

Approved 3-2-90
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Bunten at
Chairperson

1:30 ~~am~~/p.m. on February 8, 1990 in room 514-S of the Capitol.

All members were present except: Representative Chronister (excused)

Committee staff present: Ellen Piekalkiewicz, Debra Duncan, Paul West, Leah Robinson,
Pat Mah, Kathy Porter, Julian Efird, Laura Howard
Legislative Research Department
Jim Wilson, Revisor of Statutes
Sharon Schwartz, Administrative Aide
Sue Krische, Committee Secretary

Conferees appearing before the committee:

INTRODUCTION OF BILLS

Representative Helgerson requested introduction of four bills regarding: (1) regular state employee health care benefits (Attachment 1); (2) exemption for certain oil and gas properties of ad valorem taxes (Attachment 2); (3) providing additional authority to the Board of Regents for closing or merging facilities (Attachment 3); and (4) clarifying and changing the law regarding title insurance (Attachment 4). Representative Teagarden moved introduction of the four bills. Representative Francisco seconded. Motion carried.

Representative Francisco requested introduction of a bill regarding convening negotiating committees for acquisition of collection services for certain state agencies (Attachment 5). Representative Teagarden moved introduction of the bill. Representative Solbach seconded. Motion carried.

HB 2616 - Appropriations for FY91, occupational and health professions licensing agencies and financial regulatory agencies.

STATE BOARD OF PHARMACY

Representative Ellen Samuelson reviewed the subcommittee report (Attachment 6). Representative Helgerson moved adoption of the subcommittee report for FY90. Representative Heinemann seconded. Motion carried. Representative Helgerson moved adoption of the subcommittee report for FY91. Representative Heinemann seconded. Motion carried.

REAL ESTATE COMMISSION

Representative Jim Russell reviewed the subcommittee report (Attachment 7). Representative Moomaw moved adoption of the subcommittee report for FY90 and FY91. Representative Heinemann seconded. Motion carried.

BEHAVIORAL SCIENCES REGULATORY BOARD

Representative Jim Russell reviewed the subcommittee report (Attachment 8). Staff advised that the move to the Merchants Bank Building would yield an additional 4,000 square feet from 11,000 sq.ft. to 15,000 sq.ft. The subcommittee report indicated in error the move would yield an additional 1,500 square feet. Representative Shriver moved to delete item 8 in the FY91 subcommittee report regarding the increase of fees. Representative Teagarden seconded. Motion failed. Representative Solbach moved adoption of the subcommittee report. Representative Wisdom seconded. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations

room 514-S, Statehouse, at 1:30 ~~am~~/p.m. on February 8, 1990.

BOARD OF TECHNICAL PROFESSIONS

Representative Al Lane reviewed the subcommittee report (Attachment 9). Representative Heinemann moved to delete item 3 in the FY90 subcommittee report which in effect would leave Section 19 in HB 2729, as to remove it would restore the expenditure authority to \$259,801 which is not the intent of the Subcommittee. Representative Teagarden seconded. Motion carried. Representative Francisco moved adoption of the subcommittee report. Representative Fuller seconded. Motion carried.

SECURITIES COMMISSIONER

Representative Barbara Allen reviewed the subcommittee report (Attachment 10). Representative Gatlin moved adoption of the subcommittee report for FY90 and FY91. Representative Lowther seconded. Motion carried.

KANSAS DENTAL BOARD

Representative Barbara Allen reviewed the subcommittee report (Attachment 11). Representative Lowther moved adoption of the subcommittee report for FY90 and FY91. Representative Teagarden seconded. Motion carried.

BOARD OF OPTOMETRY EXAMINERS

Representative Heinemann reviewed the subcommittee report (Attachment 12). Representative Heinemann made a motion to delete the \$750 increase for printing recommended by the Governor for FY90 and add it in FY91, as the printing will take place in FY91. Representative Teagarden seconded. Motion carried. Representative Heinemann advised that due to declining balances, he suggested the Board consider adjusting their fees accordingly in the near future. Representative Heinemann moved adoption of the subcommittee report. Representative Wisdom seconded. Motion carried.

