor's recommendation and with the State Board's desire to improve the test. It is the Subcommittee's hope that any new testing program will build on the strengths of the existing program and not abandon concepts that the Legislature endorsed when it enacted the minimum competency assessment program.

  
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Senator Gus Bogina  
Subcommittee Chairman

  
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Senator Joseph C. Harder

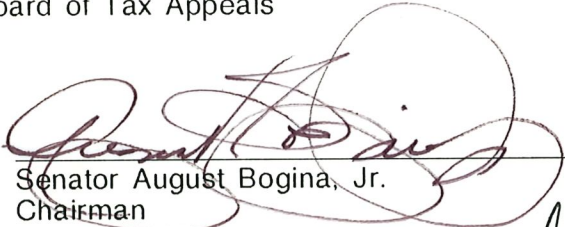
  
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Senator Wint Winter, Jr.


  
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Senator Mike Johnston

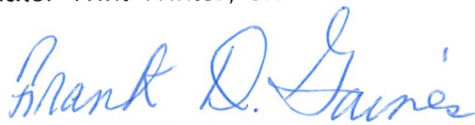
  
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Senator Frank Gaines

SENATE BILL NO. 30

- Section 2 -- Kansas Racing Commission
- Section 3 -- Department of Commerce
- Section 4 -- Kansas Technology Enterprise Corporation
- Section 5 -- Kansas Arts Commission
- Section 6 -- Department of Corrections
- Section 7 -- Ellsworth Correctional Work Facility
- Section 8 -- Hutchinson Correctional Work Facility
- Section 9 -- Attorney General
- New Section -- Judicial Branch
- New Section -- Board of Tax Appeals

  
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Senator August Bogina, Jr.  
Chairman

  
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Senator Wint Winter, Jr.

  
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Senator Frank D. Gaines

## SENATE BILL NO. 30

### Section 2 -- Kansas Racing Commission

#### Governor's Recommendation

The Governor recommends a State General Fund supplemental appropriation of \$500,000 in FY 1989. In addition, the Governor recommends reducing the State Racing Fund's approved expenditure limitation by \$391,715 in FY 1989. A net increase of \$108,285 is recommended by the Governor in FY 1989 expenditures. Included in the Governor's FY 1989 capital outlay recommendation is \$200,000 for purchasing a new computer system.

#### Senate Subcommittee Recommendation

The Subcommittee recommends a supplemental State General Fund appropriation of \$250,000 for purchasing a new computer system and paying for other capital outlay items previously acquired in FY 1989. No other adjustments are recommended pending review of the agency by its regular Senate Subcommittee.

### Section 3 -- Department of Commerce

#### Governor's Recommendation

The Governor recommends, in FY 1989, a State General Fund supplemental appropriation of \$1,700,000 for the Kansas Partnership program and a decrease of \$2,700,000 in the expenditure limitation on program expenditures from the EDIF. The recommendation provides for an increase of \$57,879 in state operations expenditures and a net decrease of \$1,057,879 for loans to local units of government from the budget approved by the 1988 Legislature. The Governor also recommends the elimination of EDIF funding for an education awards program (\$50,000) and an increase of \$7,009 in the EDIF state operations expenditure limitation to \$378,336.

#### Senate Subcommittee Recommendation

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

1. Reduce the State General Fund supplemental appropriation by \$700,000 to \$1,000,000 pending further review of the current year demands on loans from the Kansas Partnership program.

Section 4 -- Kansas Technology Enterprise Corporation

Governor's Recommendation

The Governor recommends a \$126,702 reduction in the expenditure limitation for the Corporation's state operations expenditures from the EDIF. The present limitation of \$368,809 would be reduced to \$242,107. The Governor also recommends a change in the timing of EDIF transfers to the Corporation to better match anticipated EDIF cashflow.

Senate Subcommittee Recommendation

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

1. Remove the decrease in the expenditure limitation for state operations from the bill pending further review of the Corporation's current year needs by the regular Ways and Means Subcommittee.

Section 5 -- Kansas Arts Commission

Governor's Recommendation

The Governor recommends a delay in the transfer of \$200,000 from the EDIF to the Kansas Arts Commission from January 1, 1989 to February 15, 1989, in order to better match anticipated EDIF cashflow.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

Section 6 -- Department of Corrections

Governor's Recommendation

The Governor recommends the transfer of \$1,305,138 in FY 1989 from the State General Fund to the Correctional Industries Fund to allow for development of new correctional industries programs at the Hutchinson Correctional Work Facility and the Ellsworth Correctional Work Facility.

Senate Subcommittee Recommendation

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



1. A technical adjustment to correctly reflect the new expenditure limitation on the Correctional Industries Fund of \$8,813,212 in FY 1989.

Section 7 -- Ellsworth Correctional Work Facility

Governor's Recommendation

The Governor recommends a State General Fund supplemental appropriation of \$2,129,812 in FY 1989 to provide operations expenditures for housing 200 additional inmates and 100.5 new staff positions at the Ellsworth facility. The 100.5 FTE new positions were approved by the State Finance Council on September 2, 1988.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Section 8 -- Hutchinson Correctional Work Facility

Governor's Recommendation

The Governor recommends a State General Fund supplemental appropriation of \$2,478,529 in FY 1989 to provide operations expenditures and the acquisition of furniture and equipment for the 400 inmates and 146.0 FTE staff positions at the facility, which will become operational in March of 1989. The Governor's recommendation also reduces the approved FY 1989 position limitation of the facility by 20.0; the 20 positions are transferred to Kansas Correctional Industries, as requested by the Department of Corrections.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Section 9 -- Attorney General

Governor's Recommendation

The Governor recommends the approval of five tort claims settlements in FY 1989 totaling \$164,200 from the Tort Claims Fund. The five claims and amounts of proposed settlements are:

<u>Susan Mudd v. Hellen Zagar</u>	\$ 2,000
<u>Torres v. State of Kansas, et. al.</u>	1,300
<u>Choate v. State of Kansas</u>	85,000
<u>Colgate-Palmolive Employees Credit Union v.</u> <u>Kansas Department of Revenue, et. al.</u>	900
<u>Michael Dey v. State of Kansas</u>	75,000
TOTAL	<u>\$ 164,200</u>

Senate Subcommittee Recommendation

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

1. Delete \$75,000 and strike Michael Dey v. State of Kansas.
2. Strike subsection (c) which transfers \$164,200 from the State General Fund to the Tort Claims Fund. The language is superfluous.

New Section -- Judicial Branch

Governor's Recommendation

The Governor did not address this issue.

Senate Subcommittee Recommendation

The Subcommittee recommends \$10,000 in FY 1989 from the State General Fund for the Judicial and Professional Review line-item. The supplemental appropriation is necessary because of extraordinary investigation and prosecution expenditures experienced by the Commission on Judicial Qualifications.

New Section -- Board of Tax Appeals

Governor's Recommendation

The Governor did not address this item in S.B. 30.

Senate Subcommittee Recommendation

The Subcommittee recommends a supplemental State General Fund appropriation of \$111,938 for purchasing a new computer system to be used in conjunction with hearings from statewide reappraisal appeals.

## SUBCOMMITTEE REPORT

Agency: Kansas Lottery

Bill No. 31

Bill Sec. 4

Analyst: Efird

Analysis Pg. No. 223

Budget Pg. No. 440

<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	\$ 15,876,000	\$ 14,384,459	\$ --
Prizes and Retailer Commissions**	<u>41,350,000</u>	<u>35,555,000</u>	<u>--</u>
TOTAL	<u>\$ 57,226,000</u>	<u>\$ 49,939,459</u>	<u>\$ --</u>
FTE Positions	123.0	121.0	--

\*\* Category of prizes and retailer commissions reflect payments which never were recorded in the State Treasury as either receipts or expenditures.

### Agency Request/Governor's Recommendation

The agency estimates lottery sales of \$80.0 million next fiscal year. Expenditures for state operations are estimated at \$15.9 million and staffing of 123.0 FTE positions is requested by the Kansas Lottery. Also included in the request is \$10.1 million for lottery prize claims to be paid by the state. Transfers to the SGRF in FY 1990 are estimated at \$24.0 million (based on 30.0 percent of gross retail sales). Increased expenditures budgeted for state operations result primarily from additional marketing services, communications and staff costs. Reduced expenditures are attributed to on-line vendor commissions being lowered from 12.7 percent in FY 1989 to 6.7 percent in FY 1990, lower costs for tickets, and reductions in other areas such as capital outlay.

The Governor estimates lottery sales of \$70.0 million next fiscal year. Expenditures for state operations are recommended at \$14.4 million with staffing of 121.0 FTE positions. Also included in the recommendation is \$8.9 million for lottery prize claims to be paid by the state. Transfers to the SGRF in FY 1990 are estimated at \$21.0 million (based on 30.0 percent of gross retail sales). Increased expenditures for state operations are recommended for additional marketing services and staff costs. Reduced expenditures are attributed to on-line vendor commissions being lowered from 12.7 percent in FY 1989 to 6.7 percent in FY 1990, lower costs for tickets, and reductions in other areas such as capital outlay.

The Governor's FY 1990 recommendations include expenditure limitations for the Lottery Operating Fund and for salaries and wages, but a proviso exempts expenditures from the Lottery Operating Fund limitation for any expenses for on-line terminal communications charges and on-line vendor commission payments.

### Senate Subcommittee Recommendation

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

1. Provides for two separate no limit accounts within the Lottery Operating Fund for on-line communications and on-line vendor commissions for lotto. The Governor's recommendation included in S.B. 31 has proviso language which should be amended to show specific fund accounts. The Subcommittee further recommends that in addition to salaries and wages, an expenditure limitation on other operating expenditures also be established. The Subcommittee concurs with the Governor's recommended limitation on salaries and wages of \$3,239,858. Vendor commissions are estimated at \$2,546,000 and on-line lotto communications costs are estimated at \$1,600,000. The net difference between the sum of these three expenditure categories and the Governor's recommended expenditures of \$14,384,459 in FY 1990 is \$6,998,601 which the Subcommittee recommends as the OOE limitation.
2. Recommends that the House consider any adjustments, changes or recently identified items (which the Lottery has identified as unbudgeted expenses) in such areas as rents, communications, tickets, KBI payments, capital outlay, travel and official hospitality. The Subcommittee believes that official hospitality should be realistically budgeted and authorized by proviso rather than be paid through the Lottery's vendors. The House Subcommittee should review the issue of how much funding should be authorized in FY 1990 in conjunction with its review of FY 1989 expenditures for this area.
3. Notes that a proposed software upgrade to the existing software originally provided by BABN should be provided at no cost to the state. The Subcommittee is concerned about possible hardware upgrade costs which could result from software upgrades and directs that the Lottery in its revised FY 1990 and FY 1991 budgets submitted to the 1990 Legislature present detailed information about its computer operations, anticipated changes in operations and costs.
4. Recommends that the Lottery in future component unit financial statements prepared by its external accounting firm add to its accrual balance sheet a breakout of fund activity into its two statutory funds -- the Lottery Operating Fund and the Prize Fund.
5. Compliments the Director of the Lottery and his staff on efforts which have led to sales which have exceeded the expectations of many people.

Summary of Recommendations

<u>Governor's Recommended -- LOF</u>	<u>FY 1989</u>	<u>FY 1990</u>	<u>Change</u>
Administrative Costs:	\$ 15,245,794	\$ 14,384,459	\$ (861,335)
Salaries and Wages	2,929,199	3,239,858	310,659
Other Operating	7,354,195	7,374,601	20,406
Subtotal -- Limitation	\$ 10,283,394	\$ 10,614,459	\$ 331,065
On-line Vendor Commissions	\$ 3,962,400	\$ 2,720,000	\$ (1,242,400)
On-line Communications	1,000,000	1,050,000	50,000
Subtotal -- No Limits	\$ 4,962,400	\$ 3,770,000	\$ (1,192,400)

Subcommittee's Recommended -- LOF

Administrative Costs:	\$ 15,245,794	\$ 14,384,459	\$ (861,335)
Salaries and Wages	3,000,000	3,239,858	310,659
Other Operating	7,283,394	6,998,601	(355,594)
Subtotal -- Limitations	\$ 10,283,394	\$ 10,238,459	\$ (44,935)
On-line Vendor Commissions	\$ 3,962,400	\$ 2,546,000	\$ (1,416,400)
On-line Communications	1,000,000	1,600,000	600,000
Subtotal -- No Limits	\$ 4,962,400	\$ 4,146,000	\$ (816,400)

Other Information

Lottery Operating Fund Analysis. The Governor's recommended FY 1990 balance is less than \$900,000, but the Subcommittee adjustment for FY 1989 will allow the agency to spend at the Governor's recommended level and end FY 1990 will a carryover balance of \$1.9 million based on the Governor's revenue estimates for Lottery sales. The following table summarizes the status of the Lottery Operating Fund as recommended by the Governor and adjusted by the Subcommittee:

<u>Resource Estimate</u>	<u>Gov. Rec. FY 90</u>	<u>Sub. Rec. FY 90</u>
Beginning Balance	\$ 1,254,236	\$ 2,265,523
Net Receipts	14,020,000	14,020,000
Total Available	\$ 15,274,236	\$ 16,285,523
Less Expenditures	14,384,459	14,384,459
Ending Balance	\$ 889,777	\$ 1,901,064

Lottery Prize Fund Analysis. The FY 1989 and FY 1990 ending balances reflect monies set aside to pay winners of tickets which were distributed in one fiscal year based on the expected claims to be presented the next fiscal year. The following table summarizes the status of the Lottery Prize Fund as recommended by the Governor and adjusted by the Subcommittee:

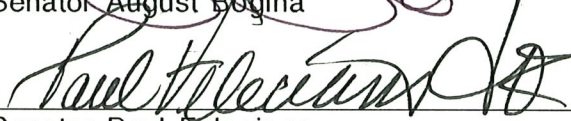
<u>Resource Estimate</u>	<u>Gov. Rec. FY 90</u>	<u>Sub. Rec. FY 90</u>
Beginning Balance	\$ 2,165,870	\$ 1,699,741
Net Receipts	<u>8,876,000</u>	<u>8,876,000</u>
Total Available	\$ 11,041,870	\$ 10,575,741
Less Expenditures	<u>8,876,000</u>	<u>8,876,000</u>
Ending Balance	<u>\$ 2,165,870</u>	<u>\$ 1,699,741</u>



\_\_\_\_\_  
Senator David Kerr  
Subcommittee Chairman



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Senator August Bogina



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Senator Paul Feleciano

## SUBCOMMITTEE REPORT

Agency: Kansas Lottery

Bill No. 80

Bill Sec. 6

Analyst: Efirid

Analysis Pg. No. 223

Budget Pg. No. 440

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations	\$ 15,646,716	\$ 15,245,764	\$ --
Prizes and Retailer Commissions**	<u>35,900,000</u>	<u>35,250,000</u>	<u>--</u>
<b>TOTAL</b>	<b><u>\$ 51,546,716</u></b>	<b><u>\$ 50,495,764</u></b>	<b><u>\$ --</u></b>
 FTE Positions	 121.0	 121.0	 --

\*\* Category of prizes and retailer commissions reflects payments which never were recorded in the State Treasury as either receipts or expenditures.

### Agency Request/Governor's Recommendation

The agency's revised estimate for the current fiscal year includes a reduction of \$14.0 million in projected sales. The previously estimated sales of \$84.0 million have been reduced to \$70.0 million. Reductions of \$7.5 million are estimated in state paid prizes and of \$4.2 million in transfers to the State Gaming Revenues Fund (SGRF) as a result of reduced sales. State paid prizes are estimated at \$8.5 million and transfers to the SGRF are estimated at \$21.0 million (based on 30.0 of gross retail sales). No reduction in total state operations expenditures is reflected in the revised FY 1989 agency budget which includes \$15.6 million of expenditures. The agency's revised budget includes a shift in expenditures of approximately \$1.5 million to vendor payments for on-line games based on 12.7 percent commissions to be paid on projected higher sales of lotto.

For FY 1989, the Governor estimates \$69.0 million in sales which is \$1.0 million less than the Lottery's projection. State paid prizes are estimated at \$8.4 million and transfers to the SGRF are estimated at \$20.7 million. FY 1989 expenditures for state operations are reduced \$.4 million to \$15.2 million in the Governor's recommended budget and would allow for the shift of approximately \$1.5 million to vendor payments for on-line games. Included in the Governor's recommendations are salary adjustments applying current fringe benefits rates and increasing salary turnover savings to offset the former increases in the salaries and wages budget.

### Senate Subcommittee Recommendations

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

1. Raises the salary and wage expenditure limitation by \$27,818 in the current fiscal year to fund projected expenditures for 12 months and to allow the Lottery to fill many of its vacant

positions with the additional salary and wage financing from recommended expenditure authority.

2. Recommends two separate no limit accounts within the Lottery Operating Fund for On-Line Communications and On-Line Vendor Commissions. The Governor recommends these accounts for FY 1990 and the Subcommittee's recommendation would implement them this fiscal year to address a potential increase in on-line lotto sales. Such events could require an expenditure limitation increase later this Session or in May or June if on-line sales continue to increase this fiscal year. The Subcommittee concurs with the Governor's recommended state operations expenditures of \$15,245,794 in FY 1989, but wishes to provide the Lottery with some flexibility to pay higher lotto costs if sales increase above current projections. Estimated expenditures for on-line communications are \$1,000,000 as recommended by the Governor. Estimated vendor commissions are \$3,962,400 as recommended by the Governor.

The Subcommittee recommends that all other Lottery state operations, including salaries and wages, be appropriated subject to expenditure limitations. The limitation on salaries and wages is adjusted by item number one and would be \$3.0 million in FY 1989. The limitation on other operating expenditures would be \$7,283,394 in FY 1989.

3. Requests that a bill be introduced to establish two additional positions in the unclassified service: the Director of Finance and the Director of Sales. Also clarify by revising current law that the Lottery is authorized a separate Division of Sales and a Division of Marketing.

The Subcommittee believes the Director of Finance position is essential for the Lottery, particularly given the fact that the Lottery must reconcile accrual, cash and budget based accounting systems in its dealings with the Legislature and the public. These different accounting systems need to be more integrated if the Lottery is to relate its accrual and cash based information to its annual budget request in an accurate and informative manner.

The Subcommittee strongly recommends that the Director of Finance position should be filled as soon as possible since the comparable classified position has been vacant since last Session. The Subcommittee notes that the salary budgeted for this position is \$47,000. The Subcommittee is concerned that the salary may not be sufficient to attract a qualified individual with an accounting background and necessary experience which the position requires. The Lottery should fill this position as a Special Projects position if the bill has not passed authorizing the Director. The Subcommittee requests that the Chairman of the Ways and Means Committee write a letter to the KBI asking that any background checks for this position be given expedited attention.



4. Notes that the Subcommittee reviewed the question of the Lottery using contract employees instead of establishing FTE positions, with the finding that the Subcommittee believes the practice to be appropriate as long as details of each such arrangement are documented in the agency's budget request for contractual services.
5. Recommends that the Lottery treat its accounts receivable of \$1.4 million as of June 30, 1988, as revenue in this fiscal year and that 30 percent of the revenue be certified for transfer to the State Gaming Revenue Fund as soon as possible. The accounts receivable revenue should be added to the projected cash receipts for FY 1989 above the Governor's estimates and the net remaining balance after transfer of 30 percent to the SGRF would become an additional FY 1989 resource which would enhance the Governor's estimated ending balance (see Other Information -- Lottery Operating Fund Analysis).

The Subcommittee further believes that the Lottery should review this issue to determine how to treat any accounts receivable for subsequent fiscal years occurring at the close of the accounting period on June 30. The Lottery should consider making an estimate of the 30 percent transfer by the official close of the state's books before mid-July in order to make a distribution to the SGRF for the just completed fiscal year's accounts receivable. At a latter period the Lottery should make a further adjustment to reconcile the estimated amount transferred relative to the amounts actually received during the next fiscal year on which the 30 percent transfer is due. The Lottery should report to the House Subcommittee relative to its review with its external accounting firm and its planned procedures regarding this issue of accounts receivable.

The Subcommittee further recommends that a bill be introduced to amend statutory language concerning the transfer of the 30 percent to the SGRF in order to reflect the current Memorandum of Understanding between the Director of Accounts and Reports and the Director of the Lottery. That agreement allows for monthly transfers to be based on 30 percent of sales of tickets and shares by retailers less returned tickets and less bad debt reserve. Current law specifies an amount not less than 30 percent of total revenues from the sales of lottery tickets and shares during the fiscal year be transferred.

The Subcommittee recommends that the Lottery Director secure a letter from the Lottery's external accountant explaining the concept of a reserve fund used for handling returned tickets and bad debts; how the 12 percent formula was derived for Kansas; and how the \$1.5 million maximum reserve was determined. The Subcommittee believes that this information must be provided prior to consideration of the proposed legislation after a bill is introduced.

6. Makes a technical adjustment in the Prize Funding ending balance for FY 1988 to reflect a reduction of \$466,130 made January 25, 1989, with estimated resources of \$1,699,741 as the FY 1989 beginning balance. The Subcommittee notes that \$405,000 of the funds was reserved for FY 1989 rather than FY 1988 prizes, according to the Arthur Young and Company financial compilation (see Other Information --Prize Fund Analysis).
7. Recommends that the House consider expenditures to date and any adjustments made by the Lottery in its budgeted expenses or recently identified, unbudgeted items in such areas as communications, tickets, KBI payments, capital outlay, travel and official hospitality. The Subcommittee believes that official hospitality should be realistically budgeted and authorized by a specific account rather than to be paid through the Lottery's vendors. The House Subcommittee should review the issue of how much funding above the current limit of \$3,000 should be authorized this fiscal year.
8. Suggests that the Lottery Director not enter into any agreement of longer than one and one-half years for lease of additional warehouse space since the lease for the Lottery headquarters building has that time remaining on the current contract. The Subcommittee further recommends that the Lottery be authorized to negotiate for potential space and not be constrained by having to accept the low bid for space. This authority would be supplementary to the Lottery's major procurement negotiating authority established by statutes.

Other Information

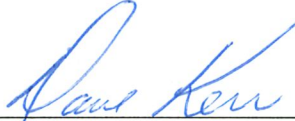
Lottery Operating Fund Analysis. The Governor's recommended FY 1989 expenditures exceed net receipts. As a result, the \$2.75 million cash balance carried over from FY 1988 will be reduced to \$1.25 million by the end of FY 1989. The Subcommittee's recommendation in item 5 will provide an additional transfer to the SGRF of \$433,409 in FY 1989 and add \$1,011,286 of receipts above the Governor's FY 1989 estimates, thus enhancing the Lottery's ending balance. The following table summarizes the status of the Lottery Operating Fund as recommended by the Governor and adjusted by the Subcommittee:

<u>Resource Estimate</u>	<u>Gov. Rec. FY 1989</u>	<u>Subcom. Rec. FY 1989</u>
Beginning Balance**	\$ 5,104,183	\$ 5,104,183
Net Receipts	11,395,817	12,407,104
Total Funds Available	\$ 16,500,000	\$ 17,511,287
Less: Expenditures	15,245,764	15,245,764
Ending Balance	<u>\$ 1,254,236</u>	<u>\$ 2,265,523</u>

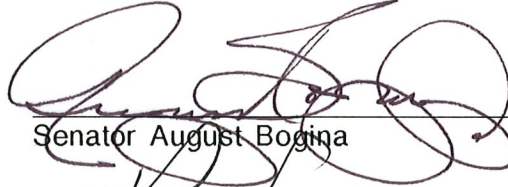
\*\* Beginning balance above \$2.75 million transferred to County Reappraisal Fund.

Lottery Prize Fund Analysis. The FY 1989 beginning balance of almost \$2.2 million is maintained as the ending balance for FY 1989 and FY 1990 in the Governor's estimates. The Subcommittee corrects the FY 1989 balances to reflect a change made during this fiscal year and noted in item 6. Included in the fund is an amount estimated by Arthur Young and Company to be \$405,000 which was reserved to pay FY 1989 prizes of Kansas Lottery Live, Lotto America, and the Anniversary Game Kick-Off. The following table summarizes the status of the Prize Fund as recommended by the Governor and adjusted by the Subcommittee:

<u>Resource Estimate</u>	<u>Gov. Rec. FY 1989</u>	<u>Subcom. Rec. FY 1989</u>
Beginning Balance	\$ 2,165,870	\$ 1,699,741
Net Receipts	<u>8,876,000</u>	<u>8,876,000</u>
Total Funds Available	\$ 11,041,870	\$ 10,575,741
Less: Expenditures	<u>8,876,000</u>	<u>8,876,000</u>
Ending Balance	<u>\$ 2,165,870</u>	<u>\$ 1,699,741</u>



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Senator David Kerr  
Subcommittee Chairperson



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Senator August Bogina



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Senator Paul Feleciano

## SUBCOMMITTEE REPORT

Agency: Department of Revenue      Bill No. 31      Bill Sec. 2  
 Analyst: Efird      Analysis Pg. No. 207      Budget Pg. No. 500

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 53,050,322	\$ 52,926,553	\$ 619,669
State Aid	5,131,500	11,545,500	--
Other Assistance	2,500,000	2,500,000	
<b>TOTALS</b>	<b>\$ 60,681,822</b>	<b>\$ 66,972,053</b>	<b>\$ 619,669</b>
<b>State General Fund:</b>			
Salaries and Benefits	\$ 20,728,948	\$ 22,357,418	\$ (627,663)
Other Operating Costs	7,806,623	7,140,573	1,749
Subtotal -- Operations	\$ 28,535,571	\$ 29,497,991	\$ (625,914)
State Aid	--	5,500,000	(5,500,000)
<b>TOTALS</b>	<b>\$ 28,597,293</b>	<b>\$ 34,997,991</b>	<b>\$ (6,125,914)</b>
<b>FTE Positions</b>	<b>1,364.5</b>	<b>1,320.5</b>	<b>7.0</b>

### Agency Request/Governor's Recommendation

The agency's budget request includes a net increase of \$3,443,984 in state operations expenditures and a net increase of 30.0 FTE positions over the revised current fiscal year request. The agency's estimates for state aid reflect the conclusion of both the reappraisal aid to counties and VIPS payments to counties which will end in FY 1989. The agency requests an increase from 1,334.5 to 1,364.5 FTE positions in FY 1990, an increase in authorized FTE of 30.0. The agency also gains 11.0 other FTE positions as a result of shifting 11 employees to the State Board of Agriculture. The net increase in new FTE would be 41.0.

The Governor's expenditure recommendations provide increased spending of \$2,621,267 for state operations in FY 1989. Recommended financing will increase State General Fund expenditures by \$3,039,916 and decrease DOV Operating Fund expenditures by \$728,980 compared with recommended FY 1989 financing. The Governor's recommendations include a net reduction of 13.0 FTE positions in FY 1990: 11.0 FTE are deleted as employees are shifted to the State Board of Agriculture and 2.0 FTE are recommended to be abolished.

A major shift in financing activities of some organizational units also is recommended in FY 1990. Some units previously financed from the Division of Vehicles (DOV) Operating Fund are recommended to be financed by the State General Fund in FY 1990. The Governor's recommendations include an average salary turnover savings rate of 3.97 percent in FY 1990. The agency had estimated 3.5 percent for the State General Fund and 4.5 percent for the DOV Operating Fund when computing FY 1990 financing for salaries and benefits.

Funding of \$15.0 million in FY 1989 concludes three years of payments to counties for reappraisal costs. No FY 1990 funding was requested by the agency. The

Governor recommends continued funding of state aid in FY 1990 with payments of \$5.5 million from the SGF to help counties maintain the uniformity of appraised property values.

#### Senate Subcommittee Recommendations

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


1. Shift FY 1990 financing of personnel to the FY 1989 pattern of funding positions and recalculate salary turnover savings for the State General Fund (SGF) and Division of Vehicles (DOV) Operating Fund in FY 1990 to reflect a 3.5 percent rate applied to the current fiscal year's funding pattern. The net change to the Governor's recommended financing would be a reduction of \$806,915 for SGF expenditures and an increase of \$1,066,986 for DOV expenditures.
2. Shift FY 1990 financing of other operating expenditures to the FY 1989 pattern of funding for the SGF and DOV related activities. The net change to the Governor's recommended financing would be a reduction of \$398,106 for SGF expenditures and an increase of \$398,106 for DOV expenditures.
3. Reduce estimated data processing and telecommunications expenditures by \$461,344 in FY 1990 due to a reduction in the Division of Information Systems and Communications (DISC) fees. The net change to the Governor's recommended financing would be reductions of \$29,792 SGF expenditures and of \$431,552 DOV expenditures.
4. Appropriate \$358,548 from the State General Fund for the first installment payment to acquire an Automated Collections System (ACS) and recommend that the Governor send a budget amendment to address this item. Appropriate the ACS Fund with a \$0 limitation since financing is appropriated from the General Fund.
5. Reduce \$48,556 from travel and subsistence expenditures in the Property Valuation Division's Reappraisal Bureau to reflect transfer of 11.0 FTE positions to other bureaus where travel and subsistence funding is provided. The FY 1990 amount is based on the same average reimbursement per individual recommended by the Governor for FY 1989 expenditures to fund the bureau when it has 45.0 FTE positions.
6. Add \$212,043 from the DOV Operating Fund for replacement of personalized tags beginning in FY 1990 pending passage of legislation which would not require reissuance of all tags.
7. Add \$55,000 and 1.0 FTE position to continue processing the Intangibles Tax pending passage of legislation which would amend K.S.A. 12-1,104 to allow the agency to stop processing.
8. Add \$144,252 for salaries and benefits for 6.0 FTE positions and \$99,655 for other operating costs of the Petroleum Measurement Enforcement unit pending passage of legislation which would transfer the duties and personnel to the State Board of Agriculture. The Subcommittee agrees with the proposed transfer after the bill passes, but reduces the Governor's recommendation by this action.