BOARD OF MORTUARY ARTS

Representative Hensley reviewed the subcommittee report (Attachment 13). Representative Hensley moved adoption of the subcommittee report for FY90 and FY91. Representative Hoy seconded. Motion carried.

BOARD OF HEALING ARTS

Representative Elaine Wells reviewed the subcommittee report (Attachment 14). Representative Shriver moved adoption of the subcommittee report for FY90 and FY91. Representative Teagarden seconded. Motion carried.

BOARD OF EXAMINERS FOR HEARING AIDS

Representative Elaine Wells reviewed the subcommittee report (Attachment 15). Representative Wells noted a fee increase is expected to address the declining balances in the fee fund. Representative Kline moved adoption of the subcommittee report for FY90 and FY91. Representative Teagarden seconded. Motion carried.

BOARD OF BARBER EXAMINERS

Representative Sheila Hochhauser reviewed the subcommittee report (Attachment 16). Representative Heinemann pointed out that the decreased expenditure limitation of \$88,166 in FY90 for this agency as recommended by the Governor is not included in the bill so the agency would still have authority to go up to \$95,749. Staff advised that the expenditure limitation is monitored through the review process by the Budget Division and the Legislature. Representative Hochhauser noted at the present time the Barber Board is supportive of a bill that would combine its administrative function with the Board of Cosmetology. Representative Hoy moved adoption of the subcommittee report for FY90 and FY91. Representative Teagarden seconded. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
room 514-S, Statehouse, at 1:30 ~~xxx~~ p.m. on February 8, 1990

BOARD OF NURSING

Representative Sheila Hochhauser reviewed the subcommittee report (Attachment 17). Representative Goossen moved adoption of the subcommittee report for FY90 and FY91. Representative Solbach seconded. Motion carried.

FINAL ACTION

Representative Turnquist presented a proposed amendment to HB 2650 (Attachment 18). Representative Turnquist moved to amend HB 2650 to change in line 42 the language "other person or entity" to "not-for-profit corporation or organization." Representative Fuller seconded. Motion carried. The Board of Agriculture supports the amendment as there is no intention to contract for data collection with a private business or entity. Representative Heinemann moved that HB 2650, as amended, be recommended favorably for passage. Representative Turnquist seconded. Motion carried.

Representative Fuller moved that HB 2616, as amended, be recommended favorably for passage. Representative Lowther seconded. Motion carried.

The meeting was adjourned at 3:30 p.m.

HOUSE BILL NO. _____

By Representative Helgerson

AN ACT concerning the state health care benefits program; relating to costs of participation therein; amending K.S.A. 75-6506 and repealing the existing section.

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

Section 1. K.S.A. 75-6506 is hereby amended to read as follows: 75-6506. (a) The participation of a person qualified to participate in the state health care benefits program shall be voluntary, ~~and~~. The cost of the state health care benefits program for such person shall be established by the Kansas state employees health care commission, subject to the provisions of subsection (d).

(b) Periodic deductions from state payrolls may be made in accordance with procedures prescribed by the secretary of administration to cover the costs of the state health care benefits program payable by persons who are on the state payroll when authorized by such persons. Any such periodic payroll deductions in effect on an implementation date for biweekly payroll periods shall be collected in the manner prescribed by the secretary of administration.

(c) In the event that the Kansas state employees health care commission designates by rules and regulations a group of persons on the payroll of a county, township, city, special district or other local governmental entity as qualified to participate in the state health care benefits program, periodic deductions from payrolls of the local governmental entity may be made to cover the costs of the state health care benefits program payable by such persons when authorized by such persons. All such moneys deducted from payrolls shall be remitted to the Kansas state employees health care commission in accordance with the

*HA
2-8-90
Attachment 1*

directions of the commission.

(d) (1) For calendar year 1990, the cost for individual state employees who are qualified to participate in the plan shall not exceed the cost assessed in calendar year 1989. The commission shall adjust the cost assessed for individual state employees for participation in the plan for calendar year 1990 and shall provide for refunds of amounts received in excess of the cost allowed to be assessed by this subsection.

(2) For calendar year 1991 and for each calendar year thereafter, any percentage increase in the amount assessed individual state employees for participation in the state health care benefits program shall not exceed the average of the percentage increases of any cost of living adjustment which increases the rates of compensation under the state pay plan for the fiscal year ending during such calendar year, not taking into account any step movement or other merit pay increases for state employees. Nothing in this act shall be construed as requiring any percentage increase in the amounts assessed individual state employees for participation in the state health care benefits program to equal the percentage of any such cost of living increase given to state employees and, if possible within the funding limitations of the state health care benefits program, any percentage increase in amounts assessed to individual state employees shall be a lower percentage increase than the average of the percentage increases in the rates of compensation under the state pay plan for the cost of living salary increase.

(3) If the rates of compensation of state employees are reduced in the state pay plan, the amounts assessed by the commission for participation in the state health care benefits program shall be lowered by the same percentage. If the benefits offered by the state health care benefits program are altered to achieve lower costs for such program, any and all savings gained through any such alteration shall be reflected, on an equal percentage basis, in the amounts assessed state employees for participation in the state health care benefits program.

Sec. 2. K.S.A. 75-6506 is hereby repealed.

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

*Helgeson Request
Comm. Be intro 28*

HOUSE BILL NO. _____

By Representative Helgeson

AN ACT relating to property taxation; providing for the exemption of certain oil and gas properties therefrom.

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

Section 1. The following described property to the extent herein specified, shall be and is hereby exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

All oil and gas leases or production units, the majority of the production from which was exempt during the next preceding 12-month period from the mineral severance tax imposed pursuant to K.S.A. 79-4217, and amendments thereto, and all wells, casing, tubing and all other equipment and material located on such lease which is used in the operation of such lease.

The provisions of this section shall apply to all taxable years commencing after December 31, 1990.

Sec. 2. The owner or owners of property which is exempt from the payment of property taxes under the laws of the state of Kansas pursuant to section 1 shall be required to claim such exemption on or before March 1 of each year in the manner hereinafter provided. All claims for exemption from the payment of property taxes shall be made upon forms prescribed by the director of property valuation, shall identify the property sought to be exempt and shall be filed in the office of the county appraiser of the county in which such property is located. Whenever such exemption is sought for an oil lease or production unit for which a certificate of exemption has been issued by the director of taxation, a copy of such certificate shall be required to be filed in support of such claim. Whenever such exemption is sought for any other lease or production unit, such additional documentation in support of such claim shall be

*HA
2-8-90
Attachment 2*

furnished as prescribed by the director of property valuation. The secretary of revenue may adopt rules and regulations necessary to administer the provisions of this act.

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

HOUSE BILL NO. _____

By Representative Helgeson

AN ACT concerning the state educational institutions; conferring certain powers with respect to control and supervision thereof upon the state board of regents; amending K.S.A. 76-712 and repealing the existing section.

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

Section 1. K.S.A. 76-712 is hereby amended to read as follows: 76-712. ~~Except--as--otherwise--provided--by--act--of--the--legislature,~~ (a) The state educational institutions are separate state agencies and state institutions and shall be controlled by and operated and managed under the supervision of the board of regents. For such control, operation, management or supervision, the board of regents may make contracts and adopt orders, policies or rules and regulations and do or perform such other acts as are authorized by law or are appropriate for such purposes, ~~except that no.~~

(b) The board of regents may combine or merge, for administrative, operational, managerial or other purposes, any state educational institution shall-be-combined-or-merged with any other state educational institution,--for--administrative--or management--or--other-purposes,--except-as-specifically-authorized by-appropriations-or-other-act-of-the--legislature. The powers herein conferred upon the board of regents may be exercised by the board without further legislative authorization or approval. To the extent that the provisions of any other law conflict with the provisions of this subsection, the provisions of this subsection shall control.

Sec. 2. K.S.A. 76-712 is hereby repealed.