9. Appropriate the County Reappraisal Fund and authorize expenditures of \$5.5 million in FY 1990 for aid to counties for maintenance of valuations after reappraisal. A reduction of \$5.5 from the State General Fund offsets this addition.
10. Appropriate line items for salaries and wages and other operating expenditures.
11. Add a no limit line item authorizing expenditures from the Ignition Interlock Expenses Fund.

In addition, the Subcommittee notes the following items:

1. Some 54 counties may have a problem involving both software and computer disk storage capacity relative to producing a new statistical abstract which tracks decisions affecting assessed valuations generated by the reappraisal process. Apparently the counties must depend upon one vendor to provide an update in software which will be able to generate a much more detailed abstract than has been needed in the past. The state needs data about how decisions to change valuations came about and at what level changes occurred in order to judge the uniform and equal application of valuation procedures in all 105 counties. The statistical abstract will provide that necessary detail and therefor is deemed necessary by the state.
2. The Subcommittee is aware of the Secretary's new tuition reimbursement plan to reimburse employees according to the grade received in an academic course of study. The Subcommittee believes that the only criterion for reimbursing employees should be a passing grade, not a payment based on 75 percent of cost paid for an "A" grade, 50 percent of a "B" grade and 25 percent for a "C" grade.
3. The Subcommittee encourages the agency to stop making employees use personal vehicles and to place all employees who must drive between different work locations into state motor pool cars.

  
\_\_\_\_\_  
Senator August Bogina  
Subcommittee Chairman

  
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Senator Ross Doyen

  
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Senator Michael Johnston

## SUBCOMMITTEE REPORT

Agency: Department of Revenue      Bill No. 80      Bill Sec. 12  
 Analyst: Efirid      Analysis Pg. No. 207      Budget Pg. No. 500

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 49,606,338	\$ 50,305,286	\$ (479,297)
State Aid	21,962,849	22,635,849	482,379
Other Assistance	2,500,000	2,500,000	--
<b>TOTALS</b>	<b>\$ 74,069,187</b>	<b>\$ 75,441,135</b>	<b>\$ 3,082</b>
<b>State General Fund:</b>			
Salaries and Benefits	\$ 19,911,041	\$ 19,976,149	\$ 155,855
Other Operating Costs	6,523,813	6,481,926	(19,930)
Subtotal -- Operations	\$ 26,434,854	\$ 26,458,075	\$ 135,925
State Aid	7,000,000	7,000,000	--
<b>TOTALS</b>	<b>\$ 33,434,854</b>	<b>\$ 33,458,075</b>	<b>\$ 135,925</b>
 FTE Positions	 1,334.5	 1,333.5	 --

### Agency Request/Governor's Recommendation

The revised agency budget includes a net reduction of \$663,129 in state operations expenditures and an increase of 1.0 FTE position compared with the budget approved by the 1988 Legislature. Estimated expenditures for salaries and wages and capital outlay are increased. Estimated expenditures are reduced for data processing and other fees, repair and maintenance, rents, communications, and all other categories. No changes are made in the approved estimates for state aid and other assistance payments.

The Governor recommends a net increase of \$35,819 in expenditures above the amount approved by the 1988 Legislature is recommended by the Governor for state operations. Increased expenditures are recommended for fringe benefits in adjusting for current rates of health insurance and for reallocating the Tax Examiner classification to provide salary enhancements. An additional \$500,000 is recommended for data processing charges associated with VIPS in FY 1989. An increase of \$673,000 in state aid also is recommended based on the November 1988 estimates for additional mineral tax rebates to counties and school districts. No change is made in the estimate for other assistance.

A supplemental State General Fund appropriation of \$72,374 is recommended in FY 1989 for salaries and wages. Expenditure limitation increases are recommended for the Division of Vehicles (DOV) Operating Fund in the amounts of \$60,979 for state operations and \$212,640 in the salaries and wages account. Further adjustments are recommended for other revenue funds to provide financing for fringe benefits changes.

The Governor's recommendations include recalculated salary turnover savings which result in an average rate of 3.96 percent for both the State General Fund and DOV Operating Fund. The agency's estimates had been based on rates approved by the 1988 Legislature: 3.5 percent for the SGF and 4.5 percent for the DOV. The Governor's FY

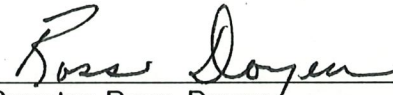
1989 recommendations decrease net financing required from the SGF and increase net financing required from the DOV, thus requiring a smaller SGF supplemental and a larger DOV expenditure limitation increase than otherwise would be necessary had approved turnover savings rates been retained.

Senate Subcommittee Recommendations

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

1. Recalculate salary turnover savings for the State General Fund (SGF) and Division of Vehicles (DOV) Operating Fund in FY 1989 to reflect a 3.5 percent rate. The net change to the Governor's recommended financing would be an addition of \$155,855 SGF and an addition of \$69,085 DOV financing for salaries and wage expenditures.
2. Reduce estimated data processing and telecommunications expenditures by \$101,143 in FY 1989 due to a reduction in the Division of Information Systems and Communications (DISC) fees. The net change to the Governor's recommended financing would be reductions of \$19,930 SGF expenditures and of \$81,213 DOV expenditures.
3. Reduce expenditures for VIPS capital outlay by \$603,094 and increase estimated state aid to counties for VIPS by \$482,379 for total VIPS-related expenditures of \$2,612,641 in FY 1989, a net savings of \$120,715 in the approved VIPS financing of \$2,733,356.

  
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Senator August Bogina  
Subcommittee Chairman

  
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Senator Ross Doyen

  
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Senator Michael Johnston



**SUBCOMMITTEE REPORT**

Agency: Department of Commerce      Bill No. 80      Bill Sec. 10  
 Analyst: West      Analysis Pg. No. 244      Budget Pg. No. 112

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 7,866,253	\$ 8,838,528	\$ --
Local Aid	19,282,502	18,273,232	700,000
Other Assistance	<u>750,000</u>	<u>700,000</u>	<u>--</u>
<b>TOTAL</b>	<b><u>\$ 27,898,755</u></b>	<b><u>\$ 27,811,760</u></b>	<b><u>\$ 700,000</u></b>
<b>State General Fund:</b>			
State Operations	\$ 5,255,830	\$ 6,154,891	\$ --
Local Aid	--	1,700,000	700,000
Other Assistance	<u>500,000</u>	<u>500,000</u>	<u>--</u>
<b>TOTAL</b>	<b><u>\$ 5,755,830</u></b>	<b><u>\$ 8,354,891</u></b>	<b><u>\$ 700,000</u></b>
<b>Economic Development Initiatives Fund:</b>			
State Operations	\$ 1,571,327	\$ 1,636,215	\$ --
Local Aid	4,551,000	1,793,121	--
Other Assistance	<u>250,000</u>	<u>200,000</u>	<u>--</u>
<b>TOTAL</b>	<b><u>\$ 6,372,327</u></b>	<b><u>\$ 3,629,336</u></b>	<b><u>\$ --</u></b>
<b>FTE Positions</b>	<b>100.5</b>	<b>100.5</b>	<b>--</b>

Agency Request/Governor's Recommendation

**State Operations.** The Department of Commerce proposes an FY 1989 state operations budget for 100.5 FTE positions of \$7,866,253, including \$5,255,830 from the State General Fund, \$1,571,327 from the Economic Development Initiatives Fund (EDIF), and \$1,039,096 from other funding sources. The current year estimate reflects a decrease of \$2,287 in State General Fund expenditures associated with lower than anticipated reappropriated balances, a net decrease of \$5,026 in expenditures from the Publications and Other Sales Fund; a net increase of \$4,539 from federal funds associated with the Community Development Block Grant (CDBG) and Rental Rehabilitation programs, and a requested increase of \$2,285 for expenditures for capital outlay from the Conversion of Materials and Equipment Fund, resulting in a net decrease in state operations expenditures of \$489. The agency requests an expenditure limitation increase to \$2,285 on the Conversion of Materials and Equipment Fund.

The Governor recommends an FY 1989 state operations budget of \$8,838,528, including \$6,154,891 from the State General Fund, \$1,636,215 from the EDIF, and \$1,047,422 from other funding sources. The FY 1989 recommendation reflects an increase from the agency's estimate of State General Fund expenditures of \$899,061, including increased funding for the KIT program (\$800,000), increased salaries (\$60,650), and increased other operating expenditures (\$38,411). The Governor recommends State General Fund supplemental appropriations for state operations of \$915,182 and State General Fund lapses of \$24,187. Financing from the EDIF is recommended to increase by \$64,888 associated with administration of the Kansas Partnership Fund (\$57,879) and

other salary revisions (\$7,009). Other funding sources are recommended to increase from the agency's estimate by \$8,326, reflecting a decrease in salaries of \$7,167 and an increase in other operating expenses of \$15,493. The Governor recommends expenditure limitation increases on the EDIF state operations account (by \$64,888 to \$436,215), the Conversion of Materials and Equipment Fund (by \$2,285 to \$2,285), and the Low Income Housing Tax Credit Fund (by \$609 to \$48,536). The Governor's recommendation also reflects increased expenditures of \$22,500 from the Linger Longer Fund and conversion of the fund's expenditure limitation to "no limit."

**Local Aid.** The Department of Commerce estimates payments to local units of government will total \$19,282,502 in FY 1989, a slight decrease from the amount approved by the 1988 Legislature. Grants provided under the CDBG program are estimated at \$14,031,502, an increase of \$31,502, while grants under the Rental Rehabilitation program are estimated at \$700,000, a decrease of \$33,000. The changes are reportedly associated with a change in federal regulations governing the allocation of administrative expenses for the two programs. EDIF expenditures of \$4,551,000 are anticipated for loans to local units of government from the Kansas Partnership Fund (\$4,500,000) and for grants under the Main Street program (\$51,000), amounts unchanged from the budget approved by the 1988 Legislature.

The Governor estimates payments to local units of government in FY 1989 will total \$18,273,232, a decrease of \$1,009,270 from the agency's estimate. The Governor's recommendation includes \$14,031,502 of CDBG grants, \$748,609 for Rental Rehabilitation grants (an increase of \$48,609), \$51,000 for Main Street grants, and \$3,442,121 for loans from the Kansas Partnership Fund (a decrease of \$1,057,879). The Governor recommends a decrease of \$2,757,879 in EDIF funding for the partnership fund and a State General Fund supplemental appropriation of \$1,700,000 for the fund.

**Other Assistance.** The Department estimates other assistance payments of \$750,000 in FY 1989 for grants to Certified Development Companies (\$425,000) and Small Business Development Centers (\$275,000) and awards under the Education Awards program (\$50,000), amounts unchanged from the budget approved by the 1988 Legislature. The current year estimate is financed by \$500,000 from the State General Fund and \$250,000 from the EDIF.

The Governor recommends \$700,000 for other assistance payments in FY 1989, a decrease of \$50,000 from the agency's estimate. The Governor recommends elimination of the \$50,000 from the EDIF for the Education Awards program.

#### Senate Subcommittee Recommendations

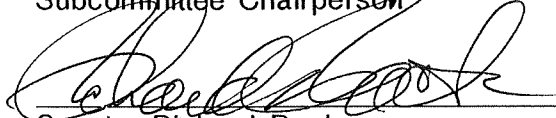
The Senate Subcommittee concurs with the Governor's FY 1989 recommendation, with the following adjustments:

1. Increase the expenditure limitation on the Conversion of Materials and Equipment Fund to \$2,285 for a technical adjustment to the bill.
2. Decrease the State General Fund supplemental in S.B. 80 for the KIT program by \$200,000 to reflect the Senate's prior action on S.B. 30.
3. Restore the \$700,000 deleted from the \$1,700,000 State General Fund supplemental appropriation for the Partnership program which was in S.B. 30. This recommendation restores the funding for the Partnership program to the level recommended by the Governor.



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Senator Ross O. Doyen  
Subcommittee Chairperson



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Senator Richard Rock

**SUBCOMMITTEE REPORT**

Agency: Department of Commerce      Bill No. 31      Bill Sec. 6  
 Analyst: West      Analysis Pg. No. 244      Budget Pg. No. 112

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 13,191,692	\$ 10,151,011	\$ 372,025
Local Aid	24,685,336	18,261,185	--
Other Assistance	<u>1,025,000</u>	<u>700,000</u>	--
<b>TOTAL</b>	<b><u>\$ 38,902,028</u></b>	<b><u>\$ 29,112,196</u></b>	<b><u>\$ 372,025</u></b>
<b>State General Fund:</b>			
State Operations	\$ 8,578,320	\$ 7,304,958	\$ 372,025
Local Aid	--	--	--
Other Assistance	<u>500,000</u>	<u>500,000</u>	--
<b>TOTAL</b>	<b><u>\$ 9,078,320</u></b>	<b><u>\$ 7,804,958</u></b>	<b><u>\$ 372,025</u></b>
<b>Economic Development Initiatives Fund:</b>			
State Operations	\$ 3,409,568	\$ 1,795,160	\$ --
Local Aid	9,942,854	3,468,703	--
Other Assistance	<u>525,000</u>	<u>200,000</u>	--
<b>TOTAL</b>	<b><u>\$ 13,877,422</u></b>	<b><u>\$ 5,463,863</u></b>	<b><u>\$ --</u></b>
<b>FTE Positions</b>	<b>137.0</b>	<b>108.5</b>	<b>--</b>

Agency Request/Governor's Recommendation

**State Operations.** The Department requests \$13,191,692, including \$8,578,320 from the State General Fund, \$3,409,568 from the EDIF, and \$1,203,804 from other funding sources, for state operations in FY 1990. The request represents an increase from the current year estimate of \$5,325,439 including \$3,322,490 from the State General Fund, \$1,838,241 from the EDIF, and reflects the addition of 36.5 FTE positions. Major increases reflected in the Department's request include \$834,574 for tourism studies and promotions, an additional \$1,800,000 for the Kansas Industrial Training (KIT) program, an increase of \$140,000 for the tourism matching grant program, and \$1,084,436 for the requested new positions.

The Governor recommends \$10,151,011, including \$7,304,958 from the State General Fund, \$1,795,160 from the EDIF, and \$1,014,893 from other funding sources, for FY 1990 state operations. The FY 1990 recommendation reflects increases from the current year recommendation of \$1,150,067 from the State General Fund, \$158,945 from the EDIF, \$3,471 from other funding sources, and 7.5 FTE positions. Major increases reflected in the Governor's recommendation include \$237,573 for the new positions, \$149,400 for salary increases, \$450,000 for the KIT program, and \$246,703 for tourism promotions. Effective in FY 1990, the Governor recommends that the State General Fund appropriation for state operations be a single line item.

**Local Aid.** The Department requests \$24,685,336 for payments to local units of government in FY 1990. The request includes \$14,042,482 for grants under the Small

Cities CDBG program and \$700,000 for grants under the Rental Rehabilitation program, a slight increase from the current year estimate. The request also includes \$9,891,854 from the EDIF for the Kansas Partnership Fund, which provides loans to local units of government for infrastructure improvements and \$51,000 from the EDIF to provide assistance to smaller cities enrolled in the Main Street program.

The Governor recommends \$18,261,185 for payments to local units of government in FY 1990. The recommendation includes \$14,042,482 for CDBG grants, \$750,000 for Rental Rehabilitation grants, \$3,417,703 from the EDIF for loans through the Kansas Partnership Fund, and \$51,000 from the EDIF for Main Street Grants.

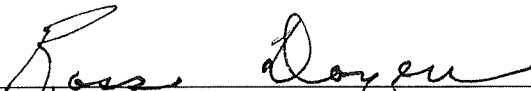
**Other Assistance.** The Department requests \$1,025,000 in FY 1990 to continue grants to the Certified Development Companies (\$425,000) and the Small Business Development Centers (\$450,000). Funding is also requested to continue the Education Awards program (\$50,000) and to establish a program to assist smaller firms in attending trade shows (\$100,000). The FY 1990 request would be financed by \$500,000 from the State General Fund and \$525,000 from the EDIF.

The Governor recommends \$700,000 to continue grants to the Certified Development Companies (\$425,000) and the Small Business Development Centers (\$275,000). The recommendation is financed by \$500,000 from the State General Fund and \$200,000 from the EDIF.


#### Senate Subcommittee Recommendations

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

1. Add \$5,525 from the State General Fund for a technical adjustment for salaries and wages.
2. Add \$6,000 from the State General Fund for a pilot program of placing FAX machines in the Department's field offices. The Subcommittee recommends that the agency report to the 1990 Legislature on any cost savings or service improvements which result from the use of the machines.
3. Add \$300,000 from the State General Fund to provide a total of \$2,750,000 for the KIT and KIR programs.
4. Add \$10,500 from the State General Fund for other operating expenses of the Film Commission program.
5. The Subcommittee note the potential importance of a tourism marketing study. The Subcommittee adds \$50,000 from the State General Fund to assist in financing the Tourism program and recommends that the Department finance a tourism marketing study from recommended agency resources.
6. The Subcommittee notes that additional resources may be required to permit the Department to properly promote the Eisenhower Centennial and recommends that additional funding be considered by the House Subcommittee or in the Omnibus Appropriations Bill when the agency has developed a funding request.



\_\_\_\_\_  
Senator Ross O. Doyen  
Subcommittee Chairperson



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Senator Richard Rock

## SUBCOMMITTEE REPORT

Agency: State Board of Tax Appeals

Bill No. 31

Bill Sec. 2

Analyst: Efirid

Analysis Pg. No. 232

Budget Pg. No. 574

<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	\$ 1,072,194	\$ 1,070,236	\$ --
State General Fund	1,067,194	1,065,236	--
FTE Positions	22.0	20.0	--

### Agency Request/Governor's Recommendation

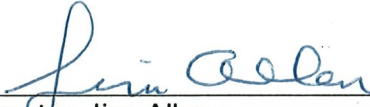
For FY 1990, the Board requests a net increase in expenditures of \$159,755 more than its revised FY 1989 estimate. Program enhancements are requested in preparing for statewide reappraisal and handling an increased caseload which the Board estimates will total 22,194 appeals in FY 1990, with 17,194 hearings estimated for changes in property valuations associated with reappraisal. New financing is requested for four limited term secretarial positions, salary upgrades for its attorneys, an additional law clerk, increased communications, travel and office supplies expenses, and portable computer equipment. The Governor's recommendations include a net increase of \$159,524 for the Board's expenditures in FY 1990. Increased funding includes \$178,962 for salaries and benefits and \$96,513 for contractual services and commodities to finance most of the Board's program enhancements, including two new limited term secretarial positions and two part-time secretarial positions.

### Senate Subcommittee Recommendation

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

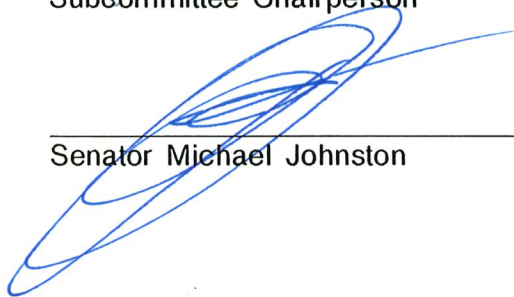
1. Board members' salaries are statutorily linked to judicial salaries. For FY 1990, the Governor's recommendations include a 4.0 percent increase for judicial pay while funding is recommended for the Board of Tax Appeals to pay a 5.8 percent increase in Board compensation. The Subcommittee notes a variety of requests from the Board for additional funding of other operating expenses and suggests that the Board use its potential salary savings in FY 1990 to finance other costs such as personal computer equipment for its attorneys.
2. S.B. 31 provides a single line item for operating expenditures which would allow the Board to shift financing among areas of expenditures if necessary. If an Official Reporter is not hired, then the funds allotted for salaries and wages could be shifted to pay contractual services for a court reporter.
3. S.B. 31 also provides for reappropriation of any unexpended FY 1989 State General Fund balance in the other operating expenditures account

and allows any reappropriated funds to be spent in addition to the new FY 1990 funding appropriated. The correct title of the FY 1989 line item appropriation is "operating expenditures" rather than other operating expenditures and S.B. 31 should be amended.



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Senator Jim Allen  
Subcommittee Chairperson



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Senator Michael Johnston



## SUBCOMMITTEE REPORT

Agency: State Board of Tax Appeals

Bill No. 80

Bill Sec. 11

Analyst: Efird

Analysis Pg. No. 232

Budget Pg. No. 574

<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	\$ 912,439	\$ 910,712	\$ --
State General Fund	907,959	906,232	--
FTE Positions	18.0	18.0	--

### Agency Request/Governor's Recommendation

The Board requests an increase in its currently approved budget of \$798,774, to be finance by a supplemental appropriation of \$115,310 from the State General Fund. The supplemental would provide \$113,665 to help pay most of the cost for a new computer system. The Governor's recommendations include a supplemental appropriation of \$111,938 from the State General Fund to help finance a new computer system to be used in conjunction with the appeals hearings resulting from statewide reappraisal. The Governor's recommendations also include reductions in other approved expenditures to partially finance the computer costs estimated at \$116,335.

### Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1989 recommendations, with the following comments and correction:

1. Note that S.B. 30 includes a \$111,938 State General Fund supplemental to pay for most of a new computer system. The Governor recommends increasing the Board's FY 1989 State General Fund expenditures from \$794,294 to \$906,232 (for a net increase of \$111,938 which is the amount of the S.B. 30 supplemental).
2. Delete \$114,667 from S.B. 80 which duplicates the correct funding amount included in S.B. 30. The recommended funding in S.B. 80 overstated the Governor's Budget Report recommendations which included a net increase in State General Fund expenditures of \$111,938 to pay part of the computer system cost while reducing other areas of expenditures.
3. Note that the Board has not hired a second Official Reporter as authorized by the 1988 Legislature. The Board indicates that it is having trouble meeting salary expectations of applicants. The Subcommittee also notes that the salary savings apparently are being used to pay for a second law clerk which was not budgeted in FY 1989 but was requested in FY 1990 and recommended by the Governor.

  
\_\_\_\_\_  
Senator Jim Allen  
Subcommittee Chairperson

  
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Senator Michael Johnston

## SUBCOMMITTEE REPORT

Agency: Kansas Racing Commission Bill No. 80

Bill Sec. --

Analyst: Efirid

Analysis Pg. No. 228

Budget Pg. No. 480

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State Racing Fund	\$ 345,998	\$ 522,840	\$ 15,660
State General Fund	750,000	500,000	50,000
Other Statutory Funds	--	--	303,165
TOTAL	\$ 1,095,998	\$ 1,022,840	\$ 368,825
FTE Positions	19.0	14.0	2.0

\* Includes Governor's Budget Amendment No. 1 for \$34,709 of Racing Fund expenditures and funding in S.B. 30 for a new computer system.

### Agency Request/Governor's Recommendation

For the current fiscal year, the Commission requests an increase of \$249,152 in its currently approved expenditures, an additional 5.0 FTE positions, and other part-time staff. Increases requested include \$97,295 for salaries and benefits, \$104,678 for contractual services, and \$47,179 for capital outlay. Financing of the requested FY 1989 supplemental would be from a State General Fund transfer of \$750,000 to the State Racing Fund. Slightly more than \$500,000 of the transfer would be carried over into FY 1990 to finance Commission operations at the start of the new fiscal year due to a projected cashflow problem before additional racing will provide new funds in November, 1989. Slightly less than \$250,000 of the supplemental transfer would be used to finance increases in FY 1989 expenditures.

The Governor's recommendations include an increase of \$108,285 in expenditures. A proposed budget amendment would add an additional \$34,709 in FY 1989. Financing of \$500,000 is recommended from a State General Fund supplemental to address the projected shortfall in funds. The Governor indicates that this funding would be a loan. Based on the status of the Racing Fund recommended by the Governor, approximately \$343,584 would be carried over to help with cashflow in early FY 1990 (or \$308,875 if all of the Governor's budget amendment funding were spent). The Governor's recommended FY 1989 funding does not allow expenditures for new FTE positions or other additional part-time staff, but would provide \$200,000 for a new computer system. A proposed budget amendment would add \$34,709 for other capital outlay in FY 1989.

### Senate Subcommittee Recommendation

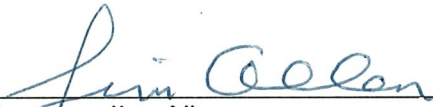
The Subcommittee concurs with the Governor's FY 1989 recommendations, including the proposed budget amendment to increase expenditures by \$34,709 for capital outlay, with the following exceptions:

1. Add 1.0 FTE Computer Systems Analyst III at \$8,612 and 1.0 FTE Keyboard Operator III at \$4,979, with an additional \$2,069 added for other operating costs relative to these two new positions. The Governor

recommends the Systems Analyst in FY 1990, but with the inclusion of a new computer system in S.B. 30 as an emergency \$250,000 supplemental this fiscal year, the Subcommittee believes that computer-related personnel should be hired this fiscal year.

2. Appropriate \$300,000 from the State General Fund to finance a revenue shortfall, of which \$250,000 is recommended by the Governor (in addition to the \$250,000 included in S.B. 30 for a new computer system). The other \$50,000 should be used to capitalize the Racing Reimbursement Expense Fund by either repaying the State Racing Fund for earlier expenditures or by transferring the \$50,000 to the Racing Reimbursement Expense Fund to pay for racing judges, stewards and assistant animal health officers (since there is a delay before race tracks send the reimbursement for costs). The Racing Commission must meet monthly state payrolls for these employees and needs cash on hand for the revolving fund to work as intended. Funding should be added to S.B. 80.

**Other Statutory Funds.** Not included in the Governor's Budget Report are expenditures from two other funds: the Racing Reimbursable Expense Fund and the Racing Investigative Expense Fund. Estimated expenditures from the former are \$185,421 to pay costs associated with racing judges, stewards and assistant animal health officers. Estimated expenditures from the latter are partially dependent upon a pending Supreme Court ruling, but are estimated at \$167,744 in FY 1989 regardless of the judicial decision. Expenditures would be reduced by the \$50,000 State General Fund supplemental.

  
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Senator Jim Allen  
Subcommittee Chairman

  
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Senator Michael Johnston

## SUBCOMMITTEE REPORT

Agency: Kansas Racing Commission Bill No. 31

Bill Sec. 5

Analyst: Efirid

Analysis Pg. No. 228

Budget Pg. No. 480

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State Racing Fund	\$ 2,202,149	\$ 1,800,045	\$ (269,706)
State General Fund	--	--	350,000
Other Statutory Funds	--	--	848,828
TOTAL	\$ 2,202,149	\$ 1,800,045	\$ 929,722
FTE Positions	27.0	19.0	1.0

### Agency Request/Governor's Recommendation

The Commission requests expenditures from the State Racing Fund of \$2,202,149, including salaries and benefits of \$1,110,420 for both permanent and temporary employees, capital outlay of \$134,462, and other operating costs of \$957,267. Financing would be from racing receipts estimated at \$6,418,728 from the parimutuel tax, license fees and admissions tax, plus \$500,000 in FY 1989 carryover financing. Staffing of 27.0 FTE positions and additional temporary employees are requested.

Recommended FY 1990 expenditures include \$971,607 for salaries and wages of 19.0 FTE positions and other part-time employees and \$828,438 for other operating expenses, including \$27,032 for capital outlay. The Governor's recommended increase in salaries will allow hiring 5.0 FTE new positions and employing part-time workers to assist during the racing seasons.

### Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's expenditure recommendations with the exceptions noted below in item 2, but disagrees with the financing assumptions of when sufficient cash will be available in FY 1990 to pay for monthly operations and therefore makes the following recommendation:

1. Appropriate \$350,000 from the State General Fund as a loan to the Racing Commission in order to adequately finance operations from July to November. Racing receipts and the projected FY 1989 carryover balance will be insufficient to pay all costs beginning as early as September 1989 under the Governor's financing plan shown below:

	<u>FY 1989 Carryover</u>	<u>July, 89</u>	<u>Aug. 89</u>	<u>Sept. 89</u>	<u>Oct. 89</u>
Receipts		\$ 52,000	\$ 51,100	\$ 43,800	\$ 39,900
Expenses		171,903	216,171	201,484	169,803
Balance	\$ 308,874	\$ 188,971	\$ 23,900	\$ (133,784)	\$ (263,687)

The Subcommittee's plan adds \$350,000 in July 1989 to finance activities through October 1989 with an adequate ending balance to pay the November 1 payroll:

	FY 1989 Carryover	July, 89	Aug. 89	Sept. 89	Oct. 89
Receipts		\$ 402,000	\$ 51,100	\$ 43,800	\$ 39,900
Expenses		<u>171,903</u>	<u>216,171</u>	<u>201,484</u>	<u>169,803</u>
Balance	\$ 363,548	\$ 593,645	\$ 428,574	\$ 270,890	\$ 140,987


2. Add 1.0 FTE Keyboard Operator III at \$20,894. This position was added by the Subcommittee in FY 1989 and is not recommended by the Governor in FY 1990. With the addition of a new computer system, the Subcommittee believes that the Racing Commission needs a word processing operator to assist with typing and data entry work.
3. Add \$60,000 to pay Commissioners \$1,000 per month for compensation.
4. Appropriate the Greyhound Tourism Fund with a \$0 limitation since no planned expenditures are reported.
5. Provide for repayment pursuant to K.S.A. 1988 Supp. 74-8826(d) of \$1.4 million in State General Fund loans plus the accrued interest when sufficient resources are available in FY 1990. This repayment plus interest will reduce the \$4.7 million transfer to the State Gaming Revenues Fund.
6. Introduce a bill to authorize monthly transfers from the State Racing Fund to the State Gaming Revenues Fund, beginning in FY 1990 after repayment of all loans plus interest. Transfers should be made only of amounts in excess of \$1.0 million in the State Racing Fund to maintain an adequate cash balance. Current law authorizes the first annual transfer on July 15, 1990, unless otherwise provided by law. The Governor's budget recommendation for spending parimutuel funds anticipates transfers beginning in January 1990 and legislation is needed for monthly transfers to occur. The Subcommittee believes that a bill is the preferred method rather than as a proviso in S.B. 31 (which is suggested by a proposed Governor's budget amendment).