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

*HA
2-8-90
Attachment 3*

*Helgeson request
Committee intro 2-8-90*

HOUSE BILL NO. _____

By Representative Helgeson

AN ACT relating to title insurance; requiring certain disclosures and prohibiting certain transactions; repealing K.S.A. 1989 Supp. 40-2404b.

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

Section 1. As used in this act, unless the context otherwise requires:

(a) "Associate" means any firm, association, organization, partnership, business trust, corporation or other legal entity organized for profit in which a producer of title business is a director, officer or partner thereof, or owner of a financial interest; the spouse or any relative within the second degree by blood or marriage of a producer of title business who is a natural person; any director, officer or employee of a producer of title business or associate; any legal entity that controls, is controlled by, or is under common control with a producer of title business or associate; and any natural person or legal entity with whom a producer of title business or associate has any agreement, arrangement or understanding or pursues any course of conduct, the purpose or effect of which is to evade the provisions of this section.

(b) "Financial interest" means any direct or indirect interest, legal or beneficial, where the holder thereof is or will be entitled to 1% or more of the net profits or net worth of the entity in which such interest is held. Notwithstanding the foregoing, an interest of less than 1% or any other type of interest shall constitute a "financial interest" if the primary purpose of the acquisition or retention of that interest is the financial benefit to be obtained as a consequence of that interest from the referral of title business.

*HA
2-8-90
Attachment 4*

(c) "Person" means any natural person, partnership, association, cooperative, corporation, trust or other legal entity.

(d) "Producer of title business" or "producer" means any person, including any officer, director or owner of 5% or more of the equity or capital or both of any person, engaged in this state in the trade, business, occupation or profession of:

- (1) Buying or selling interests in real property;
- (2) Making loans secured by interests in real property; or
- (3) Acting as broker, agent, representative or attorney for a person who buys or sells any interest in real property or who lends or borrows money with such interest as security.

(e) "Refer" means to direct or cause to be directed or to exercise any power or influence over the direction of title insurance business, whether or not the consent or approval of any other person is sought or obtained with respect to the referral.

Sec. 2. No title insurer or title agent may accept any title insurance order or issue a title insurance policy to any person if it knows or has reason to believe that such person was referred to it by any producer of title business or by any associate of such producer, where the producer, the associate, or both, have a financial interest in the title insurer or title agent to which business is referred unless the producer has disclosed to the person so referred the fact that such producer or associate has a financial interest in the title insurer or title agent.

Sec. 3. (a) No producer of title business or associate of such producer shall require, directly or indirectly, as a condition to selling or furnishing any other person any loan or extension thereof, credit, sale, property, contract, lease or service, that such other person shall purchase title insurance of any kind through any title agent or title insurer if such producer has a financial interest in such title agent or title insurer.

(b) Any producer of title business or associate of such

producer who violates the provisions of this section, or any title insurer or title agent who accepts an order for title insurance knowing that it is in violation of this section shall, in addition to any other action which may be taken by any regulatory authority having jurisdiction, be liable to the purchaser of such title insurance in an amount equal to the premium for the title insurance.

(c) Nothing in this act shall prohibit any producer of title business or associate of such producer from referring title business to any title insurer or title agent of such producer's or associate's choice, and, if such producer or associate of such producer has any financial interest in the title insurer, from receiving income, profits or dividends produced or realized from such financial interest, so long as:

(1) Such financial interest is disclosed to the purchaser of the title insurance in accordance with section 2;

(2) the payment of income, profits or dividends is not in exchange for the referral of business; and

(3) the receipt of income, profits or dividends constitutes only a return on the investment of the producer or associate.

Sec. 4. The commissioner of insurance may adopt rules and regulations necessary to carry out the provisions of this act.

Sec. 5. K.S.A. 1989 Supp. 40-2404b is hereby repealed.

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

*Sen. Francisco Hernandez
Committee intro 2-6-90.*

HOUSE BILL NO. _____

By Representative Francisco

AN ACT relating to convening negotiating committees for acquisition of collection services for certain state agencies; prescribing procedures therefor; amending K.S.A. 76-745 and K.S.A. 1989 Supp. 59-2006 and repealing the existing sections.