**Racing Fund Analysis.** The status of the State Racing Fund, as adjusted by the Subcommittee's recommendations for FY 1989 and FY 1990, is shown:

	<u>Actual</u> <u>FY 1987</u>	<u>Actual</u> <u>FY 1988</u>	<u>Estimated</u> <u>FY 1989</u>	<u>Estimated</u> <u>FY 1990</u>
Beginning Balance	\$ 0	\$ 59,886	\$ 252,716	\$ 363,548
Net Receipts	0	136,127	366,332	6,389,530
Transfers In/(Out)	<u>101,402</u>	<u>398,598</u>	<u>280,000</u>	<u>(4,222,139)</u>
Total Available	\$ <u>101,402</u>	\$ <u>594,611</u>	\$ <u>899,048</u>	\$ <u>2,530,939</u>
Less Expenditures	<u>41,516</u>	<u>341,895</u>	<u>535,500</u>	<u>1,530,939</u>
Ending Balance	\$ <u><u>59,886</u></u>	\$ <u><u>252,716</u></u>	\$ <u><u>363,548</u></u>	\$ <u><u>1,000,000</u></u>

Transfers out of \$4,685,440 during FY 1990 would begin in January, 1990 according to the Governor's recommendations, with all funds going first to the State General Fund and then, after \$1.0 million is accrued in the State Racing Fund, to the State Gaming Revenues Fund for distribution under statutory formula to three other funds.

**Other Statutory Funds.** Not included in the Governor's Budget Report are expenditures from two other funds: the Racing Reimbursable Expense Fund and the Racing Investigative Expense Fund. Estimated expenditures from the former are \$848,828 to pay costs associated with racing judges, stewards and assistant animal health officers. Estimated expenditures from the latter are partially dependent upon a pending Supreme Court ruling, but may total as much as \$300,000 or more in FY 1990.

  
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Senator Jim Allen  
Subcommittee Chairman

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Senator Michael Johnston

SUBCOMMITTEE REPORT

Agency: Kansas, Inc.

Bill No. 31

Bill Sec. 7

Analyst: West

Analysis Pg. No. 235

Budget Pg. No. 384

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds	\$ 542,118	\$ 436,171	\$ 10,737
State General Fund	311,150	290,781	7,158
Economic Development Initiatives Fund	75,000	--	--
FTE Positions	4.0	4.0	--

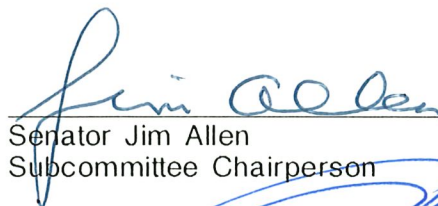
Agency Request/Governor's Recommendation

**FY 1990.** Kansas, Inc., requests an FY 1990 budget of \$542,118 including \$311,150 from the State General Fund and \$75,000 from the EDIF. Total expenditures are requested to increase by \$29,463; reflecting increases of \$15,100 for contractual research, \$12,326 for salaries and wages, and \$6,361 for printing expenses associated with contractual research; and decreases of \$3,000 for honorariums and \$2,709 for freight expenses. Net other changes increase total expenditures by \$1,385. The agency reports that the State General Fund request would be matched by \$155,968 from private sources. The Governor recommends an FY 1990 budget of \$436,171, including \$290,781 from the State General Fund. The Governor does not recommended EDIF financing for Kansas, Inc. in FY 1990. Major revisions from the agency's request include decreases in contractual research (\$86,230), travel and subsistence (\$10,408), and printing (\$8,500). Net other changes in the Governor's recommendation reduce the agency's request by \$809. The Governor's recommendation is financed on a two to one match basis with the State General Fund and private donations.

Senate Subcommittee Recommendation

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

1. Add \$10,737 (including \$7,158 from the State General Fund) for operating expenses based on a revised agency analysis of FY 1990 needs.

  
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 Senator Jim Allen  
 Subcommittee Chairperson

  
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 Senator Mike Johnston



## SUBCOMMITTEE REPORT

Agency: Kansas, Inc.                      Bill No. --                      Bill Sec. --  
Analyst: West                              Analysis Pg. No. 235                      Budget Pg. No. 384

Expenditure Summary	Agency Req. FY 89	Governor's Rec. FY 89	Subcommittee Adjustments
All Funds	\$ 512,655	\$ 490,858	\$ 21,758
State General Fund	276,620	277,239	14,505
Economic Development Initiatives Fund	75,000	75,000	--
FTE Positions	4.0	4.0	--

### Agency Request/Governor's Recommendation


The FY 1989 budget estimate for Kansas, Inc., is \$512,655 including \$276,620 from the State General Fund and \$75,000 from the Economic Development Initiatives Fund (EDIF). The current year estimate reflects a decrease of \$15,150 from the State General Fund and an equal increase from donations from the budget approved by the 1988 Legislature. Subsequent to the submission of the agency's budget, revised records were filed with the Division of Accounts and Reports which restored \$15,188 of State General Fund reappropriations. Kansas, Inc., reports that revisions in the estimated expenditures for several items have been made in order to more accurately reflect anticipated expenses in the current year. Major revisions include increases in printing expenses (\$12,839) associated with printing research studies, travel (\$2,303), communication expenses (\$2,302), freight expenses (\$2,209), and a decrease in the estimated cost of contractual research (\$21,481). The Governor recommends an FY 1989 budget for Kansas, Inc. of \$490,858, including \$277,239 from the State General Fund and \$75,000 from the EDIF. Salaries are reduced from the agency's estimate by \$2,181 to reflect revised health insurance rates, revised turnover savings, and elimination of funding for temporary employment. Other major revisions from the agency's estimate include reductions in travel and subsistence (\$12,205), professional services (\$3,000), and printing (\$2,819). Other changes further reduce total expenditures by \$1,592. The Governor's recommendation is financed on a two to one match basis with the State General Fund (two-thirds) and private donations (one-third), excluding the EDIF funding.

### Senate Subcommittee Recommendation

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

1. Restore \$21,758 (including \$14,505 from the State General Fund) for operating expenses based on a revised agency analysis of current year needs. The Subcommittee also recommends that any unencumbered State General Fund balance be lapsed at the end of FY 1989.

  
\_\_\_\_\_  
Senator Jim Allen  
Subcommittee Chairperson

  
\_\_\_\_\_  
Senator Mike Johnston

## SUBCOMMITTEE REPORT

Agency: Kansas Technology  
Enterprise Corporation

Bill No. 31

Bill Sec. 8

Analyst: West

Analysis Pg. No. 238

Budget Pg. No. 408

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 621,861	\$ 501,469	\$ 57,531
Other Assistance	8,550,825	5,150,000	(60,000)
Total	\$ 9,172,686	\$ 5,651,469	\$ (2,469)
<b>State General Fund:</b>			
State Operations	\$ 621,861	\$ 224,691	\$ --
Other Assistance	2,628,825	--	575,000
Total	\$ 3,250,686	\$ 224,691	\$ 575,000
<b>Economic Development Initiatives Fund:</b>			
State Operations	\$ --	\$ 276,778	\$ 57,531
Other Assistance	5,922,000	5,150,000	(635,000)
Total	\$ 5,922,000	\$ 5,426,778	\$ (577,469)
FTE Positions	7.0	6.0	--

### Agency Request/Governor's Recommendation

The Corporation requests an FY 1990 budget of \$9,172,686, including \$3,250,686 from the State General Fund and \$5,922,000 from the EDIF. The Governor recommends an FY 1990 budget of \$5,651,469, including \$224,691 from the State General Fund and \$5,426,778 from the EDIF.

1. State Operations. The Corporation requests an FY 1990 state operations budget of \$621,861, an increase of \$29,946 from the current year estimate. Major revisions include increases for an additional position (\$23,828), professional fees (\$45,950), conference expenditures (\$31,685), and printing and advertising expenses (\$20,300) and decreases in other salary expenditures (\$82,482) and capital outlay (\$27,095). Net other changes increase total expenses by \$14,760. KTEC requests that the FY 1990 state operations budget be financed by the State General Fund, an increase of \$395,755 in State General Fund expenditures and a decrease of \$368,809 in EDIF expenditures from the current year estimate. The Governor recommends \$501,469 for state operations in FY 1990, an increase of \$34,671 from the current year recommendation. The FY 1990 recommendation would be financed by \$224,691 from the State General Fund and \$276,778 from the EDIF.

2. Other Assistance. The Corporation requests \$8,550,825 for several assistance programs in FY 1990, an increase of \$1,363,429 from the current year estimate. The request includes \$2,628,825 from the State General Fund to support the Centers of Excellence (\$2,000,000) and the Agriculture Value Added Center (\$628,825). EDIF funding totaling \$5,922,000 is requested for Research Matching Grants (\$2,000,000), seed capital investments (\$1,500,000), Research Equipment Grants (\$1,000,000), special projects

(\$500,000), SBIR Matching Grants (\$450,000), Training Equipment Grants (\$250,000), the Industry Liaison program (\$150,000), and a Data Base Grant (\$72,000). The FY 1990 request reflects an increase in financing from the State General Fund of \$2,581,161 and a decrease in EDIF financing of \$1,217,732 from the current year estimate. The Governor recommends \$5,150,000 from the EDIF for other assistance payments in FY 1990. The recommendation includes funding for Research Matching Grants (\$1,250,000), SBIR Matching Grants (\$300,000), Centers of Excellence (\$1,200,000), the Agriculture Value Added Center (\$175,000), seed capital investments (\$1,000,000), Research Equipment Grants (\$700,000), Training Equipment Grants (\$250,000), the Industry Liaison Program (\$150,000), and special projects (\$125,000).

#### Senate Subcommittee Recommendation

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

1. Add \$57,531 from the EDIF for State Operations, as requested by the agency.
2. Delete \$250,000 for Training Equipment Grants and \$175,000 for the Value Added Center from the EDIF, at the request of the agency. The Subcommittee has been informed that a separate budget proposal is being developed by the Leadership Council for the Value Added Center and recommends that the House Subcommittee review this proposal when it becomes available.
3. Reduce expenditures for Research Matching Grants by \$400,000 to \$850,000, at the request of the agency.
4. Reduce expenditures for Small Business Innovation Research Grants by \$150,000 to \$150,000, at the request of the agency.
5. Reduce seed capital investments by \$560,000 to \$440,000, at the request of the agency.
6. Reduce Research Equipment Grants by \$50,000 to \$650,000, at the request of the agency.
7. Add \$25,000 from the EDIF for a special projects fund to provide \$150,000 for special projects, as requested by the agency.
8. Add \$72,000 from the EDIF for the second year of the data base development program, as requested by the agency.
9. Add \$328,000 from the EDIF to provide ea total of \$478,000 for the Industrial Liaison program, as requested by the agency.
10. Add \$575,000 from the State General Fund and \$525,000 from the EDIF to provide a total of \$2,300,000 for grants from KTEC to the four existing Centers of Excellence. The Subcommittee was informed that the national average for funding for institutions similar to the Centers is \$2,200,000 per institution.

11. Add reappropriation language to permit the expenditure of any reappropriated EDIF balances for the Corporation's assistance programs.
12. Delete the proviso which requires outside income of the Corporation to be placed in the State Treasury. The Subcommittee was informed that this proviso is in conflict with the agency's general powers and could jeopardize the future of the Corporation's investments. The Subcommittee concurs with the proposed public-private partnerships contemplated by the Corporation and notes that sufficient auditing procedures are in place to safeguard any state funds.
13. The Subcommittee recommends that EDIF funding for KTEC in FY 1990 be transferred in ten equal monthly installments, beginning on September 15, 1989, or as soon thereafter as funds are available.

  
\_\_\_\_\_  
Senator Jim Allen  
Subcommittee Chairperson

  
\_\_\_\_\_  
Senator Mike Johnston

SUBCOMMITTEE REPORT

Agency: Kansas Technology  
Enterprise Corporation

Bill No. 80

Bill Sec. New

Analyst: West

Analysis Pg. No. 238

Budget Pg. No. 408

<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	\$ 594,915	\$ 466,798	\$ 126,702
Other Assistance	<u>7,187,396</u>	<u>7,187,396</u>	<u>--</u>
Total	<u>\$ 7,782,311</u>	<u>\$ 7,654,194</u>	<u>\$ 126,702</u>
State General Fund:			
State Operations	\$ 226,106	\$ 224,691	\$ --
Other Assistance	<u>47,664</u>	<u>47,664</u>	<u>--</u>
Total	<u>\$ 273,770</u>	<u>\$ 272,355</u>	<u>\$ --</u>
Economic Development Initiatives Fund:			
State Operations	\$ 368,809	\$ 242,107	\$ 126,702
Other Assistance	<u>7,139,732</u>	<u>7,139,732</u>	<u>--</u>
Total	<u>\$ 7,508,541</u>	<u>\$ 7,381,839</u>	<u>\$ 126,702</u>
FTE Positions	6.0	6.0	--

Agency Request/Governor's Recommendation

The Kansas Technology Enterprise Corporation (KTEC) estimates FY 1989 expenditures to be \$7,782,311, including \$273,770 from the State General fund and \$7,508,541 from the Economic Development Initiatives Fund (EDIF). The Governor recommends FY 1989 expenditures of \$7,654,194, including \$272,355 from the State General Fund and \$7,381,839 from the EDIF.

1. State Operations. The FY 1989 estimate for state operations is \$594,915, and is financed by \$226,106 from the State General Fund and \$368,809 from the EDIF. The current year estimate reflects an increase of \$1,415 in State General Fund expenditures from the budget approved by the 1988 Legislature. KTEC requests an increase in the expenditure limitation on reappropriated balances in order to accommodate the expenditure increase. Internal shifts within state operations include a decrease of \$16,000 in salaries and wages associated with Board member compensation, increases in travel (\$11,600), professional services (\$8,000), rents (\$6,905), and conference expenditures (\$5,415) and decreases in repair fees (\$7,600), communications (\$3,000), printing and advertising (\$3,000), and capital outlay (\$905). The Governor recommends an FY 1989 state operations budget of \$466,798, reflecting decreases of \$1,415 from the State General Fund and \$126,702 from the EDIF from the agency's estimate. Salaries are decreased by \$119,362 to reflect revised health insurance rates, increased turnover savings, and a shift of expenses for the management of seed capital investments to other assistance. Other revisions from the agency's estimate include decreases in travel (\$7,032) and office supplies (\$1,723).

2. Other Assistance. The FY 1989 estimate for other assistance totals \$7,187,396, the amount authorized by the 1988 Legislature, including reappropriations of \$1,694,732 from the EDIF and \$47,664 from the State General Fund. The Governor concurs with KTEC's current year estimate for other assistance. The Governor recommends that management fees for seed capital investments (\$110,000) be absorbed within the \$1,560,000 approved for seed capital investments.

Senate Subcommittee Recommendation

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

1. Restore \$126,702 in EDIF financed state operations based on a revised agency analysis of FY 1989 needs. Due to the changes in the timing of EDIF transfers to the Corporation contained in S.B. 30, the Subcommittee recommends that the \$126,702 be transferred to the Corporation on June 15, 1989, or as soon thereafter as the funds are available.

  
\_\_\_\_\_  
Senator Jim Allen  
Subcommittee Chairperson

  
\_\_\_\_\_  
Senator Mike Johnston

SUBCOMMITTEE REPORT

Agency: Legislature and Related Agencies

Bill No. 39

Bill Sec. 2-5

Analyst: Ahrens

Analysis Pg. No. 97-105 Budget Pg. No. 358/422

<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			
Commission on Interstate Cooperation	\$ 194,267	\$ 194,802	\$ (191)
Legislative Coordinating Council:			
Council Expenses	266,620	279,749	193
Legislative Research Department	1,577,696	1,658,353	(165)
Revisor of Statutes	1,904,640	1,959,800	3,361
Educational Planning Committee	40,225	40,225	--
Legislature	8,421,937	8,736,572	(33,787)
Division of Post Audit	<u>1,457,768</u>	<u>1,502,460</u>	<u>(119,931)</u>
Total	<u>\$ 13,863,153</u>	<u>\$ 14,371,961</u>	<u>\$ (150,520)</u>
State Operations:			
State General Fund	<u>\$ 13,688,930</u>	<u>\$ 14,197,738</u>	<u>\$ (84,738)</u>
FTE Positions	113.6	110.9	2.7

FY 1989 Agency Request/Governor's Recommendation/  
Subcommittee Recommendation

As approved by the Legislative Coordinating Council, FY 1989 revised budgets for legislative branch agencies were submitted which are \$347,236 below the amounts authorized by the 1988 Legislature, including reappropriations. The Governor's Budget Report reflects revisions which are a total of \$86,174 more than the agency revised estimates. The revisions recommended by the Governor have mostly to do with insertion of financing for the increased costs of health insurance which became known subsequent to the submission of agency budget requests. However, in the process of inserting the amounts for higher health insurance premiums, certain changes were made to other fringe benefits. In the case of three staff agencies -- the Legislative Research Department, the Revisor of Statutes, and the Division of Post Audit -- the changes were unwarranted and the Subcommittee recommends technical adjustments to these budgets. The recommended changes reduce the Research Department's budget by \$4,498 and the Revisor's Office budget by \$4,557. Adjustments to the budget of the Division of Post Audit result in no change to total expenditures. In addition, the FTE position count for the Revisor's Office was reduced from 28.5 in the agency request to 26.3 in the Governor's recommendation for FY 1989, due to difference of opinion as to how certain positions should be counted. No adjustments to expenditures are involved in this matter. In the absence of any compelling reason to change the agency estimate as approved by the Legislative Coordinating Council, the Subcommittee recommends the restoration of the 2.2 FTE deleted by the Governor's recommendation. No amendments to FY 1989 appropriations are



required to implement the Subcommittee's recommendations; rather, the amounts of new appropriations for FY 1990 should be reduced appropriately.

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

The combined FY 1990 budget requests for the Legislature and its related agencies total \$13,863,153, of which \$13,688,930 would be financed from the General Fund. The FTE position total for these agencies is 113.6, a reduction of 0.5 position in the Revisor's Office from the current year estimate. As directed by the Legislative Coordinating Council, the legislative agency requests do not contain any amounts for changes to the basic salary plan but do include costs of step increases for those employees who are paid in accordance with the basic pay plan.

The Governor recommends a total of \$14,371,961 for the Legislature and related agencies, which is an increase of \$508,808 above requested amounts. The difference is financed from the General Fund and is entirely attributable to expenditures for salaries and wages. Most of the recommended changes to the budgets as requested are attributable to additions for general salary increases and higher health insurance premiums. Financing was placed in the budgets for a 4 percent increase to salaries of staff agencies, 4 percent to salaries for temporary legislative employees, 5.8 percent to salaries for full-time positions in the Legislature's budget, and approximately 5.3 percent to legislator's per diem compensation and leadership compensation. In addition, some recalculations of fringe benefits were incorporated into the Governor's recommendation which appear to be unrelated to the general salary increases. As in FY 1989, the FTE position count of the Revisor's Office was reduced from the requested number; in this case, the reduction was 2.7 FTE.

#### FY 1990 Senate Subcommittee Recommendation

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

1. Adjust the amounts contained in the budgets for legislator per diem compensation and leadership compensation to correspond to the amounts which would result from the application of a 4 percent increase to the state's basic pay plan in accordance with K.S.A. 46-137a and K.S.A. 46-137b.
2. Adjust fringe benefits for legislative agencies as appropriate with respect to Item 1, above, and the proper application of fringe benefit rates to these budgets. Such adjustments also include the elimination of turnover deductions which were applied in the Governor's recommendation apparently to compensate for unwarranted increases to FICA contributions above the amounts requested.
3. Reduce by \$119,931 (\$54,149 General Fund and \$65,782 Audit Services Fund) the amount originally requested by the Division of Post Audit, and concurred in by the Governor, for FY 1990 contract audits. This reduction was requested by the Chairman of the Post Audit Committee to adjust the budget to reflect contract awards which were finalized subsequent to submission of the Governor's Budget Report.

4. Restore the position count of the Revisor of Statutes to the 28.0 positions requested by the agency and approved by the Legislative Coordinating Council. The position count was reduced to 25.3 FTE in the Governor's recommendation. No expenditure adjustments are involved in this Subcommittee recommendation.

These Subcommittee recommendations would result in a net decrease of \$150,520 to the Governor's recommendation. Of the reduction, \$84,738 is financed from the General Fund.

The Subcommittee also notes that the Legislative Counsel reported a possible need for further financing of the census blocks boundary project in FY 1990. The budget of the Legislative Coordinating Council includes expenditures of \$30,474 in FY 1989 which represents the reappropriated balance from prior fiscal years and no expenditures in FY 1990. The appropriations bill, S.B. 39 as introduced, would result in the lapse of any unencumbered balance on June 30, 1989. The Subcommittee recommends that the House Appropriations Committee consider the matter if the Legislative Coordinating Council determines that additional financing is needed to complete the project.

The Subcommittee observes that passage of H.B. 2017, as introduced by the Special Committee on Ways and Means/Appropriations, would reduce the amount needed by the Revisor for printing the K.S.A. replacement volumes and supplements in FY 1990 by approximately \$25,000.



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Senator David Kerr  
Subcommittee Chairman



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Senator Richard Rock

## SUBCOMMITTEE REPORT

Agency: Governor's Department      Bill No. 39      Bill Sec. 6  
 Analyst: Ahrens      Analysis Pg. No. 106      Budget Pg. No. 236

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
Operating Expenditures	\$ 1,321,233	\$ 1,406,342	\$ 76,500
FTE Positions	29.0	29.0	--

### Governor's Recommendation

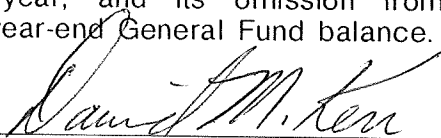
FY 1989. The FY 1989 revised expenditure estimate for the Governor's Department, as submitted originally, totals \$1,295,326, or \$51,358 less than expenditures authorized by the 1988 Legislature, including reappropriations. The recommendation contained in the Governor's Budget Report adds \$9,878, principally for higher health insurance premiums, to the original estimate.

FY 1990. The FY 1990 original agency request totals \$1,321,233, an increase of \$25,907 above the FY 1989 original estimate. Reported expenditures for FY 1990 exclude \$76,500 for contingencies, whereas the FY 1989 reported expenditure total includes the \$75,000 authorized by the 1988 Legislature for this purpose. The FY 1990 recommendation contained in the Governor's Budget Report totals \$1,406,342, an increase of \$101,138 to the recommended FY 1989 expenditures. The recommended expenditures exceed the original request by \$85,109 of salaries and wages, mainly for a 5.8 percent merit salary pool and for projected higher health insurance premiums.

### Senate Subcommittee Recommendations

The Subcommittee concurs with the recommendations of the Governor for both FY 1989 and FY 1990, with the following adjustment to FY 1990:

1. Add estimated expenditures of \$76,500 to FY 1990 which represents the recommended amount for the contingencies appropriation. There is no reason to assume that this contingency amount will not be committed during the year, and its omission from the expenditures would overstate the year-end General Fund balance.

  
 \_\_\_\_\_  
 Senator David Kerr  
 Subcommittee Chairman

  
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 Senator Richard Rock

## SUBCOMMITTEE REPORT

Agency: Lieutenant Governor

Bill No. 39

Bill Sec. 7

Analyst: Ahrens

Analysis Pg. No. 106

Budget Pg. No. 438

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State General Fund: State Operations	\$ 108,090	\$ 113,059	\$ --
FTE Positions	3.0	3.0	--

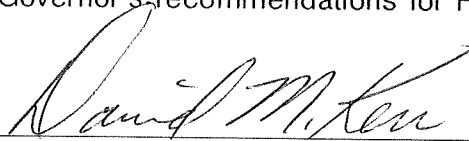
### Agency Request/Governor's Recommendation

FY 1989. The FY 1989 revised budget estimate of \$105,971 for the Office of the Lieutenant Governor is \$17,119 below the expenditures authorized by the 1988 Legislature, including the reappropriation. The Governor recommends FY 1989 expenditures of \$104,053, or \$1,918 less than the agency estimate. Adjustments to the agency estimates include an increase of \$881 for salaries and wages, mostly for the increase in health insurance, and a decrease of \$2,799 for other expenses.

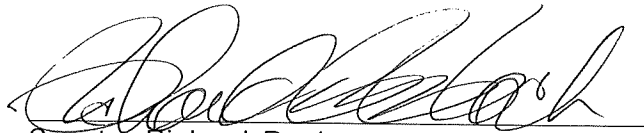
FY 1990. The FY 1990 budget request of the agency totals \$108,090, an increase of \$2,119 above the agency's estimate for FY 1989. The Governor recommends a budget of \$113,059 for FY 1990, or \$4,969 above the agency's request. Salaries are increased by \$6,510 to provide a merit salary pool and to pay projected increases in health insurance premiums. Other expenses are reduced \$1,541 below the agency request.

### Subcommittee Recommendation

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



\_\_\_\_\_  
Senator David Kerr  
Subcommittee Chairman



\_\_\_\_\_  
Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Attorney General

Bill No. 80

Bill Sec. 34

Analyst: Duffy

Analysis Pg. No. 109

Budget Pg. No. 86

<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	\$ 3,213,919	\$ 3,225,671	\$ --
Federal Aid to Local Units	456,040	456,040	--
Other Assistance	0	0	--
TOTAL	<u>\$ 3,669,959</u>	<u>\$ 3,681,711</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 2,930,041	\$ 2,941,793	\$ --
FTE Positions	60.5	60.5	--

Agency Estimate/Governor's Recommendation

**FY 1989.** The agency estimates \$3,213,919 in state operations expenditures in FY 1989. Of this amount, \$2,930,041 is from the State General Fund and \$283,878 is from various special revenue funds. The State General Fund total reflects the amount approved by the 1988 Legislature, including a reappropriation of \$252,403 for additional operating expenditures for water rights litigation.

The Governor recommends \$3,225,671 for state operations in FY 1989. Of the amount recommended, \$2,941,793 is from the State General Fund and \$283,878 is from special revenue funds. The FY 1989 recommendation is \$11,752 more than the amount estimated by the agency and would require a supplemental appropriation. The FY 1989 recommendation reflects an increase in salaries and wages of \$22,599 and a decrease in other operating expenditures of \$10,847.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

  
 \_\_\_\_\_  
 Senator Ross Doyen  
 Subcommittee Chairperson

  
 \_\_\_\_\_  
 Senator Nancy Parrish

## SUBCOMMITTEE REPORT

Agency: Attorney General                      Bill No. 39                      Bill Sec. 8  
 Analyst: Duffy                                      Analysis Pg. No. 109                      Budget Pg. No. 86

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
All Funds:			
State Operations	\$ 3,166,258	\$ 3,195,231	\$ 735,522
Federal Aid to Local Units	228,548	228,548	--
Other Assistance	0	0	0
TOTAL	\$ 3,394,806	\$ 3,423,779	\$ 735,522
State General Fund:			
State Operations	\$ 2,843,782	\$ 2,864,719	\$ 735,522
FTE Positions	65.5	63.0	1.0

### Agency Request/Governor's Recommendation

**FY 1990.** For FY 1990, the agency requests state operations expenditures of \$3,166,258, a reduction of \$47,661 (1.5 percent) from the FY 1989 estimate. Of this amount \$2,843,782 is from the State General Fund and \$322,476 is from various special revenue funds. The FY 1990 request includes the following: (1) two positions for the Consumer Protection Division (Special Agent I--\$21,695 and Office Assistant II--\$16,535, including fringe benefits); (2) continued funding for the Kansas v. Colorado water rights litigation (\$500,000); (3) two Assistant Attorney General I's to respond to the implementation of the revised Administrative Procedure Act (\$67,299, including fringe benefits); (4) one Paralegal position to function as the sole source for Westlaw computerized legal research and as office librarian (\$22,703, including fringe benefits); and (5) miscellaneous office equipment (\$21,516).

The Governor recommends \$3,195,231 for state operations in FY 1990. Of the amount recommended, \$2,864,719 is from the State General Fund and \$330,512 is from special revenue funds. The FY 1990 recommendation is \$28,973 more than the amount requested by the agency for FY 1990. The FY 1990 recommendation includes a 5.8 percent merit pool for employees (\$95,930); 2.5 new FTE positions (\$62,101, including fringe benefits); increased funding for employee health insurance rates; and funding for the water rights litigation (\$490,000). The recommended new positions include an Assistant Attorney General for the Civil program to assist state agencies in complying with the Kansas Administrative Procedure Act (\$34,029, including fringe benefits); an additional .5 FTE for a law clerk position to be assigned to the Civil program (\$5,996, including fringe benefits); and a Special Agent I for the Consumer Protection program to assist in the investigation of alleged violations of the Consumer Protection Act (\$22,075, including fringe benefits).