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

New Section 1. (a) Upon request of the chief administrative officer of a state agency, the director of purchases may convene a collection services negotiating committee to obtain collection services for the state agency.

(b) Except as otherwise specifically provided by statute, each negotiating committee shall be composed of: (1) The director of purchases, or a person designated by the director; (2) the chief administrative officer of the state agency desiring to obtain the collection services, or a person designated by the officer; and (3) the secretary of administration, or a person designated by the secretary.

(c) The negotiating committee is authorized to negotiate for the state agency contracts with qualified parties to provide collection services needed by the state agency.

(d) At least 15 days prior to the commencement of negotiations for the collection services, a notice to bidders first shall be published in the Kansas register by the state agency desiring to obtain the collection services. Upon receipt of bids or proposals, the committee may negotiate with one or more of the firms submitting bids or proposals and select from among those submitting such bids or proposals the party to contract with to provide the collection services.

(e) Contracts entered into pursuant to this section shall not be subject to the provisions of K.S.A. 75-3738 through 75-3740a and amendments thereto, but shall be entered into subject to any requirements or conditions as may be specified by

*HA
2-8-90
Attachment 5*

statute for the state agency obtaining the collection service. Meetings to conduct negotiations pursuant to this section shall not be subject to the provisions of K.S.A. 75-4317 through 75-4320a and amendments thereto. The director of purchases shall submit a report at least once in each calendar quarter to the legislative coordinating council and the chairpersons of the senate committee on ways and means and the house of representatives committee on appropriations of all contracts entered into pursuant to this section.

(f) As used in this section, "collection services" includes collection services provided by debt collection agencies or firms or by attorneys or other professionals qualified to provide collection services; and "state agency" has the meaning ascribed thereto by K.S.A. 75-3701 and amendments thereto.

(g) The provisions of this section shall not apply to the acquisition of collection services for the collection of delinquent taxes pursuant to contracts entered into by the secretary of revenue under K.S.A. 75-5140 through 75-5148 and amendments thereto.

Sec. 2. K.S.A. 1989 Supp. 59-2006 is hereby amended to read as follows: 59-2006. (a) A person's spouse and the parents of a person who is a minor shall be bound by law to support the person if the person is committed to, admitted to, transferred to or received as a patient at a state institution. Payment for the maintenance, care and treatment of any patient in a state institution irrespective of the manner of such patient's admission shall be paid by the patient, by the conservator of such patient's estate or by any person bound by law to support such patient. The secretary of social and rehabilitation services may recover the basic maximum charge established as provided for in subsection (a) of K.S.A. 59-2006b and amendments thereto, or the actual per patient costs established as provided in subsection (b) of K.S.A. 59-2006b and amendments thereto, as compensation for the maintenance, care and treatment of a patient from such patient when no legal disability exists, or from the estate of such patient or from any person bound by law to support

such patient.

(b) The secretary of social and rehabilitation services shall periodically and not less than once during each fiscal year make written demand upon the patient or person liable for the amount claimed by the secretary to have accrued since the last demand was made, and no action shall be commenced by the secretary against such patient or such patient's responsible relatives for the recovery thereof unless such action is commenced within three years after the date of such written demand. When any part of the amount claimed to be due has been paid or any acknowledgment of an existing liability, debt or claim, or any promise to pay the same has been made by the obligor, an action may be brought in such case within three years after such payment, acknowledgment or promise, but such acknowledgment or promise must be in writing signed by the party to be charged thereby. If there are two or more joint debtors, no one of whom is entitled to act as the agent of the others, no such joint debtor shall lose the benefit of the statute of limitations so as to be chargeable by reason of any acknowledgment, promise or payment made by any other or others of them, unless done with the knowledge and consent of, or ratified by, the joint debtor sought to be charged. The secretary may accept voluntary payments from patients or relatives or from any source, even though the payments are in excess of required amounts and shall deposit the same as provided by law.