Senate Subcommittee Recommendation

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

1. Add \$2,513 from the State General Fund for salaries and wages in FY 1990. The Governor's recommendation inadvertently omitted the statutory salary increase for the Attorney General which results from a 4 percent increase to the basic state pay plan.
2. Add \$16,915 in FY 1990 from the State General Fund for salaries and wages and 1.0 FTE position for an Office Assistant II position for the Consumer Protection program due to increased activity in the area of consumer protection.
3. Add \$19,831 from the State General Fund for other operating expenditures in FY 1990 for travel and subsistence expenditures in the criminal program. The Subcommittee notes that the Governor's recommendations for travel expenditures for this program in FY 1989 and FY 1990 are \$39,833 and \$30,000, respectively. There appears to be no rationale for reduced travel expenditures in FY 1990, therefore, the Subcommittee restores travel and subsistence expenditures to \$49,831, the amount requested in the Attorney General's FY 1990 budget. The FY 1990 request includes additional travel expenditures for the special unit approved by the 1988 Legislature to investigate complaints of child abuse in state SRS institutions.
4. Add \$696,263 from the State General Fund for additional operating expenditures for investigation and litigation regarding interstate water rights in FY 1990. The Attorney General's original budget request included \$500,000 for the Kansas v. Colorado litigation and the Governor recommended \$490,000. The Attorney General appeared before the Subcommittee to amend his request to reflect anticipated pre-trial, trial, and post-trial expenses. The Subcommittee encourages the Governor to include this item in the next Governor's Budget Amendment. The total FY 1990 appropriation for the water rights litigation would be \$1,186,263.
5. The Subcommittee recommends the introduction of legislation to create an Assistant Attorney General position in the Fire Marshal's office and an Assistant Attorney General in the Kansas Highway Patrol. The 1987 Legislature approved an Assistant Attorney General's position to be budgeted in the Attorney General's office, but permanently assigned to the state Fire Marshal. For FY 1990, the Kansas Highway Patrol is requesting an Assistant Attorney General. Currently, the Attorney General has an Assistant Attorney General assigned full-time to working with the Highway Patrol. The Subcommittee notes that there are other Assistant Attorneys General assigned to various state agencies (i.e. KBI, Lottery, Racing, ABC); however, these positions are budgeted within the budgets of the agencies to which the Assistant Attorneys General are assigned. The creation of

Assistant Attorneys General within the State Fire Marshal and Highway patrol is consistent with other state agencies who employ Assistant Attorneys General.

  
\_\_\_\_\_  
Senator Ross Doyen  
Subcommittee Chairperson

  
\_\_\_\_\_  
Senator Nancy Parrish



## SUBCOMMITTEE REPORT

Agency: Crime Victims  
Reparations Board

Bill No. 80

Bill Sec. 35

Analyst: Howard

Analysis Pg. No. 118

Budget Pg. No. 184

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
Special Revenue Funds:			
State Operations	\$ 109,019	\$ 109,873	\$ --
Aid to Local Units	267,417	267,417	--
Other Assistance	571,000	571,000	--
Subtotal	\$ 947,436	\$ 948,290	\$ --
State General Fund:	\$ --	\$ --	\$ 150,000
 FTE Positions	 3.0	 3.0	 --

### Agency Estimate/Governor's Recommendation

**FY 1989.** The agency estimates FY 1989 expenditures of \$947,436, a reduction of \$3,587 from the amount approved by the 1988 Legislature. The estimate includes a reduction in expenditures from the federal Family Violence Prevention and Services Fund (\$3,859) due to revised receipts, and an increase in expenditures from the Crime Victims Reparations Fund (\$272). The estimated budget includes expenditures from the following funds: Crime Victims Reparations Fund, \$512,559; Protection from Abuse Fund, \$190,335; federal Victims of Crime Assistance Act, \$140,000; federal Family Violence Prevention and Services Fund, \$68,590; and the federal Preventive Health Services Block Grant, \$35,952. The request includes \$267,417 for aid to local units and \$571,000 for other assistance for payment of crime victims claims.

The Governor recommends FY 1989 expenditures of \$948,290 for the Crime Victims Reparations Board, an increase of \$854 in salaries from the agency estimate. The recommendation includes \$109,873 for state operations, \$267,417 for aid to local units, and \$571,000 for other assistance for payment of crime victims claims. The recommendation increases expenditures from the Crime Victims Reparations Fund from \$512,559 to \$513,413.

### Senate Subcommittee Recommendation

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

1. Add \$150,000 from the State General Fund for the payment of crime victim claims. The agency estimates outstanding claims totaling \$175,000 will remain at the close of FY 1989.

  
 \_\_\_\_\_  
 Senator Ross Doyen  
 Subcommittee Chairman

  
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 Senator Nancy Parrish

## SUBCOMMITTEE REPORT

Agency: Crime Victims  
Reparations Board

Bill No. 39

Bill Sec. New

Analyst: Howard

Analysis Pg. No. 118

Budget Pg. No. 184

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
Special Revenue Funds:			
State Operations	\$ 122,684	\$ 116,048	\$ (116,048)
Aid to Local Units	272,227	272,227	24,395
Other Assistance	640,000	567,095	91,653
Subtotal	\$ 1,034,911	\$ 955,370	\$ --
State General Fund:			
State Operations	\$ --	\$ --	\$ 141,976
TOTAL	\$ 1,034,911	\$ 955,370	\$ 141,976
FTE Positions	3.5	3.0	1.0

### Agency Request/Governor's Recommendation

**FY 1990.** The agency requests FY 1990 expenditures of \$1,034,911, all of which is from special revenue funds. The request is an increase of \$87,475 from the current year revised estimate and would fund 3.5 FTE positions, an increase of 0.5 FTE from the current year. The request includes expenditures from the following funds: Crime Victims Reparations Fund, \$608,289; Protection from Abuse Fund, \$195,125; federal Victims of Crime Assistance Act, \$130,000; federal Family Violence Prevention and Services Fund, \$65,545; and the federal Preventive Health Services Block Grant, \$35,952. The FY 1990 budget request presumes that the \$2.00 assessment on docket fees in criminal proceedings credited to the Crime Victims Reparations Fund (K.S.A. 20-362) will be increased to \$5.00. Such an increase in the fee assessment would require legislative action to amend the current statute.

The Governor recommends FY 1990 expenditures of \$955,370, a reduction of \$79,541 from the agency request. The recommendation would fund 3.0 FTE positions, the same number as in the current year. The Governor does not recommend funding for a new 0.5 FTE clerical position. The recommendation includes \$272,227 in aid to local units as requested by the agency; and \$567,095 for payment of crime victims claims, a reduction of \$72,905 from the amount requested by the agency. The Governor does not recommend an increase in the docket fee assessment. The recommendation includes expenditure of \$518,748 from the Crime Victims Reparations Fund, \$195,125 from the Protection from Abuse Fund, \$35,952 from federal Preventive Health Block Grant funds, \$65,545 from the federal Family Violence Prevention and Services Fund, and \$140,000 from the Victims of Crime Assistance Act Fund.

### Senate Subcommittee Recommendation

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

1. Add \$116,048 from the State General Fund for state operations and shift all special revenue funds to aid to local units and other assistance. The effect of this recommendation is to increase available funding for payment of crime victim claims by \$91,653, to increase funding for grants to domestic abuse programs by \$23,395 and to increase funding for rape prevention and rape victim services by \$1,000. The Subcommittee believes the State General Fund should be used for operating expenditures of the agency in order to allow all special revenue and grant funds to be used for victim awards and grants to local programs.
2. Add \$18,928 in salaries and 1.0 FTE Office Assistant III to provide additional clerical support for the agency. The Subcommittee would note that the position would be used to help process an increasing number of claims and to administer federal funds. The position would also be used to help computerize the Board's programs during FY 1990. The Subcommittee recommends that the 1990 Legislature reevaluate this position to determine if a half-time position would be sufficient for ongoing clerical functions once the agency's activities are computerized.
3. Add \$7,000 from the State General Fund as matching funds for criminal justice block grant funds from the Attorney General's Office. The federal Block Grant Funds would be used to purchase microcomputer equipment, software, a printer, and consultant services to assist the Board in developing programs and establishing computer files.
4. The Subcommittee would note 1989 S.B. 168 which would enact recommendations of the Attorney General's Task Force on Victims Rights. The bill would place the Crime Victims Reparations Board under the jurisdiction of the Attorney General. In addition, the bill would increase the docket fee assessment for crime victims from \$2 to \$5 and would increase the marriage license fee from \$25 to \$40, with additional revenues targeted for domestic violence programs. The bill would also raise the maximum allowable claim payment from \$10,000 to \$25,000 and would increase the payable burial expense from \$750 to \$2,000. Passage of the bill would provide additional funding for crime victim claims of approximately \$750,000 annually. Pending the passage of S.B. 168 placing the Board under the jurisdiction of the Attorney General, the Subcommittee recommends that the Crime Victims Reparations Board be included as a separate section in the appropriations bill. In addition, pending the passage of S.B. 168 the Subcommittee makes no recommendation for additional expenditures for crime victim claims in FY 1990.

  
\_\_\_\_\_  
Senator Ross Doyen  
Subcommittee Chairman

  
\_\_\_\_\_  
Senator Nancy Parrish

## SUBCOMMITTEE REPORT

Agency: State Treasurer

Bill No. 80

Bill Sec. New

Analyst: Duffy

Analysis Pg. No. 125

Budget Pg. No. 592

<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	\$ 1,789,121	\$ 1,783,474	\$ (3,000)
Aid to Local Units	66,682,085	67,001,492	--
Debt Service	680,593	680,593	--
TOTAL	<u>\$ 69,151,799</u>	<u>\$ 69,465,559</u>	<u>\$ (3,000)</u>
State General Fund:			
State Operations	\$ 1,747,621	\$ 1,741,974	\$ (3,000)
Aid to Local Units	58,982,000	59,132,000	--
TOTAL	<u>\$ 60,729,621</u>	<u>\$ 60,873,974</u>	<u>\$ (3,000)</u>
FTE Positions	52.0	52.0	--

### Agency Estimate/Governor's Recommendation

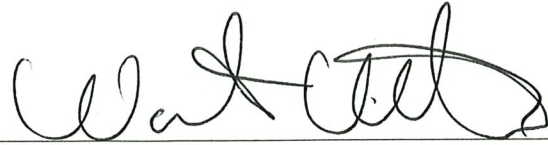
The FY 1989 expenditure estimate for state operations submitted by the agency totals \$1,789,121 (excluding debt service of \$680,593). The estimate includes \$1,747,621 from the State General Fund, \$35,000 from the Unclaimed Property Contract Fund, and \$6,500 from the Bond Registration Fee Fund. The FY 1989 estimate equals the amount approved by the 1988 Legislature and maintains the approved staffing level of 52.0 FTE positions. The agency estimates a 1.7 percent (\$21,890) turnover rate for FY 1989.

The Governor recommends \$1,783,474 for state operations in FY 1989, a decrease of \$5,647 from the amount estimated by the agency. The recommendation includes \$1,741,974 from the State General Fund and \$41,500 from special revenue funds. The FY 1989 recommendation reflects additional expenditures for salaries and wages of \$3,555 and decreased expenditures for other operating expenditures of \$9,202. The Governor concurs with the agency's estimate of a 1.7 percent turnover rate.

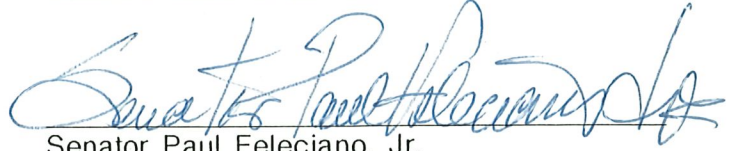
### Senate Subcommittee Recommendation

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

1. Reduce \$3,000 from the State General Fund in FY 1989 for salaries and wages based on current year expenditures. It appears that based on six months' experience that the State Treasurer should experience at least savings of \$3,000. The House Subcommittee may wish to review salaries and wages for further savings.



Senator Wint Winter, Jr.  
Subcommittee Chairman



Senator Paul Feleciano, Jr.

670-89/DD

## SUBCOMMITTEE REPORT

Agency: State Treasurer

Bill No. 39

Bill Sec. 10

Analyst: Duffy

Analysis Pg. No. 125

Budget Pg. No. 592

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
<b>All Funds:</b>			
State Operations	\$ 1,998,173	\$ 1,893,797	\$ 9,000
Aid to Local Units	68,700,085	69,856,042	--
Debt Service	655,043	665,043	--
<b>TOTAL</b>	<b>\$ 71,353,301</b>	<b>\$ 72,414,882</b>	<b>\$ 9,000</b>
<b>State General Fund:</b>			
State Operations	\$ 1,960,673	\$ 1,873,997	\$ 9,000
Aid to Local Units	61,000,000	61,813,000	--
<b>TOTAL</b>	<b>\$ 62,960,673</b>	<b>\$ 63,686,997</b>	<b>\$ 9,000</b>
FTE Positions	53.0	52.0	--

### Agency Estimate/Governor's Recommendation

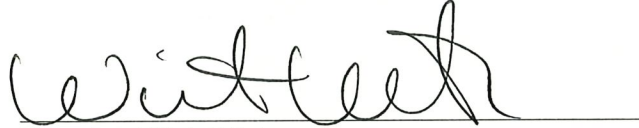
The agency requests FY 1990 expenditures for state operations of \$1,998,173 (excluding debt service of \$655,043). The request includes \$1,960,673 from the State General Fund and \$37,500 from the Unclaimed Property Contract Fund. The FY 1990 request for salaries and wages totals \$1,279,888 for 53.0 FTE positions, an increase of 3.4 percent over the FY 1989 estimate. The FY 1990 request includes one new FTE position, a Financial Securities Officer I (\$19,162, including fringe benefits), for the Bond Registration subprogram; the reclassification of an Office Assistant III to an Office Assistant IV (\$895, including fringe benefits) for the Unclaimed Property subprogram; step movement for classified employees (\$14,469); funding for temporary and overtime payments (\$9,890); and an agency turnover rate of 1.7 percent (\$22,590). The FY 1990 request for other operating expenditures totals \$718,285.

The Governor recommends \$1,893,787 for state operations in FY 1990, \$104,376 less than the amount requested by the agency. The FY 1990 recommendation includes \$1,873,997 from the State General Fund and \$19,800 from special revenue funds. The FY 1990 recommendation reflects additional expenditures for salaries and wages of \$62,654 over the agency's FY 1990 request and decreased expenditures for other operating expenditures of \$167,030 from the agency's request. The FY 1990 salary and wage recommendation includes a 4 percent salary increase for classified employees (\$32,500); a 5.8 percent merit pool for unclassified employees (\$6,424); step movement salary increases for eligible employees; increased expenditures for employee health insurance rates; funding for temporary and overtime payments (\$5,712); and an agency turnover rate of 1.8 percent (\$24,381).

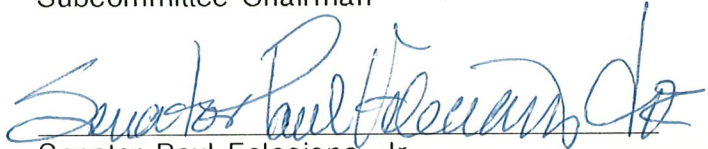
Senate Subcommittee Recommendation

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

1. Add \$9,000 from the State General Fund for administration and fiscal services in FY 1990 for free-standing personal computers and printer for three clerical employees within the administration program. The Subcommittee notes that the agency requested \$22,045 for a word processing system to be used in the administration program. The Senate Subcommittee believes that free-standing personal computers would be much less costly and would adequately meet the needs of the agency. The additional funds for the computer equipment are contingent upon DISC's approval of the computer equipment.
2. Although the agency made a strong appeal for the addition of \$19,162 from the State General Fund in FY 1990 for a Financial Securities Officer I for the Bond Registration program due to increased activity (i.e., new issues for bond registration in CY 1987 were 159 and CY 1988 were 207), the Senate Subcommittee does not believe that the agency produced sufficient evidence to justify the addition of the new FTE position.
3. A technical adjustment to the appropriation bill requires the deletion of the Bond Registration Fees Fund and subsection (c) which transfers funds credited to the Bond Registration Fee Fund to the State General Fund.



Senator Wint Winter, Jr.  
Subcommittee Chairman



Senator Paul Feleciano, Jr.

SUBCOMMITTEE REPORT

Agency: Secretary of State                      Bill No. 80                      Bill Sec. 8  
 Analyst: West                                      Analysis Pg. No. 122                      Budget Pg. No. 528

<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:			
Noncensus	\$ 1,446,107	\$ 1,454,350	\$ --
Census	378,734	378,734	--
Uniform Commercial Code			
Fee Fund	792,164	797,531	--
Other Special Funds	216,784	217,131	--
TOTAL	<u>\$ 2,833,789</u>	<u>\$ 2,847,746</u>	<u>\$ --</u>
FTE Positions	62.0	62.0	(1.0)

Agency Request/Governor's Recommendation

The estimate for agency FY 1989 expenditures is \$2,833,789, which is \$8,594 less than the amount authorized by the 1988 Legislature. Estimated State General Fund expenditures include \$1,446,107 for noncensus expenditures and \$378,734 shifted from FY 1988 for census expenditures. Other estimated expenditures include \$792,164 from the Uniform Commercial Code (UCC) Fee Fund, \$144,000 from the Kansas Register Fee Fund, and \$72,784 from other special revenue funds (a decrease of \$4,000). State General Fund expenditures for salaries and wages are decreased by \$4,594, and responsibilities for the Land Survey Advisory Committee are transferred to the Historical Society pursuant to H.B. 3024 (\$4,000).

The Governor recommends FY 1989 expenditures of \$2,847,746, an increase of \$13,957 from the agency's estimate. Salaries are increased by a net of \$13,957 to reflect revised health insurance rates and turnover savings. The Governor concurs with the agency's estimate of expenditures for the state census and other operating expenses. Noncensus State General Fund expenditures are recommended to be \$1,454,350. The Governor recommends a State General Fund supplemental appropriation of \$8,243 to finance the FY 1989 recommendation. Special revenue fund expenditures are recommended totaling \$1,014,662, reflecting increased salary expenditures from the UCC Fee Fund (\$5,367) and the Kansas Register Fee Fund (\$347).

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's FY 1989 recommendation, with the following adjustments and observations.

1. The Subcommittee recommends a technical adjustment to S.B. 80 to properly reflect the Governor's recommended State General Fund supplemental appropriation of \$8,243.
2. The Subcommittee has reviewed year to date expenditures for the agency and could not discover any potential current year savings. The



Subcommittee notes that 87.1 percent of the communications budget has been expended to date and invites the House Subcommittee to review this item further to determine if additional funding is required.

3. Delete 1.0 FTE Office Assistant position from the Uniform Commercial Code program. The Subcommittee has been informed that the position has remained vacant for over two years, with the funding for the position being utilized to finance temporary salaries on an as needed basis. The Subcommittee concurs with the use of temporary employees and so leaves the funding for the deleted position within the agency's budget for that purpose. The Subcommittee notes that deletion of the position should have no effect on the agency's operations.
4. The Subcommittee notes that any unencumbered balance remaining in the State Census account will lapse at the end of FY 1989.
5. The Subcommittee recommends that the Secretary of State, the Revisor of Statutes, and the State Printer review the circumstances regarding the late delivery of the supplements and replacement volumes of the Kansas Statutes Annotated and report to the House Subcommittee on any finding and recommendations to prevent future occurrences of late delivery. Subcommittee members received a considerable number of complaints regarding the timeliness of the availability of the publications.
6. The Subcommittee has been informed that the Corporation program has produced significant amounts of revenue for the State General Fund over the past few years. The Subcommittee notes that the minimum of \$20 and maximum of \$2,500 for the franchise tax, which is payable upon the filing of a corporation's report, has not been raised since at least 1972. The Subcommittee has been informed that the Secretary of State's Office performed a study last year estimating the fiscal impact of raising the maximum franchise tax, but due to time limitations the Subcommittee was unable to review this study. The Subcommittee invites the House Appropriations Subcommittee to study this issue further. If the House Appropriations Subcommittee is unable to review this issue, the Subcommittee recommends that franchise taxes be reviewed during the 1989 interim, particularly how the Kansas rates compare with other states. The following is a table summarizing receipts to the State General Fund produced by the Corporation program in the last four fiscal years as recorded in the budgets for the Secretary of State.

<u>Fiscal Year</u>	<u>Franchise Tax</u>	<u>Articles of Incorp.</u>	<u>Foreign Applications</u>	<u>Other Income</u>	<u>Total</u>
1988	\$8,557,261	\$338,775	\$162,640	\$428,705	\$9,487,381
1987	8,229,989	359,625	157,125	328,995	9,075,734
1986	8,229,989	371,448	149,697	436,931	9,188,065
1985	7,877,633	374,998	153,020	387,676	8,793,327



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Senator Wint Winter, Jr.  
Subcommittee Chairperson



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Senator Paul Feleciano, Jr.

## SUBCOMMITTEE REPORT

Agency: Secretary of State                      Bill No. 39                      Bill Sec. 9  
 Analyst: West                                      Analysis Pg. No. 122                      Budget Pg. No. 528

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
State Operations:			
State General Fund:			
Noncensus	\$ 1,437,252	\$ 1,505,661	\$ --
Census	--	--	--
Uniform Commercial Code			
Fee Fund	786,517	829,700	--
Other Special Funds	246,690	252,690	--
TOTAL	\$ 2,470,459	\$ 2,588,051	\$ --
FTE Positions	62.0	62.0	(1.0)

### Agency Request/Governor's Recommendations

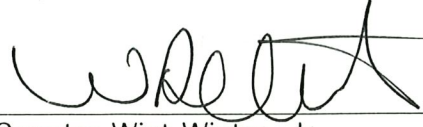
The agency's FY 1990 request totals \$2,470,459, an increase of \$15,404 above the FY 1989 estimate of noncensus expenditures, and would maintain the same 62.0 FTE positions approved for the current fiscal year. No census expenditures are requested for FY 1990. The request includes \$1,437,252 from the State General Fund (a decrease of \$8,855 from the FY 1989 estimate of noncensus expenditures), and \$1,033,207 from special revenue funds (an increase of \$24,259). The Governor recommends FY 1990 expenditures of \$2,588,051, an increase of \$117,592 from the agency's request. The FY 1990 recommendation reflects an increase of \$119,039 from the current year recommendation and would maintain the agency's current staffing of 62.0 FTE. The recommendation includes \$1,505,661 from the State General Fund (an increase of \$51,311 from the FY 1989 recommendation for noncensus expenditures) and \$1,082,390 from special revenue funds (an increase of \$67,728).

### Senate Subcommittee Recommendation

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

1. Delete 1.0 FTE Office Assistant position as per the FY 1989 recommendations.
2. The Subcommittee notes with concern that the Governor's FY 1990 recommendation for the Uniform Commercial Code (UCC) Fee Fund results in an estimated ending balance of \$543. The Subcommittee does not recommend any changes at this time, however, due to the "no limit" nature of the fund and no serious concerns expressed by representatives of the Secretary of State. The Subcommittee invites the House Subcommittee for this agency to review this matter further and consider if legislation should be introduced to raise the maximum fees for UCC transactions.

3. The Subcommittee notes that the Secretary of State estimates that the fiscal impact of any constitutional amendments passed by the 1989 Legislature would be approximately \$40,000 per amendment, depending on its length.



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Senator Wint Winter, Jr.  
Subcommittee Chairperson



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Senator Paul Feleciano, Jr.

SUBCOMMITTEE REPORT

Agency: Insurance Department

Bill No. 80

Bill Sec. 2

Analyst: Rampey

Analysis Pg. No. 133

Budget Pg. No. 342

<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	\$ 10,757,906	\$ 10,801,029	\$ --
Local Aid	3,775,000	3,775,000	--
Other Assistance	45,300,258	45,300,258	--
Total	<u>\$ 59,833,164</u>	<u>\$ 59,876,287</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 4,170,178	\$ 4,203,023	\$ --
Other Assistance	4,000,000	4,000,000	--
Total	<u>\$ 8,170,178</u>	<u>\$ 8,203,023</u>	<u>\$ --</u>
FTE Positions	149.2	149.2	--

Agency Request/Governor's Recommendation

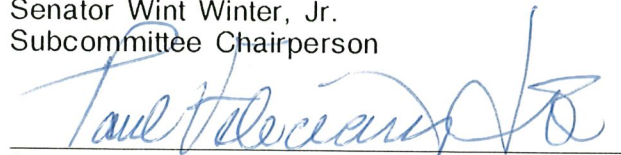
Total expenditures for the Insurance Department are estimated to be \$59,833,164. Of that amount, \$8,170,178 is from the State General Fund, which is the amount approved by the 1988 Legislature. The Department's approved position limitation is 149.2 FTE. The Governor recommends expenditures of \$59,876,287, an increase of \$43,123 over the Department's estimate. All of the increase is in salaries and wages and consists almost entirely of employee health insurance benefits. Of the increase, \$32,845 is from the State General Fund.

Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the Governor. The Subcommittee notes that, in order to accurately reflect the Governor's recommendations relating to increased health insurance benefits, S.B. 80 should be amended to add \$566 for administrative costs associated with the Firefighters Relief Fund and \$3,558 for administrative costs associated with the Workers' Compensation Fund. (The money is included in amounts recommended by the Governor but the bill does not reflect the Governor's recommendation.)



Senator Wint Winter, Jr.  
Subcommittee Chairperson



Senator Paul Feleciano, Jr.

SUBCOMMITTEE REPORT

Agency: Insurance Department                      Bill No. 39    Bill Sec. 11  
 Analyst: Rampey    Analysis Pg. No. 133                                      Budget Pg. No. 342

<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	\$ 11,420,815	\$ 11,625,285	\$ 3,092
Local Aid	3,800,000	3,800,000	--
Other Assistance	47,588,000	47,588,000	--
Total	<u>\$ 62,808,815</u>	<u>\$ 63,013,285</u>	<u>\$ 3,092</u>
State General Fund:			
State Operations	\$ 4,309,820	\$ 4,479,920	\$ --
Other Assistance	4,000,000	4,000,000	--
Total	<u>\$ 8,309,820</u>	<u>\$ 8,479,920</u>	<u>\$ --</u>
FTE Positions	153.7	151.2	--

Agency Request/Governor's Recommendations

For FY 1990, the Department estimates expenditures of \$62,808,815, of which \$8,309,820 would be from the State General Fund. Included in the State General Fund amount is \$63,530 for the salaries and benefits of 3.5 FTE new positions. In addition, the Department plans to shift half of the salary of a current employee to the Workers' Compensation Fund, for a savings to the State General Fund of \$11,352. For FY 1990, the Governor recommends expenditures of \$63,013,285, an increase of \$204,470 over the Department's request. The State General Fund portion of the increase would be \$170,100. The only change the Governor makes to the Department's request is in the area of salaries and wages. The Governor approves the addition of 2.0 FTE new positions (one in the insurance regulation program and one in the workers' compensation program) and approves the shift of half of the salary of a current employee from the insurance regulation program to the workers' compensation program. The Governor's recommendation provides for a 4.0 percent salary increase for classified employees, a merit pool for unclassified employees, and increased employee health insurance benefits.

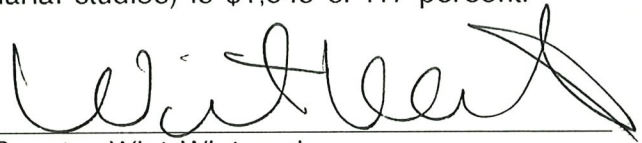
Senate Subcommittee Recommendations

FY 1990. The Subcommittee concurs with the Governor's recommendations, with the following exception:

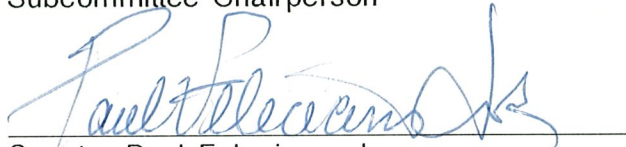
1. In order to accurately reflect the Governor's intention to fund increased employee health insurance benefits, add \$493 for administrative costs associated with the Firefighters Relief Fund and \$2,599 for administrative costs associated with the Workers' Compensation Fund.

In addition, the Subcommittee makes the following comments:

1. The Subcommittee concurs with the Governor's policy of reappropriating without limit money from the State General Fund. In the past, this policy has been applied to the offices of the Governor and Lieutenant Governor. This year, the policy has been extended to all statewide elected officials. For the Insurance Department, it is estimated that \$9,475 will be reappropriated from FY 1989 to FY 1990.
2. The Subcommittee calls attention to the fact that the turnover rate for the insurance regulation program, which is funded from the State General Fund, was 6.1 percent for FY 1988. The Insurance Department has had an unusually high turnover rate in past years and the 6.1 percent rate is lower than it has been.
3. The Subcommittee wishes to note that the increase from FY 1989 to FY 1990 in State General Fund expenditures for agency operations (excluding expenditures for salaries and actuarial studies) is \$1,345 or .17 percent.



Senator Wint Winter, Jr.  
Subcommittee Chairperson



Senator Paul Feleciano, Jr.

SUBCOMMITTEE REPORT

Agency: Fort Hays State University

Bill No. 67

Bill Sec. 2

Analyst: Conroy

Analysis Pg. No. 653

Budget Pg. No. 232

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Amended Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 20,081,212	\$ 20,422,337	\$ 136,475
General Fees Fund	<u>4,357,818</u>	<u>4,389,702</u>	<u>--</u>
Subtotal -- General			
Use Funds	\$ 24,439,030	\$ 24,812,039	\$ 136,475
Other Funds	<u>6,059,060</u>	<u>6,059,060</u>	<u>--</u>
Subtotal	<u>\$ 30,498,090</u>	<u>\$ 30,871,099</u>	<u>\$ 136,475</u>
Other Assistance:			
Other Funds	<u>\$ 2,316,268</u>	<u>\$ 2,316,268</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 24,439,030</u>	<u>\$ 24,812,039</u>	<u>\$ 136,475</u>
Total Operating Expenditures	<u>\$ 32,814,358</u>	<u>\$ 33,187,367</u>	<u>\$ 136,475</u>
Capital Improvements:			
State General Fund	\$ --	\$ 2,162,000	\$ --
Educational Bldg. Fund	2,162,000	--	--
Other Funds	<u>385,000</u>	<u>923,000</u>	<u>--</u>
Subtotal - Capital			
Improvements	<u>\$ 2,547,000</u>	<u>\$ 3,085,000</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 35,361,358</u>	<u>\$ 36,272,367</u>	<u>\$ 136,475</u>

FTE Positions	623.4	622.4	7.0
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Agency Request/Governor's Recommendation

The University requests a total of \$24,439,030 in general use funds for the FY 1990 budget, an increase of 8.8 percent over the FY 1989 estimate. The request includes program maintenance increases of \$931,378 for a 5 percent unclassified staff and faculty salary increase, a 5 percent student salary increase, a 4 percent increase for other operating expenditures and classified staff pay plan step movement. The University also requests \$41,023 for adjustments to the FY 1989 base budget. For the Margin of Excellence program the agency requests a total of \$1,011,000, of which \$722,627 would be for faculty salary parity and \$288,373 and 4.0 FTE positions for mission-related enhancements.

The Governor recommends an FY 1990 general use base budget of \$24,812,039, a 9.6 percent increase above the revised FY 1989 recommendation. The Governor's recommendations include funding to provide a 5 percent increase for unclassified faculty and staff salaries, a 5 percent increase for student salaries, a 4 percent

*SB 67*



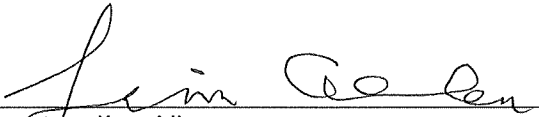
increase for other operating expenditures, and a 4 percent increase for classified salaries. The Governor recommends a total of \$866,127 for the Margin of Excellence of which \$722,627 is for faculty salary parity and \$143,500 and 2.0 FTE positions are for mission-related enhancements.

The Governor also recommends an additional \$2.4 million and a shift in funding for Sheridan Coliseum renovation. The Governor recommends that the existing Educational Building Fund appropriations of \$1,500,000 in FY 1989 and \$2,162,000 in FY 1990 be lapsed. State General Fund appropriations are then recommended in the amounts of \$3,900,000 in FY 1989 and \$2,162,000 in FY 1990. The total project cost, from all funding sources, increases from \$6,012,000 to \$8,412,000.

#### Senate Subcommittee Recommendations

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

1. Systemwide Recommendation -- Margin of Excellence. Addition of \$144,873 (State General Fund) and 2.0 FTE positions to fully fund the agency's FY 1990 Margin of Excellence request.
2. Systemwide Recommendation -- Student Salaries. Delete \$8,398 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Committee recommends shifting the resources to other student programs within the Board of Regents office budget.
3. Concur with reduction of \$87,213 (State General Fund) as contained within Governor's Budget Amendment No. 1 for salaries and wages adjustments. The reduction is a technical adjustment to the agency's FY 1990 budget.
4. Add 5.0 FTE positions financed from restricted fees for economic development and research activities at the University.

  
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Senator Jim Allen  
Subcommittee Chairperson

  
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Senator Frank D. Gaines

## SUBCOMMITTEE REPORT

Agency: Fort Hays State  
University

Bill No. 80

Bill Sec. 20

Analyst: Conroy

Analysis Pg. No. 653

Budget Pg. No. 232

<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	\$ 18,320,953	\$ 18,499,342	\$ --
General Fees Fund	<u>4,134,682</u>	<u>4,134,682</u>	<u>--</u>
Subtotal -- General Use Funds	\$ 22,455,635	\$ 22,634,024	\$ --
Other Funds	<u>5,832,077</u>	<u>5,832,077</u>	<u>--</u>
Subtotal	<u>\$ 28,287,712</u>	<u>\$ 28,466,101</u>	<u>\$ --</u>
Other Assistance:			
Other Funds	<u>\$ 2,227,181</u>	<u>\$ 2,227,181</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 22,455,635</u>	<u>\$ 22,634,024</u>	<u>\$ --</u>
Total Operating Expenditures	<u>\$ 30,514,893</u>	<u>\$ 30,693,282</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 283,762	\$ 4,183,762	\$ --
Educational Bldg. Fund	1,520,060	472,000	--
Other Funds	<u>710,000</u>	<u>20,060</u>	<u>--</u>
Subtotal - Capital Improvements	<u>\$ 2,513,822</u>	<u>\$ 4,675,822</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 33,028,715</u>	<u>\$ 35,369,104</u>	<u>\$ --</u>
 FTE Positions	 620.4	 620.4	 --

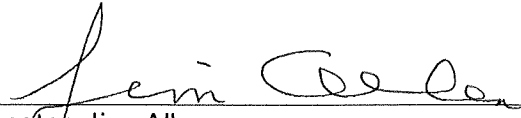
### Agency Request/Governor's Recommendation

**FY 1989. General Use Base Budget.** The University's general use base budget for FY 1989 totals \$22,455,635, which is 12.7 percent greater than actual general use expenditures for FY 1988. The University does not request any supplemental funding for FY 1989.

The Governor recommends a general use base budget of \$22,634,024, an increase of \$178,389 above the agency's request. The Governor's recommendations include a supplemental State General Fund.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations in the current year.



\_\_\_\_\_  
Senator Jim Allen  
Subcommittee Chairperson



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Senator Frank D. Gaines

246-89/adc

## SUBCOMMITTEE REPORT

Agency: Emporia State University      Bill No. 67      Bill Sec. 5  
 Analyst: Conroy      Analysis Pg. No. 678      Budget Pg. No. 216

Expenditure Summary	Agency Req. FY 90	Amended Governor's Rec. FY 90	Subcommittee Adjustments
State Operations:			
State General Fund	\$ 19,743,992	\$ 20,195,827	\$ 41,258
General Fees Fund	4,932,398	5,095,755	--
Endowment Interest	25,000	25,000	--
Subtotal -- General Use Funds	\$ 24,701,390	\$ 25,316,582	\$ 41,258
Restricted Use Funds	5,189,369	5,189,369	--
Subtotal -- State Operations	\$ 29,890,759	\$ 30,505,951	\$ 41,258
Other Assistance:			
Other Funds	\$ 1,984,414	\$ 1,984,414	\$ --
Total General Use Funds	\$ 24,701,390	\$ 25,316,582	\$ 41,258
Total Operating Expenditures	\$ 31,875,173	\$ 32,490,365	\$ 41,258
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	610,000	160,000	450,000
Other Funds	41,500	41,500	--
Subtotal	\$ 651,500	\$ 201,500	\$ 450,000
GRAND TOTAL	\$ 32,526,673	\$ 32,691,865	\$ 491,258
FTE Positions	653.0	645.3	1.5

### Agency Request/Governor's Recommendations

FY 1990. The University requests a total of \$24,701,390 in general use funds for the FY 1990 budget, an increase of 8.2 percent over the FY 1989 agency request. The request includes program maintenance increases of \$925,513 for a 5 percent unclassified staff and faculty salary increase, a 5 percent student salary increase, a 4 percent increase for other operating expenditures and classified staff pay plan step movement. The University also requests \$122,072 for adjustments to the FY 1989 base budget for fringe benefit increases and \$386,079 and 14.0 FTE positions for an adjustment for increased enrollment in FY 1988. For the Margin of Excellence program the agency requests a total of \$448,719, of which \$350,000 would be for faculty salary parity and \$98,719 and 3.0 FTE positions for mission-related enhancements.

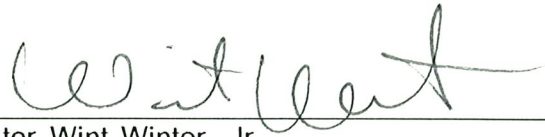
The Governor recommends an FY 1990 general use base budget of \$25,166,747, an 8.4 percent increase above the revised FY 1989 recommendation. The Governor's recommendations include funding to provide a 5 percent increase for

unclassified faculty and staff salaries, a 5 percent increase for student salaries, a 4 percent increase for other operating expenditures, and a 4 percent increase for classified salaries. The Governor recommends \$386,079 and 14.0 FTE positions for the enrollment adjustment as requested by the Agency. The Governor recommends a total of \$399,360 for the Margin of Excellence, of which \$350,000 is for faculty salary parity and \$49,360 is for 1.5 FTE positions for mission-related enhancements.

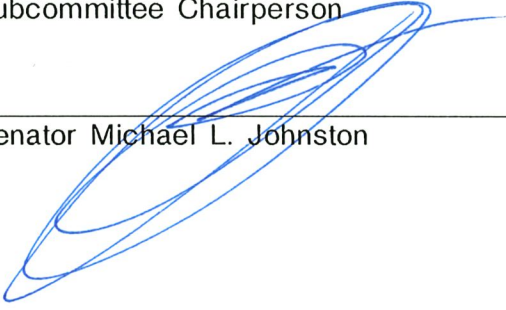
#### Senate Subcommittee Recommendations

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

1. Systemwide Recommendation -- Margin of Excellence. Addition of \$49,360 (State General Fund) and 1.5 FTE positions to fully fund the agency's FY 1990 Margin of Excellence request.
2. Systemwide Recommendation -- Student Salaries. Delete \$8,102 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Committee recommends shifting the resources to other students within the Board of Regents' Office budget.
3. Concur with the addition of \$149,835 (State General Fund) contained within Governor's Budget Amendment No. 1 for fringe benefit adjustments. The addition is a technical adjustment to the agency's FY 1989 budget.
4. The Subcommittee is supportive of the Committee's action to place a moratorium on major new construction or major renovation projects financed from the Educational Building Fund. The Subcommittee notes that for FY 1990 alone the agency submitted over \$2.0 million of major repairs and maintenance to the Board of Regents.
5. Add \$450,000 from the Educational Building Fund for final planning for the renovation of Plumb Hall. The Subcommittee is of the opinion that this project does not violate the Committee's moratorium on major reconstruction. The main focus of the project would be to update the electrical and mechanical systems throughout Plumb Hall. The Subcommittee believes that adequate resources will be available from the Educational Building Fund due to the construction/reconstruction moratorium of the Committee. The Subcommittee notes that preliminary planning for the project has been approved for FY 1989 and the most effective phasing of the project would provide for final planning to be completed in FY 1990.
6. The Subcommittee notes the high level concern expressed by faculty, employees, and students at Emporia State University on the possibility of Washburn University entering the Regent's system.



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Senator Wint Winter, Jr.  
Subcommittee Chairperson



\_\_\_\_\_  
Senator Michael L. Johnston

379-90

## SUBCOMMITTEE REPORT

Agency: Emporia State University      Bill No. 80      Bill Sec. 18  
 Analyst: Conroy      Analysis Pg. No. 678      Budget Pg. No. 216

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Amended Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 17,956,837	\$ 18,320,061	\$ --
General Fees Fund	4,827,170	4,961,297	--
Endowment Interest	35,000	35,000	--
Subtotal -- General Use Funds	\$ 22,819,007	\$ 23,316,358	\$ --
Restricted Use Funds	5,011,502	5,011,502	--
Subtotal -- State Operations	\$ 27,830,509	\$ 28,327,860	\$ --
<b>Other Assistance:</b>			
Other Funds	\$ 1,984,414	\$ 1,984,414	\$ --
Total General Use Funds	\$ 22,819,007	\$ 23,316,358	\$ --
Total Operating Expenditures	\$ 29,814,923	\$ 30,312,274	\$ --
<b>Capital Improvements:</b>			
State General Fund Educational Building Fund	\$ 206,411	\$ 206,411	\$ --
Other Funds	253,369	253,369	--
Subtotal	41,500	41,500	--
Subtotal	\$ 501,280	\$ 501,280	\$ --
<b>GRAND TOTAL</b>	<b>\$ 30,316,203</b>	<b>\$ 30,813,554</b>	<b>\$ --</b>
FTE Positions	625.7	623.7	--

### Agency Request/Governor's Recommendations

FY 1989. General Use Base Budget. The University's general use base budget for FY 1989 totals \$22,819,007 which is 8.9 percent greater than actual general use expenditures for FY 1988. The University does not request any supplemental funding for FY 1989.

The Governor recommends a general use base budget of \$23,316,358, an increase of \$497,351 over the approved amount. The Governor's recommendations include a State General Fund supplemental of \$363,224 and a fee release of \$134,127. Of the additional funds, \$295,936 relates to increased health insurance costs for employees and dependents.


Senate Subcommittee Recommendations

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

1. Concur with the addition of \$104,231 (State General Fund) contained within Governor's Budget Amendment No. 1 for salaries and wages. The addition is a technical adjustment to the agency's FY 1989 budget.



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Senator Wint Winter, Jr.  
Subcommittee Chairperson



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Senator Michael L. Johnston



**SUBCOMMITTEE REPORT**

Agency: Pittsburg State University      Bill No. 67      Bill Sec. 6  
 Analyst: Conroy      Analysis Pg. No. 684      Budget Pg. No. 466

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Amended Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 21,503,014	\$ 21,645,261	\$ 153,121
General Fees Fund	5,463,119	5,765,089	--
General Use Funds	\$ 26,966,133	\$ 27,410,350	\$ 153,121
Restricted Use	4,693,655	4,693,655	--
Subtotal - State Operations	<u>\$ 31,659,788</u>	<u>\$ 32,104,005</u>	<u>\$ 153,121</u>
<b>Other Assistance:</b>			
State General Fund	\$ 66,560	\$ 66,560	\$ --
General Fees	--	--	--
Other Funds	1,535,516	1,535,516	--
Subtotal - Other Assistance	<u>\$ 1,602,076</u>	<u>\$ 1,602,076</u>	<u>\$ --</u>
Total General Use Funds	\$ 27,032,693	\$ 27,476,910	\$ --
Total Operating Expendi- tures	\$ 33,261,874	\$ 33,706,081	\$ 153,121
<b>Capital Improvements:</b>			
State General Fund	\$ 894,000	\$ --	\$ --
Educational Building Fund	371,000	1,265,000	--
Other Funds	--	--	--
Subtotal - Capital Improvements	<u>\$ 1,265,000</u>	<u>\$ 1,265,000</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u><u>\$ 34,526,874</u></u>	<u><u>\$ 34,971,081</u></u>	<u><u>\$ 153,121</u></u>
FTE Positions	641.2	641.2	4.5

Agency Request/Governor's Recommendation

**FY 1990.** The University requests a total of \$27,032,693 in general use funds for the FY 1990 budget, an increase of 9.3 percent over the FY 1989 budget. The request includes program maintenance increases totaling \$1,000,052, which provides 5 percent for unclassified salary increases, 4 percent for other operating expenditures increases, 5 percent for student salaries, and classified staff pay plan step movement. The University also requests \$173,416 for adjustments to the FY 1989 base budget for fringe benefit increases, \$214,779 for an enrollment adjustment for increased enrollment in FY 1988, and \$40,968 for additional maintenance support for Shirk Hall. For the Margin of Excellence program, the agency requests a total of \$817,000, of which \$498,000 would be for faculty salary parity and \$319,000 for mission-related enhancements.

The Governor recommends an FY 1990 general use base budget of \$27,540,932, a 10.5 percent increase above the revised FY 1989 recommendation. The Governor's recommendations include funding to provide a 5 percent increase for unclassified faculty and staff salaries, a 5 percent increase for student salaries, a 4 percent increase for other operating expenditures, and a 4 percent increase for classified salaries. The Governor recommends \$214,779 and 7.0 FTE positions for an enrollment adjustment as requested by the agency. The Governor recommends a total of \$675,500 for the Margin of Excellence, of which \$498,000 is for faculty salary parity and \$159,500 for mission-related enhancements.

### Senate Subcommittee Recommendations

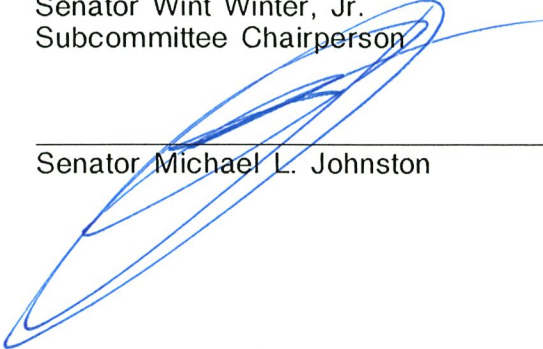
The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Systemwide Recommendation -- Margin of Excellence. Addition of \$159,500 (State General Fund) for full funding of the Margin of Excellence as requested by the agency.
2. Systemwide Recommendation -- Student Salaries. Delete \$6,379 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Committee recommends shifting resources to other student programs within the Board of Regents' Office budget.
3. Concur with Governor's Budget Amendment No. 1 which deletes \$64,022 (State General Fund) for salaries and wages. The reduction is a technical adjustment to the agency's FY 1990 budget.
4. The Subcommittee toured the institutional campus. The Subcommittee saw the need for additional major maintenance funds to protect the infrastructure of the institution. The Subcommittee is supportive of the moratorium on major new construction or major reconstruction financed from the Educational Building Fund (EBF). The moratorium will permit EBF resources to address the major maintenance needs of the campus.
5. The Subcommittee supports the recommended capital improvement projects totaling \$1,265,000 from the EBF. The projects include \$371,000 for modifications to the School of Technology (Whitesitt Hall) and \$894,000 for roof replacements. The projects would not violate the Committee's moratorium on major construction or major reconstruction financed from the EBF. The modifications to the School of Technology relate to accreditation of the Department of Engineering Technology.
6. The Subcommittee expresses concern over the apparent need for updated scientific equipment for successful graduate programs. The Subcommittee encourages the Board of Regents to continue to review the cost-effectiveness of offering graduate programs that have a very low number of graduations, but a high cost of providing the necessary research equipment for the students.
7. The Subcommittee is please with the efforts of President Don Wilson of Pittsburg State University. The Subcommittee believes President Wilson

has been key in improving communication between the administration and the faculty. The Subcommittee attributes the improvements made at Pittsburg State to Dr. Wilson.



\_\_\_\_\_  
Senator Wint Winter, Jr.  
Subcommittee Chairperson



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Senator Michael L. Johnston

## SUBCOMMITTEE REPORT

Agency: Pittsburg State University

Bill No. 80

Bill Sec. 19

Analyst: Conroy

Analysis Pg. No. 684

Budget Pg. No. 466

Expenditure Summary	Agency Req. FY 89	Amended Governor's Rec. FY 89	Subcommittee Adjustments
State Operations:			
State General Fund	\$ 18,665,279	\$ 18,889,174	\$ --
General Fees Fund	6,002,199	6,108,717	--
General Use Funds	\$ 24,667,478	\$ 24,997,891	\$ --
Restricted Use	4,360,775	4,360,775	--
Subtotal - State Operations	\$ 29,028,253	\$ 29,358,666	\$ --
Other Assistance:			
State General Fund	\$ 64,000	\$ 64,000	\$ --
Other Funds	1,476,919	1,476,919	--
Subtotal - Other Assistance	\$ 1,540,919	\$ 1,540,919	\$ --
Total General Use Funds	\$ 24,731,478	\$ 25,061,891	\$ --
Total Operating Expendi- tures	\$ 30,569,172	\$ 30,899,585	\$ --
Capital Improvements:			
State General Fund	\$ 65,926	\$ 220,810	\$ --
Educational Building Fund	248,127	248,127	--
Subtotal - Capital Improvements	\$ 314,053	\$ 468,937	\$ --
GRAND TOTAL	\$ 30,883,225	\$ 31,368,522	\$ --
FTE Positions		630.2	--

### Agency Request/Governor's Recommendation

**FY 1989.** The University's general use base budget for FY 1989 totals \$24,786,478. The FY 1989 general use base budget is 14.0 percent greater than actual general use expenditures for FY 1988. The University does not request any supplemental funding for FY 1989.

The Governor recommends a general use base budget of \$25,061,891, an increase of \$275,413 over the approved amount. The Governor's recommendations include a State General Fund supplemental of \$224,117 and a fee release of \$106,518. Of the additional funds recommended by the Governor, \$196,991 relates to increased health insurance costs for employees and dependents.

Senate Subcommittee Recommendations

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

1. Concur with Governor's Budget Amendment No. 1 which adds \$134,152 (State General Fund) for salaries and wages. The addition is a technical adjustment to the agency's current year budget.



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Senator Wint Winter, Jr.  
Subcommittee Chairperson



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Senator Michael L. Johnston

SUBCOMMITTEE REPORT

Agency: Wichita State  
University

Bill No. 67

Bill Sec. 9

Analyst: Conroy

Analysis Pg. No. 702

Budget Pg. No. 620

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 47,039,825	\$ 47,250,930	\$ 283,944
General Fees Fund	14,003,445	14,915,099	--
General Use Funds	\$ 61,043,270	\$ 62,166,029	\$ 283,944
Other Funds	23,746,215	23,746,215	200,000
Subtotal - State Operations	<u>\$ 84,789,485</u>	<u>\$ 85,912,244</u>	<u>\$ 483,944</u>
<b>Other Assistance:</b>			
State General Fund	\$ --	\$ --	\$ --
General Fees Fund	131,920	70,920	--
Other Funds	4,946,486	4,946,486	--
Subtotal - Other Assistance	<u>\$ 5,078,406</u>	<u>\$ 5,017,406</u>	<u>\$ --</u>
<b>Total General Use Funds</b>	<u>\$ 61,175,190</u>	<u>\$ 62,236,949</u>	<u>\$ 283,944</u>
<b>Total Operating Expenditures</b>	<u>\$ 89,867,891</u>	<u>\$ 90,929,650</u>	<u>\$ 483,944</u>
<b>Capital Improvements:</b>			
State General Fund	\$ --	\$ 2,000,000	\$ --
Educational Building Fund	1,155,000	2,000,000	--
Subtotal - Capital Improvements	<u>\$ 1,155,000</u>	<u>\$ 4,000,000</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u>\$ 91,022,891</u>	<u>\$ 94,929,650</u>	<u>\$ 483,944</u>
<b>FTE Positions</b>	1,635.0	1,620.4	4.5

Agency Request/Governor's Recommendation


**FY 1990.** The University requests a total of \$61,175,190 in general use funds for the FY 1990 budget, an increase of 9.5 percent over the FY 1989 agency request. The request includes program increases of \$2,221,214 for a 5 percent unclassified staff and faculty salary increase, a 5 percent student salary increase, and a 4 percent increase for other operating expenditures and classified staff pay plan step movement. The University also requests \$533,846 for adjustments to the FY 1989 base budget for increased fringe benefits and full-year servicing of two new buildings. For FY 1990, the agency requests \$480,423 and 17.0 FTE positions for an enrollment adjustment as a result of enrollment increases in FY 1988. The agency also requests \$326,991 and 7.0 FTE positions to service the new Institute for Aviation Research. For the Margin of Excellence program, the agency requests a total of \$1,726,000, of which \$1,284,000 would be for faculty salary parity and \$442,000 and 5.5 FTE positions for mission related enhancements.

The Governor recommends an FY 1990 general use base budget of \$62,236,949, a 10.1 percent increase above the revised FY 1989 recommendation. The Governor's recommendation includes funding to provide a 5 percent increase for unclassified faculty and staff salaries, a 5 percent increase for student salaries, a 4 percent increase for other operating expenditures, and a 4 percent increase for classified salaries, as well as classified staff pay plan step movement. The Governor recommends \$455,388 for adjustments to the FY 1989 base budget, or \$78,458 less than the agency requested. The Governor concurs with the agency request of \$480,423 and 17.0 FTE positions for an enrollment adjustment. The Governor recommends a total of \$1,505,000 for the Margin of Excellence, of which \$1,284,000 is for faculty salary parity and \$221,000 and 1.0 FTE position for mission related enhancements. The Governor also includes full year funding of \$300,000 and 5.0 unclassified positions for the Institute of Aviation Research.

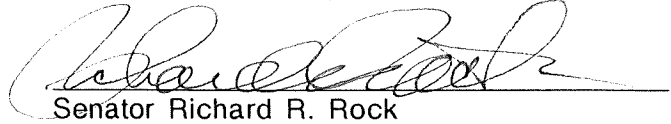
#### Senate Subcommittee Recommendation

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

1. Systemwide Recommendation -- Margin of Excellence. Addition of \$221,000 (State General Fund) and 4.5 FTE positions to fully fund the agency's FY 1990 Margin of Excellence request.
2. Systemwide Recommendation -- Student Salaries. Delete \$11,218 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Subcommittee recommends shifting the resources to other student programs within the Board of Regents office budget.
3. Add \$74,162 (State General Fund) for full state support for the servicing costs (maintenance and utilities) of the Eck Stadium and Henry Levitt Arena. The Subcommittee concurs with Board of Regents' recent policy change that the state should fully support the maintenance costs of these selected athletic facilities.
4. The Subcommittee is supportive of the \$300,000 and 5.0 unclassified FTE positions recommended for the Institute for Aviation Research. The Institute will be a major asset for the aircraft industry within our state. However, the Subcommittee recommends shifting the \$300,000 from the salaries and wages and other operating expenditures line items to the general research line item to fully reflect and emphasize the intent of the resources.
5. Add \$200,000 from the Economic Development Initiatives Fund (EDIF) for support of the Rehabilitation Engineering Center for work with cerebral palsy research projects. The activities of the Rehabilitation Engineering Center provide the opportunity for economic development in this specialized industry.
6. The Subcommittee is supportive of the construction of a new classroom science building. The Subcommittee believes the moratorium on new construction does not apply to this structure since \$571,000 has already been approved to plan the facility and \$100,000 has been previously approved for site work for the structure.



Senator Ross O. Doyen  
Subcommittee Chairperson



Senator Richard R. Rock



## SUBCOMMITTEE REPORT

Agency: Wichita State University

Bill No. 80

Bill Sec. 15

Analyst: Conroy

Analysis Pg. No. 702

Budget Pg. No. 620

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 42,095,132	\$ 42,624,176	\$ --
General Fee Fund	13,743,584	13,863,554	--
General Use Funds	\$ 55,838,716	\$ 56,487,730	\$ --
Other Funds	22,019,308	22,019,308	--
Subtotal - State Operations	<u>\$ 77,858,024</u>	<u>\$ 78,507,038</u>	<u>\$ --</u>
<b>Other Assistance:</b>			
General Fees Fund	\$ 48,000	\$ 48,000	\$ --
Other Funds	4,946,886	4,946,886	--
Subtotal - Other Assistance	<u>\$ 4,994,886</u>	<u>\$ 4,994,886</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 55,886,716</u>	<u>\$ 56,535,730</u>	<u>\$ --</u>
Total Operating Expenditures	<u>\$ 82,852,910</u>	<u>\$ 83,501,924</u>	<u>\$ --</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 231,700	\$ 231,700	\$ --
Educational Building Fund	1,846,798	2,001,798	--
Subtotal - Capital Improvements	<u>\$ 2,078,498</u>	<u>\$ 2,233,498</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u><u>\$ 84,931,408</u></u>	<u><u>\$ 85,735,422</u></u>	<u><u>\$ --</u></u>
FTE Positions	1,579.4	1,579.4	--

### Agency Request/Governor's Recommendation

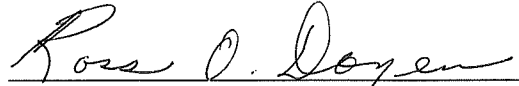
**FY 1989.** The University's general use base budget for FY 1989 totals \$55,886,716, which is 7.7 percent greater than actual general use expenditures for FY 1988. The University does not request any supplemental funding for FY 1989.

The Governor recommends a general use base budget of \$56,535,730, or \$649,014 above the approved amount. The Governor's recommendations include State General Fund salaries and wages supplementals of \$529,044 and a fee release of \$119,970 for salaries and wages support for higher than anticipated enrollment. Within the Governor's recommendation is \$150,000 and 5.0 FTE unclassified positions for the Institute for Aviation Research.

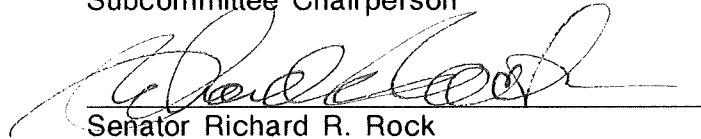
Senate Subcommittee Recommendations

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

1. The Subcommittee is supportive of the \$150,000 and 5.0 unclassified FTE positions recommended for the Institute for Aviation Research. The Institute will be a major asset for the aircraft industry within our state.



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Senator Ross O. Doyen  
Subcommittee Chairperson



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Senator Richard R. Rock

## SUBCOMMITTEE REPORT

Agency: Kansas State University  
 Veterinary Medical  
 Center

Bill No. 67

Bill Sec. 4

Analyst: Conroy

Analysis Pg. No. 672

Budget Pg. No. 406

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Amended Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 7,328,167	\$ 7,594,276	\$ (1,044)
General Fees Fund	3,096,534	3,096,534	--
Hospital Revenue Fund	<u>1,308,000</u>	<u>1,308,000</u>	<u>--</u>
General Use Funds	\$ 11,732,701	\$ 11,998,810	\$ (1,044)
Restricted Use	<u>565,965</u>	<u>513,840</u>	<u>--</u>
GRAND TOTAL	<u>\$ 12,298,666</u>	<u>\$ 12,512,650</u>	<u>\$ (1,044)</u>
FTE Positions	229.8	229.8	--

### Agency Request/Governor's Recommendation

**FY 1990.** The Medical Center requests a total of \$11,721,701 in general use funds, an increase of 12.0 percent over the FY 1989 agency request. The request includes program maintenance increases of \$369,837 for a 5 percent unclassified staff and faculty salary increase, a 5 percent student salary increase, a 4 percent increase for other operating expenditures and classified staff pay plan step movement. The Medical Center also requests \$208,088 for adjustments to the FY 1989 general use base budget for fringe benefit increases (\$68,088) and for full-year funding of five positions that were funded for six months in FY 1989 (\$140,000). The agency requests a total of \$675,990 in FY 1990 for the Margin of Excellence. Of the requested amount, \$150,000 would be for faculty/unclassified salary parity and \$525,990 for program fulfillments.

The Governor recommends a general use operating budget of \$11,998,810 or \$266,109 above the agency's request. The recommendation is an 13.7 percent increase above the Governor's FY 1989 recommendation. The Governor's recommendations include funding to provide a 5 percent increase for unclassified faculty and staff salaries, a 5 percent increase for student salaries, a 4 percent increase for other operating expenditures, and a 4 percent increase for classified salaries. The Governor concurs with the agency request of \$208,088 for general use base budget adjustments. The Governor also concurs with the entire agency request for the Margin of Excellence (\$675,990). The Governor increases the agency request for employee health insurance by \$79,427 and also recommends \$57,196 for employer family health insurance support.

### Senate Subcommittee Recommendations

**FY 1990.** The Senate Subcommittee concurs with the Governor's recommendations in the budget year with the following adjustment:

1. Systemwide Recommendation -- Student Salaries. Delete \$1,044 (State General Fund) for student salaries to reflect a 4 percent increase rather

than a 5 percent increase. The Committee recommends shifting the resources to other student programs within the Board of Regents' Office budget.

2. Concur with the Governor's Budget Amendment No. 1 which deletes \$18,387 (State General Fund) for salaries and wages (health insurance). The reduction is a technical adjustment to the agency's FY 1990 budget.



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Senator Dave Kerr  
Subcommittee Chairperson



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Senator Nancy Parrish

**SUBCOMMITTEE REPORT**

Agency: Kansas State University  
 Veterinary Medical  
 Center

Bill No. 80

Bill Sec. 17

Analyst: Conroy

Analysis Pg. No. 672

Budget Pg. No. 406

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Amended Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 6,530,008	\$ 6,599,961	\$ --
General Fees Fund	2,711,903	2,711,902	--
Hospital Revenue Fund	<u>1,236,875</u>	<u>1,236,875</u>	--
General Use Funds	\$ 10,478,786	\$ 10,548,738	\$ --
Restricted Use	<u>562,945</u>	<u>562,945</u>	--
Subtotal	<u>\$ 11,041,731</u>	<u>\$ 11,111,683</u>	<u>\$ --</u>
<b>Capital Improvements:</b>			
State General Fund	<u>\$ 66,603</u>	<u>\$ 66,603</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u><u>\$ 11,108,334</u></u>	<u><u>\$ 11,178,286</u></u>	<u><u>\$ --</u></u>
<b>FTE Positions</b>	<b>221.8</b>	<b>221.8</b>	<b>--</b>

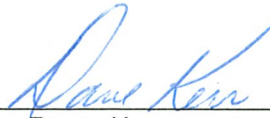
Agency Request/Governor's Recommendation

**FY 1989.** The Veterinary Medical Center's general use base budget request for FY 1989 of \$10,478,786 includes no supplementals. The funding request includes \$6,530,008 from the State General Fund, \$2,711,903 from the General Fees Fund, and \$1,236,875 from hospital revenues. The Governor recommends a total general use base budget of \$10,548,738, which includes a State General Fund supplemental of \$69,953. Of the additional recommended funds, \$61,453 relates to increased health insurance costs for employees and dependents and \$8,500 is recommended for implementation of salaries and wage increases for Phase III.

Senate Subcommittee Recommendations

**FY 1989.** The Senate Subcommittee concurs with the Governor's recommendations in the current year with the following adjustment:

1. Concur with the Budget Director's Budget Amendment No. 1 which deletes \$204,933 (State General Fund) for salaries and wages (health insurance). The reduction is a technical adjustment to the agency's current year budget.



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Senator Dave Kerr  
Subcommittee Chairperson



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Senator Nancy Parrish

## SUBCOMMITTEE REPORT

Agency: Kansas State University

Bill No. 67

Bill Sec. 3

Analyst: Conroy

Analysis Pg. No. 660

Budget Pg. No. 402

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 100,251,898	\$ 98,542,212	\$ 924,457
General Fees Fund	22,010,984	25,832,358	--
Federal Land Grant Funds	6,621,986	6,621,986	--
Endowment Interest	175,000	175,000	--
General Use Funds	\$ 129,059,868	\$ 131,171,556	\$ 924,457
Other Funds	57,321,845	57,321,845	--
Subtotal -- State Operations	\$ 186,381,713	\$ 188,493,401	\$ 924,457
<b>Aid to Local Units:</b>			
Restricted Use	\$ 105,707	\$ 105,707	\$ --
Subtotal -- Aid to Local Units	\$ 105,707	\$ 105,707	\$ --
<b>Other Assistance:</b>			
Other Funds	\$ 5,927,699	\$ 5,927,699	\$ --
<b>Total General Use Funds</b>	<b>\$ 129,059,868</b>	<b>\$ 131,171,556</b>	<b>\$ 924,457</b>
<b>Total Operating Expendi- tures</b>	<b>\$ 192,415,119</b>	<b>\$ 194,526,807</b>	<b>\$ 924,457</b>
<b>Capital Improvements:</b>			
Educational Building Fund	\$ --	\$ --	\$ --
Other Funds	1,060,000	1,358,000	--
Other Funds	4,770,000	4,858,000	--
Subtotal -- Capital Improvements	\$ 5,830,000	\$ 6,216,000	\$ --
<b>GRAND TOTAL</b>	<b>\$ 198,245,119</b>	<b>\$ 200,742,807</b>	<b>\$ 924,457</b>
FTE Positions	4,181.2	4,158.1	23.5

### Agency Request/Governor's Recommendation

The University requests a total of \$129,059,868 in general use funds for the FY 1990 budget, an increase of 8.3 percent over the FY 1989 agency request. The request includes program maintenance increases of \$4,776,033 for a 5 percent unclassified faculty and staff salary increase, a 5 percent increase for student salaries, a 4 percent increase for other operating expenditures, and classified staff pay plan step movement. The University also requests \$1,008,051 for adjustments to the base budget, \$96,981 for an enrollment adjustment and \$131,128 for servicing new buildings. For the Margin of Excellence program, the

agency requests a total of \$3,867,000, of which \$2,000,000 would be for faculty salary parity and \$1,867,000 and 30.1 FTE positions for mission-related enhancements. Subsequent to the submission of the agency's budget document, the University amended the FY 1990 capital improvement request. The revised request totals \$12,278,000 for several capital improvement projects.

The Governor recommends an FY 1990 general use budget of \$131,171,556, a 7.8 percent increase above the FY 1989 recommendation. The Governor's recommendations include funding to provide a 5 percent increase for unclassified faculty and staff salaries, a 5 percent increase for student salaries, a 4 percent increase for other operating expenditures, and a 4 percent increase for classified salaries. The Governor concurs with the agency request for an enrollment adjustment, adjustments to the FY 1989 base budget, and the servicing of new buildings. The Governor recommends a total of \$2,938,500 and 7.0 FTE positions for the Margin of Excellence, of which \$2,000,000 is for faculty salary parity and \$938,500 for mission-related enhancements. The Governor recommends a total of \$6,216,000 for capital improvements in FY 1990.

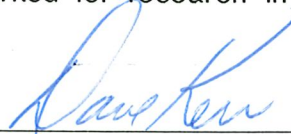
### Senate Subcommittee Recommendations

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

1. Systemwide Recommendation -- Margin of Excellence. Addition of \$938,500 (State General Fund) and 23.5 FTE positions to fully fund the agency's FY 1990 margin of Excellence request.
2. Systemwide Recommendation -- Student Salaries. Delete \$14,043 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Committee recommends shifting the resources to other student programs within the Board of Regents' Office budget.
3. The Subcommittee does not recommend the addition of \$110,024 for the servicing of Brandeberry Practice Facility and Bramlage Coliseum. However, the Subcommittee would recommend if funds are added at Wichita State University or the University of Kansas for this same purpose, that the additional funds be considered for Kansas State University.
4. Amended the State General Fund line item appropriations for the experiment stations at Colby, Fort Hays, Southeast Kansas, Southwest Kansas, and the Agriculture Experiment Station into a single line item. This change will permit the agency to more effectively manage the State General Fund resources.
5. Addition of a proviso that would permit expenditures from the Student Health Fee Fund to purchase medical malpractice liability coverage for individuals employed on the medical staff at the Student Health Center.
6. The Subcommittee received testimony from the Kansas Rural Center that Kansas State University should be encouraged to conduct research in the area of low input agriculture. KSU officials did



respond that \$227,000 has been earmarked for research in the area of low input agriculture.



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Senator Dave Kerr  
Subcommittee Chairperson



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Senator Nancy Parrish

SUBCOMMITTEE REPORT

Agency: Kansas State University      Bill No. 80      Bill Sec. 16  
 Analyst: Conroy      Analysis Pg. No. 660      Budget Pg. No. 402

<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	\$ 90,974,723	\$ 92,330,705	\$ --
General Fees Fund	21,567,037	22,661,515	--
Federal Land Grant Fund	6,463,915	6,463,915	--
Endowment Interest	175,000	175,000	--
General Use Funds	\$ 119,180,675	\$ 121,631,135	\$ --
Other Funds	55,417,890	55,417,890	--
Subtotal -- State Operations	<u>\$ 174,598,565</u>	<u>\$ 177,049,025</u>	<u>\$ --</u>
Aid to Local Units:			
Restricted Use	\$ 101,642	\$ 101,642	\$ --
Other Assistance:			
Other Funds	\$ 5,699,710	\$ 5,699,710	\$ --
Total General Use Funds	<u>\$ 119,180,675</u>	<u>\$ 121,631,377</u>	<u>\$ --</u>
Total Operating Expendi- tures	<u>\$ 180,399,917</u>	<u>\$ 182,850,377</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 643,487	\$ 643,487	\$ --
Educational Building Fund	1,543,345	1,537,869	--
Other Funds	8,121,115	8,121,115	--
Subtotal -- Capital Improvements	<u>\$ 10,307,947</u>	<u>\$ 10,302,471</u>	<u>\$ --</u>
GRAND TOTAL	<u>\$ 190,707,864</u>	<u>\$ 193,152,848</u>	<u>\$ --</u>
FTE Positions	4,142.3	4,142.3	--

Agency Request/Governor's Recommendation

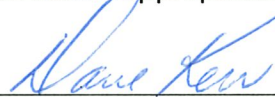
FY 1989. Kansas State University requests a total operating budget in FY 1989 of \$180,399,917. The University's general use base budget for FY 1989 totals \$119,180,675, which is an increase of 10.1 percent above the actual general use expenditures in FY 1988. The University does request funding for several supplemental items. The University requests \$353,287 in additional salaries and wages support for Cooperative Extension staff. Kansas State also requests \$390,000 in the current year to correct heating system deficiencies in Bluemont Hall. Finally, the agency requests \$290,000 for extension of the campus electrical grid to Bramlage Coliseum.

The Governor recommends a total FY 1989 operating budget of \$182,850,377, an increase of 8.5 percent above the FY 1988 actual expenditures. The Governor recommends a general use base budget of \$121,631,135 in FY 1989, an increase of \$2,450,460 above the agency request. The Governor recommends a State General Fund supplemental appropriation of \$1,355,982 for salaries and wages in the current year, largely associated with increased employee and dependent health insurance costs and additional support for Cooperative Extension staff benefits. The Governor recommends a fee release of \$1,094,478 due to unanticipated increases in student enrollments. The Governor also recommends a transfer of \$390,000 from the Construction Defects Recovery Fund of the Department of Administration to the agency to correct defects in Bluemont Hall.

Senate Subcommittee Recommendations

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

1. The agency had originally requested a State General Fund supplemental appropriation of \$290,000 to extend the electrical grid from the main campus to Bramlage Coliseum. Kansas State estimates that the linkage would allow energy cost savings of approximately \$134,000 per year, or a 3.2 year payback. S.B. 322 has been introduced which would establish an Energy Conservation Improvement fund which would provide an avenue to finance the extension of the electrical grid to Bramlage. However, should S.B. 322 not be approved the Subcommittee recommends this item be considered for inclusion in the omnibus appropriation bill.



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Senator Dave Kerr  
Subcommittee Chairperson



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Senator Nancy Parrish

**SUBCOMMITTEE REPORT**

Agency: Board of Regents                      Bill No. 67                                      Bill Sec. 10  
 Analyst: Conroy                                      Analysis Pg. No. 733                      Budget Pg. No. 492

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 2,054,190	\$ 2,009,934	\$ 107,331
Other Funds	<u>3,000</u>	<u>3,000</u>	<u>540</u>
Subtotal	<u>\$ 2,057,190</u>	<u>\$ 2,012,934</u>	<u>\$ 107,871</u>
<b>Aid to Local Units:</b>			
State General Fund	\$ --	\$ 7,241,756	\$ (7,241,756)
Other Funds	<u>--</u>	<u>--</u>	<u>--</u>
Subtotal -- Aid to Local Units	<u>\$ --</u>	<u>\$ 7,241,756</u>	<u>\$ (7,241,756)</u>
<b>Other Assistance:</b>			
State General Fund	\$ 6,099,227	\$ 6,127,165	\$ (216,250)
Other Funds	<u>955,773</u>	<u>1,005,773</u>	<u>50,000</u>
Subtotal	<u>\$ 7,055,000</u>	<u>\$ 7,132,938</u>	<u>\$ (166,250)</u>
<b>TOTAL -- Operating Expenditures</b>	<u>\$ 9,112,190</u>	<u>\$ 16,387,628</u>	<u>\$ (7,300,135)</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 4,000,000	\$ --	\$ --
Educational Building Fund	<u>--</u>	<u>4,000,000</u>	<u>--</u>
Subtotal -- Capital Improvements	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u>\$ 13,112,190</u>	<u>\$ 20,387,628</u>	<u>\$ (7,300,135)</u>
<b>FTE Positions</b>	17.0	17.0	

Agency Request/Governor's Recommendation

**FY 1990.** The Board of Regents requests a total budget of \$13,112,190 for FY 1990 of which \$9,112,190 is for operating expenditures and \$4,000,000 is for major maintenance projects on the campuses. Major increases are requested for the Tuition Grant program, the State Scholarship program, and vocational scholarships. The Board also requests financing of a new Kansas Minority Scholars program.

The Governor recommends an operating budget of \$16,387,628, of which \$2,012,934 is for state operations, \$7,132,938 for other assistance programs, and \$7,241,756 for an operating grant for Washburn University. The Governor recommends \$435,000 for creation of a Nursing Scholarship program and \$50,000 for creation of a Minority Scholars program. In addition, the Governor recommends \$4,000,000 from the Educational Building Fund for major maintenance at the Regents' institutions.

Senate Subcommittee Recommendations

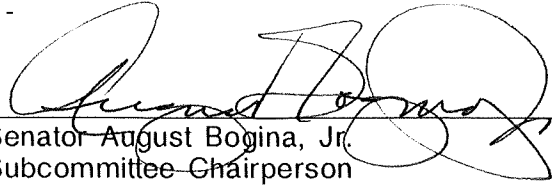
The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Systemwide Recommendation -- YES Program. Add \$50,000 (State General Fund) to continue the Youth Education Service (YES) Program in FY 1990. The additions for the YES Program and the work study program in item no. 2, reflect in part the shifting of resources from the allowance of a 4 percent student salary increase instead of a 5 percent increase as recommended by the Governor. The Committee reviewed the successful progress of the first year of the YES program which places college students in public schools for the purpose of providing tutoring, counseling and mentoring services to public school students. The Committee recommends that the funds be distributed among the six universities at the discretion of the Board to continue the current programs and establish new pilot programs at the remaining three state universities.
  
2. Systemwide Recommendation -- Work Study. Add \$44,871 (State General Fund) to the Kansas Career Work Study Program in FY 1990. The following table reflects the requested amount for FY 1990, the FY 1990 Governor's recommendation and the Committee's recommendation for FY 1990.

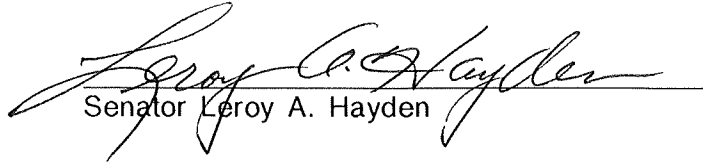
Kansas Career Work Study Program

<u>Institution</u>	<u>FY 1990 Request</u>	<u>FY 1990 Gov. Rec.</u>	<u>FY 1990 Subcommittee Rec.</u>
University of Kansas	\$ 133,459	\$ 127,104	\$ 139,332
Kansas State University	138,636	132,034	144,739
Wichita State University	104,694	99,709	109,311
Emporia State University	36,135	34,414	37,728
Fort Hays State University	35,998	34,284	37,586
Pittsburg State University	21,257	20,245	22,195
Kansas College of Technology	3,675	3,500	3,837
Washburn University	<u>15,629</u>	<u>14,885</u>	<u>16,318</u>
TOTAL	<u>\$ 489,483</u>	<u>\$ 466,175</u>	<u>\$ 511,046</u>

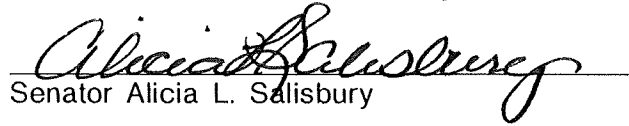
3. Addition of a proviso to permit refund payments from the Osteopathic Scholarship Repayment Fund to not be included in the expenditure limitation of the fund.
4. Authorize expenditure of \$540 from the Conversion of Equipment and Material Fund for capital outlay and reduce the recommended State General Fund amount for capital outlay by \$540.
5. Add \$300,000 (State General Fund) for the Tuition Grant Program. This will bring the total amount recommended for the program to \$5,300,000. This would reach the goal to "halve the gap" of the maximum grant award to equal one-half the difference between the average public university and the average independent college tuition.
6. Shift \$50,000 financing of the Osteopathic Medical Education Scholarships from the State General Fund (reduction of \$50,000) to Osteopathic Scholarship Repayment Fund (increase of \$50,000).
7. Add \$18,750 (State General Fund) for vocational education scholarships. The recommendation would provide a total of \$56,250 for the program based on a maximum award of \$375 going to 100 first-year students and 50 second-year students.
8. Add \$13,000 (State General Fund) for publishing a second college-bound digest for prospective college-bound students. The recommendation would provide a total of \$25,000 which permits the college-bound digest to be distributed to eighth grade students and also to juniors and seniors throughout the state.
9. Delete \$50,000 for the new Kansas Minority Scholars Program. The Subcommittee is supportive of the program and the recommended level funding for the new program. However, pending passage of S.B. 12 which will establish the program, the Subcommittee recommends deletion of the funds.
10. Delete \$435,000 for the new Nursing Scholarship program. H.B. 2279, which would establish the program, is still in the House Appropriations Committee. Pending further legislative action on the bill the Subcommittee recommends deletion of the funds.
11. Delete \$7,241,756 for the recommended operating grant for Washburn University. The Subcommittee recommends the funds be appropriated to the Department of Education pending passage of S.B. 210 which changes the governance of Washburn from the Board of Education to the Board of Regents.
12. Recommend introduction of legislation that would permit members of the Board of Regents to receive the same compensation as members of the Legislature.



Senator August Bogina, Jr.  
Subcommittee Chairperson



Senator Leroy A. Hayden



Senator Alicia L. Salisbury

## SUBCOMMITTEE REPORT

Agency: Board of Regents

Bill No. 80

Bill Sec. 21

Analyst: Conroy

Analysis Pg. No. 733

Budget Pg. No. 492

Expenditure Summary	Agency Req. FY 89	Governor's Rec. FY 89	Subcommittee Adjustments
State Operations:			
State General Fund	\$ 1,986,994	\$ 1,961,543	\$ (1,336)
Other Funds	3,540	3,540	-
Subtotal	\$ 1,990,534	\$ 1,965,083	\$ (1,336)
Other Assistance:			
State General Fund	\$ 5,122,165	\$ 5,122,165	\$ --
Other Funds	1,095,773	1,095,773	--
Subtotal	\$ 6,217,938	\$ 6,217,938	\$ --
GRAND TOTAL	\$ 8,208,472	\$ 8,183,021	\$ (1,336)
FTE Positions	17.0	17.0	--

### Agency Request/Governor's Recommendation

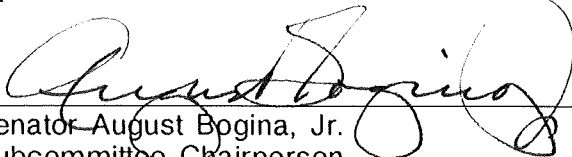
**FY 1989.** The Board of Regent's FY 1989 operating request totals \$8,208,472, an increase of 5.2 percent above the actual FY 1988 expenditures. The agency request is financed with \$7,109,159 from the State General Fund and \$1,099,313 from other funds. The Governor recommends an operating budget of \$8,183,021 or \$25,451 less than the agency requested. However, the Governor does recommend a State General Fund supplemental appropriation of \$4,978 for salaries and wages fringe benefit rate adjustments in the current year.

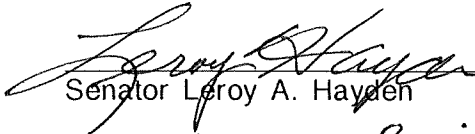
### Senate Subcommittee Recommendations

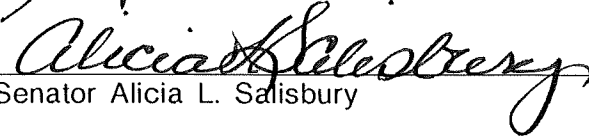
The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Delete \$1,336 (State General Fund) of the recommended supplement appropriation of \$4,978 for salaries and wages fringe benefit rate adjustments in the current year. The adjustment is technical in nature.
2. Addition of a proviso to permit refund payments from the Osteopathic Scholarship Repayment fund to not be included in the expenditure limitation of the fund.



  
\_\_\_\_\_  
Senator August Bogina, Jr.  
Subcommittee Chairperson

  
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Senator Leroy A. Hayden

  
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Senator Alicia L. Salisbury

**SUBCOMMITTEE REPORT**

Agency: Kansas College of  
Technology

Bill No. 67

Bill Sec. 11

Analyst: Conroy

Analysis Pg. No. 727

Budget Pg. No. 382

<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	\$ 3,768,758	\$ 3,784,112	\$ (352)
General Fees Fund	273,990	358,751	--
General Use Funds	\$ 4,042,748	\$ 4,142,863	\$ (352)
Other Funds	414,355	414,355	--
Subtotal -- State Operations	<u>\$ 4,457,103</u>	<u>\$ 4,557,218</u>	<u>\$ (352)</u>
Other Assistance:			
Other Funds	\$ 176,941	\$ 176,941	\$ --
Total General Use Funds	<u>\$ 4,042,748</u>	<u>\$ 4,142,863</u>	<u>\$ (352)</u>
Total Operating Expenditures	<u>\$ 4,634,044</u>	<u>\$ 4,734,159</u>	<u>\$ (352)</u>
Capital Improvements:			
State General Fund	\$ --	\$ --	\$ --
Educational Building Fund	150,000	--	--
Other Funds	68,000	223,000	--
Subtotal	<u>\$ 218,000</u>	<u>\$ 223,000</u>	<u>\$ --</u>
GRAND TOTAL	<u><u>\$ 4,852,044</u></u>	<u><u>\$ 4,957,159</u></u>	<u><u>\$ (352)</u></u>
FTE Positions	96.5	96.3	--

Agency Request/Governor's Recommendations

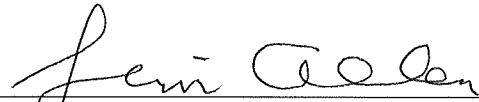
**FY 1990.** The College requests a total of \$4,047,748 in general use funds for the FY 1990 budget, an increase of 6.4 percent over the FY 1989 agency request. The request includes program maintenance increases of \$149,935 for a 5 percent unclassified staff and faculty salary increase, a 5 percent student salary increase, a 4 percent increase for other operating expenditures, and classified staff pay plan step movement. The College also requests \$19,789 for adjustments to the FY 1989 base budget for fringe benefit increases. The agency also reflects a negative enrollment adjustment of \$69,010. For the Margin of Excellence program, the agency requests a total of \$135,000, of which \$60,000 would be for faculty salary parity and \$75,000 for mission related enhancements.

The Governor recommends an FY 1990 general use base budget of \$4,142,863, a 5.7 percent increase above the revised FY 1989 recommendation. The Governor's recommendations include funding to provide a 5 percent increase for unclassified faculty and staff salaries, a 4 percent increase for other operating expenditures, and a 4 percent increase for classified salaries. The Governor concurs with the negative enrollment adjustment, as requested by the agency. The Governor concurs with the agency request for the Margin of Excellence in its entirety.

Senate Subcommittee Recommendations


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

1. Systemwide Recommendation -- Student Salaries. Delete \$352 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Committee recommends shifting the resources to other student programs within the Board of Regents' Office budget.
2. Recommend a change in the account title from "Engineering technology program -- Wichita" to "Engineering technology program -- off-campus programs." This change will reflect the expansion of the program to other sites, and in particular to Fort Riley.



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Senator Jim Allen  
Subcommittee Chairperson



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Senator Frank D. Gaines

## SUBCOMMITTEE REPORT

Agency: Kansas College of  
Technology

Bill No. 80

Bill Sec. 23

Analyst: Conroy

Analysis Pg. No. 727

Budget Pg. No. 382

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 3,532,600	\$ 3,570,343	\$ --
General Fees Fund	<u>266,213</u>	<u>348,273</u>	--
General Use Funds	\$ 3,798,813	\$ 3,918,616	\$ --
Other Funds	<u>408,599</u>	<u>408,599</u>	--
Subtotal -- State Operations	<u>\$ 4,207,412</u>	<u>\$ 4,327,215</u>	<u>\$ --</u>
<b>Other Assistance:</b>			
Other Funds	<u>\$ 176,941</u>	<u>\$ 176,941</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 3,798,813</u>	<u>\$ 3,918,616</u>	<u>\$ --</u>
Total Operating Expenditures	<u>\$ 4,384,353</u>	<u>\$ 4,504,156</u>	<u>\$ --</u>
<b>Capital Improvements:</b>			
State General Fund	\$ 48,781	\$ 48,781	\$ --
Educational Building Fund	--	--	--
Subtotal	<u>\$ 48,781</u>	<u>\$ 48,781</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u><u>\$ 4,433,134</u></u>	<u><u>\$ 4,552,937</u></u>	<u><u>\$ --</u></u>
FTE Positions	95.3	95.3	

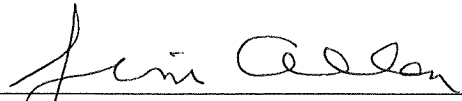
### Agency Request/Governor's Recommendations

**FY 1989 – General Use Base Budget.** Kansas College of Technology base budget request for FY 1989 is \$3,798,813, as was approved by the 1988 Legislature. The College does not request any supplemental funding.

The Governor recommends a general use base operating budget of \$3,918,616, an increase of \$119,803. The Governor recommends a State General Fund supplemental of \$37,743 and a fee release of \$82,060. The recommended State General Fund supplemental would be directed toward increased health insurance costs and implementation of Phase III. The fee release relates to higher than anticipated enrollment in the fall of 1988.

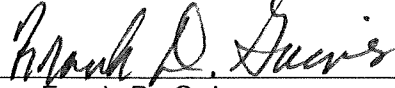
### Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation in the current year.



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Senator Jim Allen  
Subcommittee Chairperson



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Senator Frank D. Gaines

## SUBCOMMITTEE REPORT

Agency: University of Kansas

Bill No. 67

Bill Sec. 7

Analyst: Conroy

Analysis Pg. No. 691

Budget Pg. No. 600

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Amended Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 100,056,361	\$ 102,833,871	\$ 753,136
General Fees Fund	40,765,233	40,765,233	--
Endowment Interest	40,000	40,000	--
General Use Funds	\$ 140,861,594	\$ 143,639,104	\$ 753,136
Restricted Use Funds	72,969,805	72,969,805	--
Subtotal	\$ 213,831,399	\$ 216,608,909	\$ 753,136
<b>Other Assistance:</b>			
Other General Use	\$ 253,107	\$ 253,107	\$ --
Restricted Use	6,767,549	6,767,549	--
Subtotal	\$ 7,020,656	\$ 7,020,656	\$ --
<b>Total General Use Operating</b>	\$ 141,114,701	\$ 143,639,104	\$ 753,136
<b>Total Operating Expenditures</b>	\$ 220,852,055	\$ 223,629,565	\$ 753,136
<b>Capital Improvements:</b>			
Educational Building Fund	\$ 6,800,700	\$ 4,910,700	\$ (530,000)
Other Funds	2,095,000	1,845,000	--
Subtotal	\$ 8,895,700	\$ 6,755,700	\$ (530,000)
<b>GRAND TOTAL</b>	\$ 229,747,755	\$ 230,385,265	\$ 223,136
<b>FTE Positions</b>	4,399.5	4,383.6	36.5

### Agency Request/Governor's Recommendation

**FY 1990.** The University requests a total of \$141,114,701 in general use funds for the FY 1990 budget, an increase of 9.2 percent above the FY 1989 agency request. The request includes program maintenance increases of \$5,277,296 for a 5 percent unclassified staff and faculty salary increase, a 5 percent student salary increase, and a 4 percent increase for other operating expenditures and classified staff pay plan step movement. The University also requests \$633,202 for adjustments to the FY 1989 base budget for fringe benefit increases, \$1,772,467 and 52.5 FTE positions for an enrollment adjustment, and \$607,441 and 11.2 FTE for servicing new buildings. For the Margin of Excellence program, the agency requests a total of \$3,564,000, of which \$2,027,000 would be for faculty salary parity and \$1,537,000 and 21.5 FTE positions would be for mission related enhancements.

The Governor recommends an FY 1990 general use base budget of \$143,509,648, an increase of 10.2 percent above the revised FY 1989 recommendations.

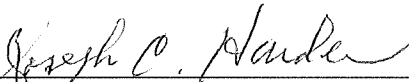
The Governor's recommendations include funding to provide a 5 percent increase for unclassified faculty and staff salaries, a 5 percent increase for student salaries, a 4 percent increase for other operating expenditures, and a 4 percent increase for classified salaries. The Governor concurs with the agency request for an enrollment adjustment of \$1,772,467 and 52.5 FTE positions. The Governor also concurs with the agency request for servicing new buildings of \$607,441 and 11.2 FTE positions. The Governor recommends a total of \$2,795,500 for the Margin of Excellence, of which \$2,027,000 is for faculty salary parity and \$768,500 for mission related enhancements.

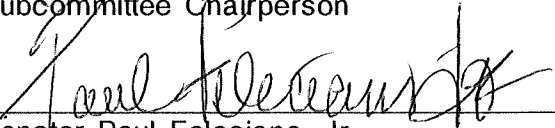
#### Senate Subcommittee Recommendations

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

1. Systemwide Recommendation-Margin of Excellence. Addition of \$768,500 (State General Fund) and 16.5 for FTE positions for full funding of the Margin of Excellence as requested by the agency.
2. Systemwide Recommendation -- Student Salaries. Delete \$15,364 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Committee recommends shifting the resources to other student programs within the Board of Regents' Office budget. The Subcommittee urges the House Subcommittee to review this increase once additional detailed information is available from the agency.
3. Concur with the Governor's Budget Amendment No. 1 which adds \$382,563 (State General Fund) for salaries and wages (health insurance). The addition is a technical adjustment to the agency's FY 1990 budget.
4. Add 20.0 additional FTE positions for research activities at the University. The positions would be financed with restricted fee funds and will not require any General Use Fund support.
5. Reestablish separate State General Fund line item appropriations for the Kansas Geological Survey and the Capitol Complex program.
6. Addition of language that would permit expenditures from restricted fees to acquire insurance for equipment purchased through research and training grants only if the grants include money for and authorize the purchase of such insurance.
7. The Subcommittee notes with concern that the U.S. Department of Energy may not permit the recommended expenditure of oil overcharge funds for the continued study of the Dakota Aquifer by the Kansas Geological Survey. Last year the Kansas Geological Survey's original proposal had to be greatly modified prior to the Department of Energy accepting the scope of the study. The Subcommittee encourages the agency to continue to pursue oil overcharge funds to finance the study. However, should the Department of Energy refuse to permit the expenditure of oil overcharge funds, the Subcommittee would be supportive of supplemental funds for this important and necessary study in the omnibus appropriation bill.

8. Increase the expenditure limitation on the General Fees Fund by \$253,107 to correct an error in the original version of S.B. 67. The adjustment is technical in nature.
9. Authorize the demolition of nine buildings/sheds to clear the site for the new Lied Performing Arts Center. The \$13.0 million facility will be constructed entirely with private funds. The building numbers are 107,108, 109, 110, 112, 113, 115, and 171. The nine buildings have a total net assignable square footage of 28,225. Seven of the nine buildings are used for storage, one is the transmitter building and tower for KANU radio, and the ninth is a small thermodynamics lab. Occupants of these facilities will be relocated to existing facilities or into new structures on KU Endowment Association property.
10. Delete \$530,000 for the remodeling of Fowler Shops and Broadcasting Hall, financed from the Educational Building Fund pending further review from the Joint Committee on State Building Construction.
11. The Subcommittee notes that Governor's recommended \$2.0 million (State General Fund) for a new Regents' Center in Overland Park is currently out of H.B. 2040. The Subcommittee does not recommend restoring the funds for the facility at this time pending further review by the Joint Committee on State Building Construction. The Subcommittee believes there are too many unresolved questions concerning the Regents' Center to recommend restoration of the funds at this time.

  
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Senator Joseph C. Harder  
Subcommittee Chairperson

  
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Senator Paul Feleciano, Jr.



SUBCOMMITTEE REPORT



Agency: University of Kansas

Bill No. 80

Bill Sec. 14

Analyst: Conroy

Analysis Pg. No. 691

Budget Pg. No. 600

<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	\$ 89,726,166	\$ 90,660,100	\$ --
General Fees Fund	39,225,757	39,225,757	--
Endowment Interest	65,000	65,000	--
General Use Funds	\$ 129,016,923	\$ 129,950,857	\$ --
Restricted Use Funds	69,594,988	69,594,988	--
Subtotal	<u>\$ 198,611,911</u>	<u>\$ 199,545,845</u>	<u>\$ --</u>
Other Assistance:			
Other General Use	\$ 243,372	\$ 243,372	\$ --
Restricted Use	6,507,259	6,507,259	--
Subtotal	<u>\$ 6,750,631</u>	<u>\$ 6,750,631</u>	<u>\$ --</u>
Total General Use Operating	<u>\$ 129,260,295</u>	<u>\$ 130,194,229</u>	<u>\$ --</u>
Total Operating Expenditures	<u>\$ 205,362,542</u>	<u>\$ 206,296,476</u>	<u>\$ --</u>
Capital Improvements:			
State General Fund	\$ 1,297,528	\$ 3,297,528	\$ --
Educational Building Fund	8,921,338	10,607,247	(677,660)
Other Funds	8,445,475	8,445,475	--
Subtotal	<u>\$ 18,664,341</u>	<u>\$ 22,350,250</u>	<u>\$ (677,660)</u>
GRAND TOTAL	<u>\$ 224,026,883</u>	<u>\$ 228,646,726</u>	<u>\$ (677,660)</u>
FTE Positions	4,314.3	4,314.3	--

Agency Request/Governor's Recommendation

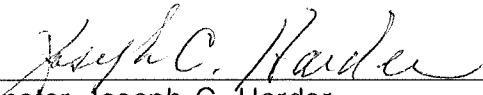
**FY 1989.** The University's general use base budget for FY 1989 totals \$129,260,295, which is 10.4 percent greater than actual general use expenditures for FY 1988. The University does not request any supplemental funding for FY 1989.

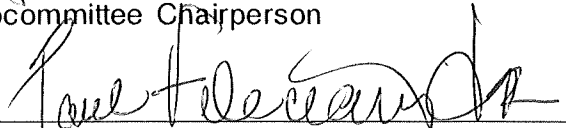
The Governor recommends a general use base budget of \$130,194,229, an increase of \$933,934 above the agency request. Of the additional funds, \$432,672 relates to increased health insurance for employees, \$414,177 for employer support of dependent health insurance, and \$74,213 for implementation of Phase III salary increases.

Senate Subcommittee Recommendations

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

1. Lapse the current available balance in the Law Enforcement Training Center Final Planning, Renovation, or Construction for Capital Improvements Fund pending further review by the Joint Committee on State Building Construction. Available information indicates the current balance in the fund is \$677,660.

  
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Senator Joseph C. Harder  
Subcommittee Chairperson

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

## SUBCOMMITTEE REPORT

Agency: University of Kansas  
 Medical Center  
 Analyst: Conroy

Bill No. 67  
 Analysis Pg. No. 712

Bill Sec. 8  
 Budget Pg. No. 604

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>State Operations:</b>			
State General Fund	\$ 67,264,689	\$ 62,718,721	\$ 441,088
General Fees Fund	5,609,669	6,008,617	--
Hospital Revenue Fund	89,789,046	96,842,146	328,117
Other Funds	--	500,000	466,796
General Use Funds	\$ 162,663,404	\$ 166,069,484	\$ 1,236,001
Other Funds	45,368,249	45,558,649	--
Subtotal - State Operations	<u>\$ 208,031,653</u>	<u>\$ 211,628,133</u>	<u>\$ 1,236,001</u>
<b>Other Assistance:</b>			
State General Fund	\$ 1,622,473	\$ 1,622,473	\$ --
Other General Use Funds	--	--	--
General Use Funds	\$ 1,622,473	\$ 1,622,473	\$ --
Other Funds	1,809,022	1,809,022	--
Subtotal - Other Assistance	<u>\$ 3,431,495</u>	<u>\$ 3,431,495</u>	<u>\$ --</u>
Total General Use Funds	<u>\$ 164,285,877</u>	<u>\$ 167,691,957</u>	<u>\$ 1,236,001</u>
Total Operating Expenditures	<u>\$ 211,463,148</u>	<u>\$ 215,059,628</u>	<u>\$ 1,236,001</u>
<b>Capital Improvements:</b>			
State General Fund	\$ --	\$ --	\$ --
Hospital Fund	300,000	238,000	--
Educational Building Fund	200,000	760,000	--
Other Funds	4,940,676	4,735,676	--
Subtotal - Capital Improvements	<u>\$ 5,440,676</u>	<u>\$ 5,733,676</u>	<u>\$ --</u>
<b>GRAND TOTAL</b>	<u><u>\$ 216,903,824</u></u>	<u><u>\$ 220,793,304</u></u>	<u><u>\$ 1,236,001</u></u>
FTE Positions	4,670.5	4,670.5	--

### Agency Request/Governor's Recommendation

**FY 1990.** The Medical Center requests an operating budget of \$211,463,148 for FY 1990, a 6.3 percent increase over the FY 1989 operating budget. The Medical Center's request includes \$164,285,877 in general use funds and \$47,177,271 in restricted use funds. The general use request is made up of \$68,887,162 from the State General Fund, \$5,609,669 from the General Fees Fund, and \$89,789,046 from the Hospital Revenue Fund. The Medical Center's total general use operating budget request exceeds the revised FY 1989 estimate by \$10,933,957 or 7.1 percent. The agency requests funding for a 5 percent increase for unclassified personnel and student salaries, a 4 percent increase for other

operating expenditures, and classified pay plan step movement. In addition, the University requests \$675,000 for capital improvements of which \$200,000 is from the Educational Building Fund, \$300,000 from the Hospital Fund, and \$175,000 from other funds.

**Targeted Investments.** The University requests a total \$4,423,597 in FY 1990 for targeted investments. The request includes \$1,814,919 and 25.0 additional FTE positions for educational programs and \$2,608,678 and 9.5 additional FTE positions for hospital programs. The requests include additional funding for classified and unclassified salaries and wages and other operating expenditures, development of a child psychiatry program in Wichita, expansion of the physical therapy class size, establishment of a Bio-Technology Support Center, and expansion of the Non-Invasive Vascular Lab and Ambulatory Care Rehabilitation programs.

**Financing.** The Medical Center's request for FY 1990 reflects an increase of \$20,217,642 in funding from the State General Fund. Funding from the General Fees Fund in FY 1990 is \$360,771 below the requested FY 1989 level. Hospital Revenue Fund financing in FY 1990 is requested to decrease \$8,922,915 below the FY 1989 level.

The FY 1990 Governor's recommendation for the operating budget of the Medical Center is \$215,059,628 or \$3,596,480 above the agency request. The Governor's recommendation for the general use budget is \$167,691,957 or \$3,406,080 above the agency request. The Governor includes within the general use recommendation, \$500,000 from the Medical Scholarship Repayment Fund. The Governor's recommendation includes a 4 percent increase to the other operating expenditures base, a 5 percent increase for all unclassified personnel, a 5 percent increase for student salaries, and a 4 percent increase for classified personnel (\$2,267,547) and other operating expenditures. The Governor also recommends \$328,719 for instructional and research staff salary increases and \$2,948,888 for program enhancements. The Governor recommends \$1,173,000 for capital improvements in FY 1990. The Governor finances the capital improvements with \$760,000 from the Educational Building Fund, \$238,000 from the Hospital Fund, and \$175,000 from other funds.

#### Senate Subcommittee Recommendation

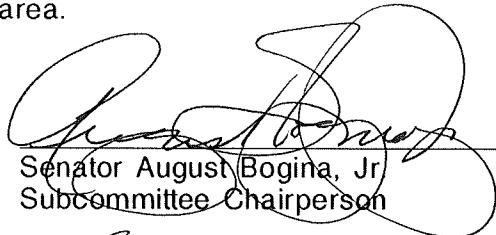
The Senate Subcommittee concurs with the Governor's recommendation, with the following adjustments:

1. Systemwide Recommendation -- Student Salaries. Delete \$6,845 (State General Fund) for student salaries to reflect a 4 percent increase rather than a 5 percent increase. The Subcommittee recommends shifting the resources to other student programs within the Board of Regents office budget.
2. Addition of language that would permit expenditures from restricted fees to acquire insurance for equipment purchased through research and training grants, only if the grants include money for and authorize the purchase of such insurance.

3. Add ten special revenue funds associated with the debt service obligations on the clinical facility and the new parking facility. The addition of the funds is a technical adjustment since the funds were inadvertently omitted from the bill as introduced.
4. Permit the authority to transfer savings in the expenditure of Hospital Revenue funds, below the level authorized by the Legislature, to an equipment replacement fund. This would be similar to the current authority granted to the other Regents' institutions concerning General Fees funds. The amount transferred would be reappropriated to the following fiscal year.
5. Shift \$133,445 (State General Fund) from the utilities line item appropriation for the new Animal Care Research Facility to the operating expenditure line item of the agency. The Subcommittee also recommends the addition of a proviso to the operating expenditure line item that would permit \$133,445 to be expended for utilities for the Animal Care Facility. This change would permit KUMC to develop a procedure by which it may be possible to recoup the full cost for the operation of the facility from research grants.
6. Reduce by \$33,204 the expenditure limitation in FY 1990 for the Medical Scholarship Repayment Fund due to the reduced number of scholarships taken in the current year. The recommendation will permit the award of 50 new scholarships in FY 1990.
7. Increase the expenditure limitation on the Medical Scholarship Repayment Fund by \$500,000. The additional funds would be for general operating support of the facility and would allow a corresponding reduction of \$500,000 in State General Fund support. The total recommended amount of general operating support financed from the Medical Scholarship Repayment Fund in FY 1990 would total \$1,000,000. The change is due to reduced expenditures for the medical scholarship program in FY 1989 and FY 1990 and a higher than anticipated level of receipts to the Medical Scholarship Repayment Fund.
8. Reduce the transfer from the University Hospital Fund to the Hospital Revenue Fund by \$28,117. The reduction is possible due to the current balance in the University Hospital Fund.
9. Delete \$88,888 (State General Fund) in salaries and wages for ten new clinical faculty positions recommended by the Governor. The reduction anticipates a delay in the recruitment of the positions.
10. Add \$123,057 (State General Fund) in salaries and wages for shift differential for health care personnel, other than nurses, from the current \$0.20 per hour to 10 percent of salary. The current rate of \$0.20 per hour is not competitive in the Kansas City metropolitan area. The recommendation will require a proviso to

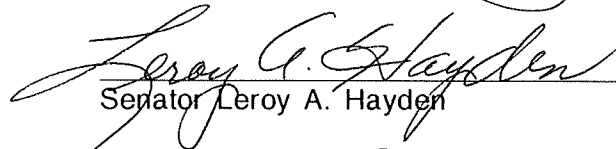
allow the 10 percent shift differential for all health care personnel at the institution.

11. Shift \$198,034 (State General Fund) from the operating expenditures line item to the line for state-supported residents for employer support of employee health insurance. The change is technical in nature.
12. Add \$218,049 (State General Fund) for classified step movement. The Subcommittee believes the funds are warranted due to the higher number of hospital personnel who have July anniversary dates and are eligible for merit step increases.
13. Add \$1,022,933 (State General Fund) for salary range upgrades for nurses, medical technologists, and other selected position classes. The requested upgrades are part of KUMC's Margin of Excellence program for FY 1990. The University continues to experience severe problems in maintaining competitive salaries with those offered by other hospitals in the Kansas City area. As long ago as 1982, and then again in 1983, the Legislature encouraged KUMC to explore the potential of exempting hospital employees from the state civil service system. The University has requested introduction of a bill which would permit the Board of Regents to establish in the unclassified service a category of health care personnel. The Subcommittee recommends that this bill be introduced by the full Committee. The Subcommittee believes by a combination of adjusting shrinkage rates and the additional recommended funds, the institution will be able to be competitive in the Kansas City area.




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Senator August Bogina, Jr.  
Subcommittee Chairperson



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Senator Leroy A. Hayden



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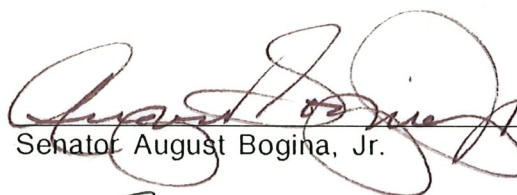
Senator Alicia L. Salisbury

SUBCOMMITTEE REPORT

REGENT'S SYSTEMWIDE ISSUES

S.B. 67

S.B. 80



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Senator August Bogina, Jr.



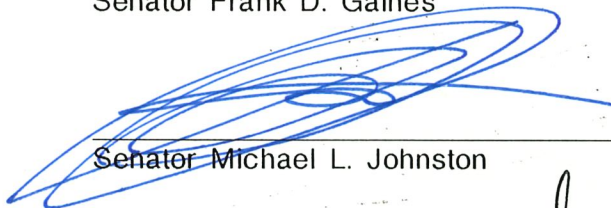
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Senator Ross O. Doyen



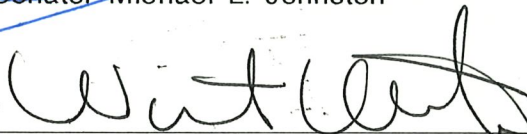
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Senator Frank D. Gaines



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Senator Michael L. Johnston



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Senator Wint Winter, Jr.



## SUBCOMMITTEE RECOMMENDATIONS ON REGENTS' SYSTEMWIDE ISSUES

The Senate Ways and Means Subcommittee on Regents' systemwide issues held hearings and received testimony concerning the issues affecting all the state higher educational institutions. Several of the university presidents, including the Chancellor, presented information concerning the budget requests for FY 1990. The presentation to the Subcommittee also contained a review of the first year of the Margin of Excellence and the requested components for the second year of the Margin of Excellence. Based on the available information, the Subcommittee makes the following recommendations concerning the Regents' systemwide issues.

### 1. FY 1989 General Fees Fund Adjustments (Systemwide Memo page 2-6)

The Subcommittee concurs with the Governor's recommendation in FY 1989 for net adjustments to the General Fees Fund at six institutions of \$1,138,205. The additional funds reflect the current policy of releasing 75 percent of the of the general fee revenue generated from higher than anticipated enrollment in the fall of 1988. The six institutions include Kansas State University (\$1,094,478), Wichita State University (\$119,970), Emporia State University (\$134,127), Pittsburg State University (\$106,518) and the Kansas College of Technology (\$82,060). The Subcommittee also concurs with the Governor's recommendation that the expenditure limitation on the General Fees Fund at the University of Kansas Medical Center be decreased by \$398,948 in FY 1989.

### 2. FY 1990 Enrollment Adjustments (Systemwide Memo page 2-8)

The Subcommittee concurs with the Governor's recommendation in FY 1990 for positive enrollment adjustments at five institutions totaling \$2,950,729. The recommendation reflects actual changes in student credit hour volume when FY 1988 is compared to FY 1987. The five institutions include the University of Kansas (\$1,772,467), Kansas State University (\$96,981), Wichita State University (\$480,423), Emporia State University (\$386,079), and Pittsburg State University (\$214,779). The Subcommittee also concurs with the Governor's recommendation for a negative enrollment adjustment for the Kansas College of Technology (\$69,010). The 1988 Legislature modified the manner in which enrollment adjustments are made at the College and delayed the reduction from FY 1989 to FY 1990.

### 3. FY 1990 Unclassified Salary Increases (Systemwide Memo page 2-9)

The Subcommittee concurs with the Governor's recommendation of \$14,286,967 in FY 1990 for a 5 percent unclassified faculty and staff salary increase. The \$14.3 million would be allocated in the following manner: University of Kansas



- \$3,968,664; Kansas State University - \$3,654,729; Wichita State University - \$1,676,977; Emporia State University - \$675,880; Fort Hays State University - \$657,447; Pittsburg State University - \$721,660; University of Kansas Medical Center - \$2,584,251; Kansas State University Veterinary Medical Center - \$239,055; and the Kansas College of Technology \$108,304.

#### **4. FY 1990 Classified Salary Increases**

(Systemwide Memo page 2-13)

The Subcommittee concurs the Governor's recommendation of \$9,209,486 in FY 1990 for classified salary increases. The recommendation includes a total of \$2,235,459 for step movement on the classified pay plan, \$5,455,725 for a 4 percent salary increase, and \$1,518,302 for classified salary enhancements related to Phase III implementation. The \$5.5 million for the 4 percent salary increase would be allocated in the following manner: University of Kansas - \$1,308,294; Kansas State University - \$930,190; Wichita State University - \$379,082; Emporia State University - \$171,751; Fort Hays State University - \$132,183; Pittsburg State University - \$139,759; University of Kansas Medical Center - \$2,267,547; Kansas State University Veterinary Medical Center - \$100,040; and the Kansas College of Technology - \$26,879.

#### **5. FY 1990 Student Salary Increases**

(Systemwide Memo page 2-14).

A. The Subcommittee recommends that student salaries be increased by 4 percent rather than 5 percent as recommended by the Governor for FY 1990. This recommendation would reduce the Governor's budget for student salaries by \$71,563.

B. The Subcommittee recommends that \$50,000 from the State General Fund be appropriated in FY 1990 for the Youth Education Service (YES) Program to the Board of Regents' office. The Governor did not recommend funding for this program in FY 1990. The Subcommittee reviewed the successful progress of the first year of the YES program which places college students in public schools for the purpose of providing tutoring, counseling and mentoring services to public school students. The Subcommittee recommends that the funds be distributed among the six universities at the discretion of the Board to continue the current programs and establish new pilot programs at the remaining three state universities.

C. The Subcommittee recommends that the Kansas Career Work Study Program in FY 1990 be increased by \$44,871 or 9.6 percent, all financed from the State General Fund. The Governor had recommend no increase in the funding for the Kansas Career Work Study Program in FY 1990 above the FY 1989 approved amount. The following table reflects the requested amount for FY 1990, the FY 1990 Governor's recommendation and the Subcommittee's recommendation for FY 1990.

Kansas Career Work Study Program

<u>Institution</u>	<u>FY 1990 Request</u>	<u>FY 1990 Gov. Rec.</u>	<u>FY 1990 Subcommittee Rec.</u>
University of Kansas	\$ 133,459	\$ 127,104	\$ 139,332
Kansas State University	138,636	132,034	144,739
Wichita State University	104,694	99,709	109,311
Emporia State University	36,135	34,414	37,728
Fort Hays State University	35,998	34,284	37,586
Pittsburg State University	21,257	20,245	22,195
Kansas College of Technology	3,675	3,500	3,837
Washburn University	15,629	14,885	16,318
TOTAL	<u>\$ 489,483</u>	<u>\$ 466,175</u>	<u>\$ 511,046</u>

**6. FY 1990 Other Operating Expenditure Increases**

(Systemwide Memo page 2-16)

The Subcommittee concurs with the Governor's recommendation in FY 1990 for a 4 percent increase for other operating expenditures. The 4 percent increase totals \$3,763,639 and would be allocated in the following manner: University of Kansas - \$771,000; Kansas State University - \$704,365; Wichita State University - \$309,988; Emporia State University - \$125,847; Fort Hays State University - \$134,495; Pittsburg State University - \$133,207; University of Kansas Medical Center - \$1,467,097; Kansas State University Veterinary Medical Center - \$89,261; and the Kansas College of Technology - \$28,379.

**7. FY 1990 Utilities**

(Systemwide Memo page 2-18)

The Subcommittee concurs with the Governor's recommendation of \$22,294,354 for utilities in FY 1990. The Governor's recommendation and the Subcommittee's recommendation in FY 1990 is the same as the institution's requested, with the exception of Wichita State University. At WSU the recommendation is \$42,568 below the original amount requested of \$3,082,212 which reflects a slight delay in the original estimate for the Institute for Aviation Research to become operational.

**8. FY 1990 Servicing New Buildings**

(Systemwide Memo page 2-19)

The Subcommittee concurs with the Governor's recommendation in FY 1990 of \$1,448,409 to service new facilities at four institutions. The institutions and the amounts include: University of Kansas - \$607,441; Kansas State University - \$131,128; University of Kansas Medical Center - \$207,575; and Wichita State University - \$379,567.

**9. FY 1990 Margin of Excellence**  
(Systemwide Memo page 2-20)

The Subcommittee recommends the addition of \$2,280,360 from the State General Fund in FY 1990 to fully fund the requested mission-related program enhancements of the six universities. The total recommendation for the Margin of Excellence in FY 1990 by the Subcommittee is \$15,851,035, which includes \$7,421,719 for unclassified faculty and staff salary parity and \$8,429,316 for mission-related program enhancements. The Governor had recommended a total of \$13,580,676 for the Margin of Excellence in FY 1990, which included \$7,421,719 for unclassified salary parity and \$6,158,957 for mission-related program enhancements. The following table reflects the Governor's recommendations and the Subcommittee recommendations for the Margin of Excellence.

FY 1990 Margin of Excellence

<u>Institution</u>	<u>Gov. Rec. Unclassified Salary Parity</u>	<u>Sub. Rec. Unclassified Salary Parity</u>	<u>Gov. Rec. Mission Related Enhancements</u>	<u>Sub. Rec. Mission Related Enhancements</u>
KU	\$ 2,027,000	\$ 2,027,000	\$ 768,500	\$ 1,537,000
KSU	2,000,000	2,000,000	938,500	1,867,000
WSU	1,284,000	1,284,000	221,000	442,000
ESU	350,000	350,000	49,360	98,719
FHSU	724,000	724,000	143,500	287,000
PSU	498,000	498,000	159,500	319,000
Subtotal	<u>\$ 6,883,000</u>	<u>\$ 6,883,000</u>	<u>\$ 2,280,360</u>	<u>\$ 4,550,719</u>
KUMC	\$ 328,719	\$ 328,719	\$ 3,277,607	\$ 3,277,607
KSUVMC	150,000	150,000	525,990	525,990
KCT	60,000	60,000	75,000	75,000
Subtotal	<u>\$ 538,719</u>	<u>\$ 538,719</u>	<u>\$ 3,878,597</u>	<u>\$ 3,878,597</u>
TOTAL	<u>\$ 7,421,719</u>	<u>\$ 7,421,719</u>	<u>\$ 6,158,957</u>	<u>\$ 8,429,316</u>

The Subcommittee is supportive of the requested funds for FY 1990 mission-related program enhancements. However, the Subcommittee recommends that the institutions use the funds for the designated program enhancements as contained in the FY 1990 budget documents. This will ensure that the targeted program enhancements are fulfilled by the respective institutions.

**10. Major Maintenance, Repairs and Renovation**

The Subcommittee recommends that no new major construction projects that are funded from the Educational Building Fund be authorized by the 1989 Legislature or subsequent legislatures. The Subcommittee strongly recommends that the proposed moratorium on new building construction would permit the resources of the Educational Building Fund to address the critical needs of the existing structures on our campuses. The Board of Regents has estimated that the system has deficiencies of over \$140 million to bring all of the existing facilities up to a satisfactory condition. The resources of the Educational Building Fund should be directed to major maintenance, repairs and renovation

of existing structures in order to protect the investment the state currently has in the Regents' building inventory.

## SUBCOMMITTEE REPORT

Agency: State Library Bill No. 68 Bill Sec. 2  
 Analyst: Piekalkiewicz Analysis Pg. No. 427 Budget Pg. No. 424

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,816,188	\$ 1,360,645	\$ 103,213
Aid to Local Units	3,410,306	2,928,388	100,000
Total	\$ 6,226,494	\$ 4,289,033	\$ 203,213
State General Fund:			
State Operations	\$ 2,519,715	\$ 1,040,790	\$ 103,213
Aid to Local Units	2,288,554	1,837,645	100,000
Total	\$ 4,808,269	\$ 2,878,435	\$ 203,213
FTE Positions	31.3	26.0	--

### Agency Request/Governor's Recommendation

The Library's request of \$6,226,494 for FY 1990 includes \$2,816,188 for state operations including financing for 31.3 FTE positions, an addition of 5.8 FTE positions to the FY 1989 staffing level, and \$3,410,306 for grants to public and regional library systems.

For FY 1990, the Governor recommends \$4,289,033, an increase of \$307,024, or 7.7 percent, above the current year recommendation. Of the increase, \$54,159, or 17.6 percent, is attributable to salaries and wages. The recommendation includes an increase of \$292,199 for three local aid programs. The Governor recommends a total of \$1,337,476 for the Grants-in-Aid program, \$442,500 for payments to subregional libraries, and \$650,000 for the Interlibrary Loan Development program, in combined state and federal funding. The recommendation includes an additional .5 FTE Literacy Coordinator.

### Senate Subcommittee Recommendation


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

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

1. Add \$59,633 for an electronic mail system, ALANET, for interlibrary loan and reference requests. The libraries in Kansas until the current year had been using an electronic mail system which the State Library maintains was inefficient and ineffective. In addition, the system connected only 56 libraries with no possibility of adding additional libraries to the system. The ALANET system was specifically designed for interlibrary loan and reference requests and is used in many states. ALANET will eventually link 120 Kansas libraries. The total cost of ALANET for FY 1990 is \$78,884. As was the case with the former system, the State Library will assume the entire cost. The Governor's recommendation includes

\$19,251, which was approximately the cost of the old electronic mail system used by the libraries.

2. Add \$100,000 from the State General Fund for the Grants-in-Aid program. The recommendation increases the level of per capita combined state and federal funds for the program by 4 cents, from 54 cents per capita to 58 cents per capita.
3. Add \$3,580 for an OCLC Wyse workstation.
4. Add \$10,000 for a telex tape duplicator.
5. Add \$30,000 for renovations in the State Library which will meet a federal matching grant. The planned renovations would include electrical circuit upgrading, new carpeting, and partitions which will improve safety and the working conditions in the Library for both the general public and the Library staff.

  
\_\_\_\_\_  
Senator Ross Doyen, Subcommittee  
Chairman

  
\_\_\_\_\_  
Senator Alicia Salisbury

  
\_\_\_\_\_  
Senator Nancy Parrish

## SUBCOMMITTEE REPORT

Agency: Kansas Arts Commission      Bill No. 68      Bill Sec. 3  
 Analyst: Piekalkiewicz      Analysis Pg. No. 417-422      Budget Pg. No. 84

<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	\$ 557,357	\$ 452,181	\$ --
Programming Grants	2,042,300	827,155	--
TOTAL	\$ 2,599,657	\$ 1,279,336	\$ --
State General Fund:			
State Operations	\$ 364,432	\$ 325,261	\$ --
Programming Grants	883,697	410,547	--
TOTAL	\$ 1,248,129	\$ 735,808	\$ --
EDIF:			
State Operations	\$ 24,000	\$ --	\$ --
Programming Grants	804,000	100,000	--
TOTAL	\$ 828,000	\$ 100,000	\$ --
FTE Positions	10.0	9.0	--

### Agency Estimate/Governor's Recommendation

The Kansas Arts Commission requests total expenditures for FY 1990 of \$2,599,657, of which \$557,357 is for state operations and \$2,042,300 is for programming grants. The request includes funding for two additional positions and an increase of \$816,005 over the FY 1989 estimate.

The Governor recommends FY 1990 expenditures of \$1,279,336, of which \$452,181 is for state operations and \$827,155 is for programming grants. The recommendation includes funding for one new position -- an Arts Program Coordinator I (\$27,736).

### Senate Subcommittee Recommendation

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

The Subcommittee notes that the Commission has requested for FY 1990 \$10,579 for two Mackintosh II computers. The Subcommittee was informed that substantial savings could be realized if the computers were purchased. The Subcommittee recommends that the Commission purchase the two Mackintosh computers and decrease the expenditures budgeted for printing by the cost of the computers.

  
\_\_\_\_\_  
Senator Joseph Harder  
Subcommittee Chairperson

  
\_\_\_\_\_  
Senator Mike Johnston

359-90/ep



## SUBCOMMITTEE REPORT

Agency: Kansas Arts Commission      Bill No. 80      Bill Sec. 13  
 Analyst: Piekalkiewicz      Analysis Pg. No. 417-422      Budget Pg. No. 84

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 600,802	\$ 332,902	\$ 62,653
Programming Grants	1,226,295	1,181,295	45,000
<b>TOTAL</b>	<b>\$ 1,827,097</b>	<b>\$ 1,514,197</b>	<b>\$ 107,653</b>
<b>State General Fund:</b>			
State Operations	\$ 258,934	\$ 206,034	\$ 54,153
Programming Grants	362,836	317,836	45,000
<b>TOTAL</b>	<b>\$ 621,770</b>	<b>\$ 523,870</b>	<b>\$ 99,153</b>
<b>EDIF:</b>			
State Operations	\$ 39,500	\$ 24,500	\$ 8,500
Programming Grants	410,500	410,500	--
<b>TOTAL</b>	<b>\$ 450,000</b>	<b>\$ 435,000</b>	<b>\$ 8,500</b>
<b>FTE Positions</b>	<b>8.0</b>	<b>8.0</b>	<b>--</b>

### Agency Estimate/Governor's Recommendation

The Kansas Arts Commission estimates total expenditures for FY 1989 of \$1,827,097, of which \$600,802 is for state operations and \$1,226,295 is for programming grants. The estimate includes \$200,000 for the Capitol Dome sculpture, which the agency hopes to raise through private donations by the end of the fiscal year.

The Governor recommends FY 1989 expenditures of \$1,514,197, of which \$332,902 is for state operations and \$1,181,295 for programming grants. The recommendation does not include \$200,000 for the Capitol Dome sculpture.

### Senate Subcommittee Recommendation


The Senate Subcommittee concurs with the Governor's recommendation, with the following exceptions and comments:

1. The Governor recommended a reduction of \$97,900 from the State General Fund, of which \$52,900 was in state operations and \$45,000 in programming grants. The Subcommittee recommends a restoration of that amount.
2. Add \$1,253 for a technical adjustment to salaries and wages for a health insurance rate adjustment, which was inadvertently omitted in the Governor's recommendation.
3. The Subcommittee notes that the Governor's recommendation includes a reduction of \$15,000 in expenditures from the EDIF for state operations,

though no change was made in the expenditure limitation. The Subcommittee recommends a restoration of \$8,500 in expenditures from the EDIF, and recommends that the balance of \$6,500 be reappropriated to FY 1990.

4. The Subcommittee does not recommend that the Commission proceed with fund raising for the Capitol Dome sculpture until it is determined what the cost will be for the reinforcement of the Capitol Dome. The Subcommittee was informed that to date, the Commission has received one unsolicited donation in the amount of \$100.

  
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Senator Joseph Harder  
Subcommittee Chairperson

  
\_\_\_\_\_  
Senator Mike Johnston

## SUBCOMMITTEE REPORT

Agency: Kansas School for the  
Visually Handicapped

Bill No. 68

Bill Sec. 4

Analyst: Rampey

Analysis Pg. No. 397

Budget Pg. No. 612

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State General Fund	\$ 2,982,976	\$ 2,682,059	\$ 50,216
Other Funds	255,588	112,756	--
Subtotal - Operating	\$ 3,238,564	\$ 2,794,815	\$ 50,216
Capital Improvements	234,300	179,300	--
TOTAL	\$ 3,472,864	\$ 2,974,115	\$ 50,216
 FTE Positions	 94.5	 88.5	 1.0

### Agency Estimate/Governor's Recommendation

**FY 1989.** For FY 1989, the School estimates expenditures of \$2,846,737. The amount includes \$2,481,590 from the State General Fund, as approved by the 1988 Legislature. The Governor recommends expenditures of \$2,878,622, an increase of \$31,885 over the School's estimate. The increase is in the area of salaries and is primarily attributable to increased health insurance benefits (\$21,800) and the reclassification of direct care and service workers for the last half of FY 1989 (\$8,556).

**FY 1990.** For FY 1990, the School requests a total of \$3,472,864, of which \$2,982,976 would be from the State General Fund and \$234,300 would be from the State Institutions Building Fund for capital improvements. The School requests 6.5 new FTE positions, for a total position limitation of 94.5 FTE. The Governor recommends \$2,974,115 for FY 1990, a reduction of \$498,749 from the School's request. The Governor approves the addition of .5 FTE positions, not 6.5 as requested, and deletes \$142,832 in federal funds for two arts for the handicapped grants that were budgeted but not received. Other areas of reduction are capital outlay (a reduction of \$135,341) and capital improvements (a reduction of \$55,000). The Governor recommends \$8,011 for operating expenditures connected with the expansion of the Orientation and Mobility Outreach Program. The Governor's recommendation would allow the School to expand its outreach activities using current staff.

### Senate Subcommittee Recommendation

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

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

1. Add \$28,991 from the State General Fund for salaries and wages for unclassified employees. That amount, added to the Governor's recommended merit pool of 5.8 percent, would provide an overall 8 percent increase. Since FY 1979, the Legislature has provided salary increases for unclassified staff at the School for the Visually Handicapped


in order to make salaries more competitive with teachers' salaries in surrounding school districts. At the present time, starting salaries for teachers at the School for the Visually Handicapped are 93 percent of starting salaries in the Olathe school district and 95 percent of starting salaries in the Kansas City school district.

2. Add \$14,475 from the State General Fund for the salary and benefits of a new dormitory staff position to allow the School to have adequate coverage on the night shift.
3. Add \$4,000 from the State General Fund for a Braille computer printer. Acquiring the printer is part of an overall plan that was implemented this year (FY 1989) to equip the School with computers for classroom and administrative use. The printer will be used with computers the School already owns.
4. Add \$2,750 from the State General Fund to replace a stove that is beyond repair.



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Senator Dave Kerr  
Subcommittee Chairperson



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Senator Dick Rock

## SUBCOMMITTEE REPORT

Agency: Kansas School for  
the Deaf

Bill No. 68

Bill Sec. 5

Analyst: Rampey

Analysis Pg. No. 401

Budget Pg. No. 186

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State General Fund	\$ 5,590,159	\$ 5,214,803	\$ 68,806
Other Funds	193,568	193,568	0
Subtotal - Operating	\$ 5,783,727	\$ 5,408,371	\$ 68,806
Capital Improvements	862,000	240,000	85,320
TOTAL	<u>\$ 6,645,727</u>	<u>\$ 5,648,371</u>	<u>\$ 154,126</u>
FTE Positions	198.5	176.5	--

### Agency Estimate/Governor's Recommendation

**FY 1989.** For Fy 1989, the School for the Deaf estimates expenditures of \$4,921,152 for agency operations, plus \$103,977 from the State Institutions Building Fund for capital improvements. The State General Fund portion of the operating budget is \$4,727,580. The School is requesting a supplemental appropriation of \$27,351, the amount which was inadvertently omitted in marking-up the appropriation bill with Committee amendments. The current position limitation is 176.0 FTE. The Governor recommends operating expenditures of \$5,008,219 in FY 1989. The Governor approves the request for a supplemental appropriation of \$27,351 and adjusts salaries upward to reflect higher health insurance benefits and to implement reclassifications of direct care and service workers for the last half of FY 1989.

**FY 1990.** For FY 1990, the School requests expenditures of \$6,645,727, of which \$5,590,159 would be from the State General Fund. The request includes \$862,000 from the State Institutions Building Fund for capital improvements. The request includes \$383,167 for 22.5 FTE new positions, of which 21.0 FTE positions would be associated with a proposed program for trainable mentally retarded deaf children who are presently served by public schools, other state facilities, and private institutions. For FY 1990, the Governor recommends \$5,408,371 for operating expenditures and \$240,000 for capital improvements. The Governor approves the School's request to increase a half-time Personnel Management position to full time, bringing the number of authorized positions to 176.5 FTE. The Governor does not approve the proposed program for trainable mentally retarded deaf children.

### Senate Subcommittee Recommendation

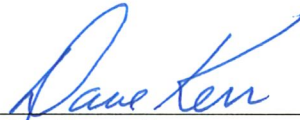
**FY 1989.** The Subcommittee concurs with the recommendation of the Governor.

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

1. Add \$68,806 from the State General Fund for salaries and wages for unclassified employees. That amount, added to the Governor's

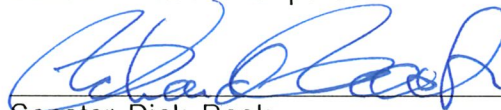
recommended merit pool of 5.8 percent, would provide an overall 8 percent increase. Since FY 1979, the Legislature has provided salary increases for unclassified staff at the School for the Deaf in order to make salaries more competitive with teachers' salaries in surrounding school districts. At the present time, starting salaries for teachers at the School for the Deaf are 93 percent of starting salaries in the Olathe school district and 95 percent of starting salaries in the Kansas City school district.

2. Add \$30,000 from the State Institutions Building Fund to replace the fire alarm system in the Roberts Building, which is used for middle school classes. The present system was installed in 1961 when the building was built and suffered a major breakdown last spring. In addition to some parts no longer being made with which to repair the system, there are areas of the building (the basement, restrooms, and stairwells) that have no fire alerting devices. The Subcommittee's recommendation would permit the School to add a new system with visual alerting components throughout the entire building.
3. Add \$55,320 from the State Institutions Building Fund for energy conservation measures, such as the replacement of a boiler, roof insulation, and other projects. The Subcommittee's recommendation is contingent upon the School receiving a federal Energy Conservation Measure Grant. Each state dollar spent from this appropriation must be matched equally by federal grant funds. This recommendation would require the creation of a new federal fund to which would be credited receipts from the federal grant.



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Senator Dave Kerr  
Subcommittee Chairperson



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Senator Dick Rock

## SUBCOMMITTEE REPORT

Agency: Historical Society

Bill No. 68

Bill Sec. 6

Analyst: Piekalkiewicz

Analysis Pg. No. 405-416

Budget Pg. No. 298

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 5,794,169	\$ 5,412,802	\$ 132,818
Aid to Local Units	<u>78,572</u>	<u>90,462</u>	<u>--</u>
Subtotal	\$ 5,872,741	\$ 5,503,264	\$ 132,818
Capital Improvements	<u>524,843</u>	<u>7,500</u>	<u>123,270</u>
<b>TOTAL</b>	<b><u>\$ 6,397,584</u></b>	<b><u>\$ 5,510,764</u></b>	<b><u>\$ 256,088</u></b>
<b>State General Fund:</b>			
State Operations	\$ 5,371,571	\$ 5,064,067	\$ 132,818
Capital Improvements	<u>524,843</u>	<u>7,500</u>	<u>123,270</u>
<b>TOTAL</b>	<b><u>\$ 5,896,414</u></b>	<b><u>\$ 5,071,567</u></b>	<b><u>\$ 256,088</u></b>
 FTE Positions	 150.0	 144.0	 --

### Agency Request/Governor's Recommendation

The Historical Society's FY 1990 request for operating expenditures totals \$5,872,741. Included in this request is proposed funding for five additional positions, historic site exhibit reinterpretation and historic structures reports. The Governor's FY 1990 recommendation for operating expenditures is \$5,503,264, including \$50,000 for historic structures reports.

### Senate Subcommittee Recommendation

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

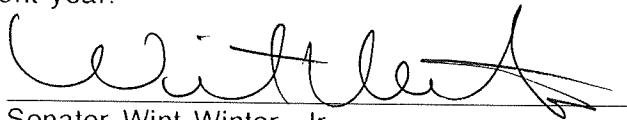
1. The Subcommittee recommends that any balance of the \$50,000 recommended for FY 1989 for the master plan for historic sites be reappropriated to FY 1990.
2. Add \$48,000 to complete the master plan for the 19 state-owned historic sites.
3. The Subcommittee recommends that the \$50,000 recommended by the Governor for the historic structures reports to be matched with \$44,000 of federal funds. The Historical Society currently receives approximately \$60,000 in federal Historic Preservation Grant funds which are awarded by the Society on a competitive basis to local communities. The Historical Society plans to conduct reconnaissance as well as detailed historic structures reports. The historic structures reconnaissance reports (to financed with \$19,500 from the State General Fund and \$19,500 from federal funds) would be conducted on the 58 historic

structures located at the 19 historic sites. In addition to the reconnaissance reports, the Subcommittee recommends that the Society proceed with its plan to conduct three detailed historic structures reports on the following sites: Cottonwood Ranch (\$11,000 from the State General Fund and \$11,000 from federal funds); Fort Hays (\$9,500 from the State General Fund and \$9,500 from federal funds); and the Pony Express Station (\$7,000 from the State General Fund and \$7,000 from federal funds). The reconnaissance reports will detail what needs to be done to stabilize the properties and what are the preservation options. Included with each option will be cost estimates with a 15 to 20 percent margin of error. The detail reports will outline specific treatment plans for the sites as well as restoration and development plans. The Subcommittee was informed that in FY 1991 the agency will be requesting approximately \$92,000 (half of which could be financed with federal funds) to conduct detail reports on seven historic sites. On the remaining nine historic sites, reports do not need to be conducted.

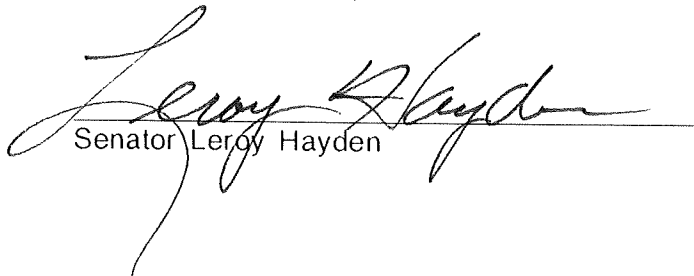
4. Add \$50,000 for historic site exhibit reinterpretation.
5. Add \$11,752 for highway signs to direct travelers to the Kansas Museum of History. The purchase and installation of these signs would be coordinated through the Departments of Transportation and Commerce. The Subcommittee directs those Departments to fully cooperate with the Historical Society with the purchase and installation of the signs.
6. Add \$12,200 for an archeological inventory survey of archeological sites located in Rice county which relate to the Tobias historic site. The Tobias site is a part of a complex of large late prehistoric and early historic village sites.
7. The Subcommittee was informed by the Executive Director of the Historical Society that there is currently an immense backlog of unprocessed materials in the Collections department. The Executive Director stated that the backlog of unprocessed materials has been created over many years because staffing has not been adequate to provide service to the public and at the same time process the increasing volume of manuscript, archival, and archeological materials which are received by the Society. The Subcommittee was also informed that currently the state records management function is being carried out by the Historical Society's Archives department, despite the fact that the management of state records is the statutory responsibility of the Department of Administration (K.S.A. 75-3509). The records management center was established to serve as a depository for inactive records of state agencies. The Subcommittee is of the opinion that the two issues, the backlog and the records management center, are related. In light of the information the Subcommittee received on these two topics, it recommends that a post audit report be conducted to study the current status of the preservation of state and local records and the accession and deaccession of such records by the Historical Society.



8. The Subcommittee notes that the Society may need additional satellite storage space for the Archives department before those needs are assessed in the post audit study. Since the Society was not able to pinpoint an exact amount of square footage that may be needed the Subcommittee requests that the House address this question.
9. Add \$10,866 for microcomputers and related software and hardware for the archives, library and manuscripts departments. The Subcommittee notes that the Historical Society has begun the process of mechanizing the collections of each of the departments. The automation of records allows the departments to more efficiently and quickly catalog and index new acquisitions.
10. The Governor recommended supplemental funding of \$95,770 for capital improvements at the Funston Home and Constitution Hall in the current year, which was deleted from H.B. 2040 by the House Appropriations Committee. The Subcommittee recommends a restoration of the \$95,770 in FY 1990.
11. Add \$35,000 for capital improvements at the Mine Creek Battlefield site to begin the process of reinterpretation of the site and to provide access to the site to the Civil War Round Table of Kansas City which is planning a reenactment of the Civil War battle which took place on the site. The capital improvements would include removing fence lines and brush, the reseeding of plowed fields, and the construction of walking paths, all which could be accomplished with inmate labor. The Subcommittee supports the Historical Society's request to finish a master plan of the sites before proceeding with further development of the Mine Creek site. The Subcommittee recommends that the state funds be matched with \$17,500 from private donations.
12. Delete \$7,500 for drainage repairs at the Museum which was added by the House Appropriations Committee in H.B. 2040 for FY 1989. The Subcommittee was informed that the Society would like to begin on that project in the current year.



Senator Wint Winter, Jr.  
Subcommittee Chairperson



Senator Leroy Hayden

## SUBCOMMITTEE REPORT

Agency: State Historical Society      Bill No. 80      Bill Sec. 28  
 Analyst: Piekalkiewicz      Analysis Pg. No. 405-416      Budget Pg. No. 298

<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	\$ 5,381,693	\$ 5,292,010	\$ --
Aid to Local Units	80,000	81,926	--
Other Assistance	--	150,000	75,000
TOTAL	\$ 5,461,693	\$ 5,523,936	\$ 75,000
State General Fund:			
State Operations	\$ 4,989,998	\$ 4,950,848	\$ --
Other Assistance	--	100,000	50,000
TOTAL	\$ 4,989,998	\$ 5,050,848	\$ 50,000
FTE Positions	150.0	144.0	--

### Agency Estimate/Governor's Recommendation

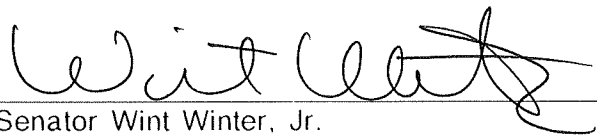
The agency estimates FY 1989 expenditures for state operations of \$5,381,693, of which \$4,989,998 is from the State General Fund. The revised estimate is equal to the amount approved by the 1988 Legislature, in addition to a reappropriation of \$287,272 from the State General Fund for exhibit construction. The Governor recommends for the current year \$5,523,936 for operating expenditures, of which \$4,950,848 is from the State General Fund. The State General Fund recommendation includes \$100,000 for a grant for the Eisenhower Centennial Commission.

### Senate Subcommittee Recommendation

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

1. The Subcommittee recommends that the \$50,000 which is currently budgeted for historic structures reports be used to begin developing a master plan for the 19 state-owned historic properties. The total cost of the master plan would be \$98,000 and would be completed in FY 1990. The master plan would be comprised of four parts:
  - a. Objectives and priorities would be established for the historic sites program for acquisition of new sites and deaccessioning of existing sites.
  - b. An interpretation plan would be developed to determine how sites interface together and how they interface with local sites. This interpretation plan would focus on each site as part of a whole statewide plan.

- c. A stabilization plan for each of the sites would be completed, establishing stabilization priorities as well as long term development and restoration priorities. This phase will include specific cost estimates. In conjunction with cost estimates, the plan will identify if there are private or federal funds available for the stabilization, development and restoration projects at the sites.
  - d. A tourism plan would be established to determine how to attract tourists to the sites and encourage return visitation, and how the historic sites relate to the local historic sites. The tourism plan would focus on fostering a cooperative relationship between the Historical Society, the Department of Wildlife and Parks, and the local communities where the historic sites are located.
2. Delete the line item in S.B. 80 which appropriates \$100,000 from the State General Fund for the Eisenhower Centennial Commission and substitute for it a line item of \$150,000 from the State General Fund for competitive grants for the Eisenhower Centennial Commission and the Kansas Commission on the Humanities to be awarded by the Historical Society. The Subcommittee recommends that any State General Fund grant to either of these entities be provided by a 33 percent match of private or federal funds. The Eisenhower Centennial Commission was established by the 1987 Legislature to commemorate in 1990 the centennial of the birth Dwight D. Eisenhower. The Kansas Committee on the Humanities, which was formed in 1971, has five board members who are appointed by the Governor. The Committee currently receives its support from the National Endowment for the Humanities (NEH) and from private individuals and organizations. The Committee has received a \$50,000 NEH Merit Award, which does not have to be matched locally, and has also received a \$15,000 NEH "gift and match" grant, which has to be matched dollar for dollar with state or private funds.

  
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Senator Wint Winter, Jr.  
Subcommittee Chairperson

  
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Senator Leroy Hayden

## SUBCOMMITTEE REPORT

Agency: State Council on  
Vocational Education

Bill No. 67

Bill Sec. 7

Analyst: Rampey

Analysis Pg. No. 434

Budget Pg. No. 614

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Federal Funds	\$ 136,576	\$ 133,188	\$ --
FTE Positions	2.0	2.0	--

### Agency Request/Governor's Recommendation

**FY 1989.** Estimated expenditures for FY 1989 are \$130,685, which is \$25,939 more than actual expenditures of \$105,246 in FY 1988 and \$3,975 more than authorized by the 1988 Legislature. The Governor recommends expenditures of \$127,585, a reduction of \$3,100 from the Council's estimate.

**FY 1990.** Estimated expenditures for FY 1990 are \$136,576. The Governor recommends expenditures of \$133,188, a reduction of \$3,388 from the Council's request.

### Senate Subcommittee Recommendation

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

**FY 1990.** The Subcommittee concurs with the Governor's recommendation.

  
\_\_\_\_\_  
Senator Ross Doyen  
Subcommittee Chairperson

  
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Senator Alicia Salisbury

  
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Senator Nancy Parrish

SUBCOMMITTEE REPORT

Agency: Bicentennial Commission Bill No. -- Bill Sec. --

Analyst: Piekalkiewicz Analysis Pg. No. 436 Budget Pg. No. 106

<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	\$ 42,750	\$ 0	\$ --
FTE Positions	--	--	--

Agency Estimate/Governor's Recommendation

The Bicentennial Commission requests total expenditures for FY 1990 of \$42,750, of which \$29,250 is for state operations and \$13,500 is for program development.

The Governor does not recommend funding for the Commission in FY 1990.

Senate Subcommittee Recommendation

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

The Subcommittee notes that the Commission has requested for FY 1990 \$5,000 for a video on the U.S. Constitution featuring Justice Harold Herd to be distributed to high schools across the state. The Subcommittee directs the Department of Education to undertake the project with the available resources contained in Department's budget for FY 1990.

  
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 Senator Joseph Harder  
 Subcommittee Chairperson

  
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 Senator Mike Johnston

SUBCOMMITTEE REPORT

Agency: Bicentennial Commission      Bill No. 80      Bill Sec. 7  
Analyst: Piekalkiewicz      Analysis Pg. No. 436      Budget Pg. No. 106

<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	\$      16,000	\$      16,000	\$            --
FTE Positions	--	--	--

Agency Estimate/Governor's Recommendation

The Bicentennial Commission requests \$16,000 from the State General Fund in supplemental funding for administrative expenses, a newsletter, and program development.

The Governor concurs with the Commission's request for supplemental funding.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

  
\_\_\_\_\_  
Senator Joseph Harder  
Subcommittee Chairperson

  
\_\_\_\_\_  
Senator Mike Johnston

## SUBCOMMITTEE REPORT

Agency: Public Broadcasting  
Commission  
Analyst: Piekalkiewicz

Bill No. 68  
Analysis Pg. No. 423

Bill Sec. 9  
Budget Pg. No. 470

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
All Funds:			
State Operations	\$ 6,630	\$ 6,630	\$ --
Aid to Local Units	255,000	131,000	12,000
Other Assistance	1,430,000	543,500	48,000
TOTAL	\$ 1,691,630	\$ 681,130	\$ 60,000
State General Fund:			
State Operations	\$ 6,630	\$ 6,630	\$ --
Aid to Local Units	255,000	131,000	12,000
Other Assistance	1,290,000	543,500	48,000
TOTAL	\$ 1,551,630	\$ 681,130	\$ 60,000
EDIF:			
Other Assistance	\$ 140,000	\$ --	\$ --
FTE Positions			
	--	--	--

### Agency Estimate/Governor's Recommendation

The Public Broadcasting Commission estimates total expenditures for FY 1990 of \$1,691,630, of which \$1,551,630 is from the State General Fund and \$140,000 is from the EDIF. The total budget includes \$650,000 from the State General Fund for operating grants to the existing four public television stations, which represents an increase of \$100,000 over the current year estimate. The request also includes expenditures of \$175,000 for KANZ-FM and \$375,000 for equipment matching grants for the public television stations.

The Governor recommends \$681,130 from the State General Fund for FY 1990. Expenditures of \$550,000 are included for existing public television stations, \$35,000 for KANZ-FM, and \$39,500 for equipment matching grants for undesignated public television and radio stations.

### Senate Subcommittee Recommendation

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

1. Add \$10,000 for a technical feasibility study to determine the technical options available to provide public television to southeast Kansas.

2. Add an additional \$50,000 for operating grants for the four existing public television stations to be distributed as follows: \$12,000 for KTWU (Topeka); \$12,000 for KPTS (Wichita); \$15,000 for KOOD (Bunker Hill); and \$11,000 for KCPT (Kansas City).

  
\_\_\_\_\_  
Senator Joseph Harder  
Subcommittee Chairman

  
\_\_\_\_\_  
Senator Mike Johnston

548-90



SUBCOMMITTEE REPORT

Agency: Public Broadcasting  
Commission  
Analyst: Piekalkiewicz

Bill No. 80  
Analysis Pg. No. 423

Bill Sec. 9  
Budget Pg. No. 470

<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	\$ 6,500	\$ 6,500	\$ --
Aid to Local Units	131,000	131,000	--
Other Assistance	843,500	963,500	--
TOTAL	<u>\$ 981,000</u>	<u>\$ 1,101,000</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 6,500	\$ 6,500	\$ --
Aid to Local Units	131,000	131,000	--
Other Assistance	543,500	663,500	--
TOTAL	<u>\$ 681,000</u>	<u>\$ 801,000</u>	<u>\$ --</u>
EDIF:			
Other Assistance	\$ 300,000	\$ 300,000	\$ --
FTE Positions	--	--	--


Agency Estimate/Governor's Recommendation

The Public Broadcasting Commission estimates total expenditures for FY 1989 of \$981,000, of which \$681,000 is from the State General Fund and \$300,000 is from the EDIF. The total budget includes \$550,000 from the State General Fund for operating grants to the existing four public television stations.

The Governor recommends FY 1989 expenditures of \$1,101,000, including \$120,000 supplemental funding from the State General Fund to finance the state portion of a project to extend Kansas public television into northwest Kansas.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

  
\_\_\_\_\_  
Senator Joseph Harder  
Subcommittee Chairman

  
\_\_\_\_\_  
Senator Mike Johnston