(c) The secretary of social and rehabilitation services shall have the power to compromise and settle any claim due or claimed to be due from such patient or such patient's relatives who are liable for the patient's care, maintenance and treatment and upon payment of a valuable consideration by the patient or the persons bound by law to support such patient, may discharge and release the patient or relative of any or all past liability herein. Whenever the secretary shall negotiate a compromise agreement to settle any claim due or claimed to be due from a patient or such patient's relatives responsible under this act to support the patient, no action shall thereafter be brought or

agree that it is receiving income from sources within the state or doing business in the state for purposes of the Kansas income tax act.

(g) As used in this section, "state institution" has the meaning provided by K.S.A. 59-2006b and amendments thereto.

Sec. 3. K.S.A. 76-745 is hereby amended to read as follows: 76-745. ~~(a) As used in this section "negotiating committee" means a committee to negotiate as provided in this act, and consisting~~ Any negotiating committee convened to obtain collection services for the state board of regents under section 1 shall consist of the executive officer of the state board of regents or a person designated by the executive officer, two representatives of the state educational institutions as designated by the state board of regents and the director of purchases or a person designated by the director of purchases.

(b) Upon request of the state board of regents, the director of purchases may convene a negotiating committee to obtain collection services under section 1. The negotiating committee is authorized to negotiate contracts pursuant to section 1 with one or more qualified parties to provide collection services for the state educational institutions and such contracts may be entered on a multi-year basis.

~~(c) Prior to negotiating for collection services, the committee shall advertise for proposals, negotiate with firms submitting proposals and select among those submitting such proposals the party or parties to contract with for the purposes of collection services.~~

~~---(d)---Contracts entered into pursuant to this section shall not be subject to the provisions of K.S.A. 75-3738 to 75-3740a, inclusive, and amendments thereto~~ As used in this section, "collection services" has the meaning ascribed thereto by section 1.

Sec. 4. K.S.A. 76-745 and K.S.A. 1989 Supp. 59-2006 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the Kansas register.

claim made for any amounts due for the care, maintenance and treatment of such patient incurred prior to the effective date of the agreement entered into, except for the amounts provided for in the agreement if the provisions of such compromise agreement are faithfully performed. In the event the terms and conditions of such compromise agreement are not complied with, such failure to comply shall serve to revive and reinstate the original amount of the claim due before negotiation of such compromise agreement, less amounts paid on the claim.

(d) The secretary of social and rehabilitation services may request the convening of a collection services negotiating committee under section 1 to negotiate a contract with an attorney admitted to practice in this state or with any debt collection agency doing business within or without this state to assist in the collection of amounts claimed to be due under the provisions of this section. The fee for services of such attorney or debt collection agency under such contract shall be based on the amount of moneys actually collected. No fee shall be in excess of 50% of the total amount of moneys actually collected. All funds collected less the fee for services as provided in the contract shall be remitted to the secretary of social and rehabilitation services within 45 days from the date of collection.

~~Contracts--entered-pursuant-to-this-section-may-be-negotiated by-the-secretary-of-social-and-rehabilitation-services-and--shall not--be--subject--to--the--competitive-bid-requirements-of-K.S.A. 75-3739-through-75-3741-and-amendments-thereto-~~

(e) Before entering into a contract negotiated under section 1 with a debt collection agency under subsection (d), the secretary of social and rehabilitation services shall require a bond from the debt collection agency in an amount not in excess of \$100,000 guaranteeing compliance with the terms of the contract.

(f) A debt collection agency entering into a contract with the secretary of social and rehabilitation services for the collection of amounts claimed to be due under this section shall

SUBCOMMITTEE REPORT

Agency: State Board of Pharmacy Bill No. 2729 Bill Sec. 15

Analyst: Efird Analysis Pg. No. 42 Budget Pg. No. 450

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations	\$ 337,282	\$ 324,893	\$ 3,803
FTE Positions	6.0	6.0	--

Agency Request/Governor's Recommendation

The Board of Pharmacy estimates expenditures \$5,791 higher than the \$331,491 approved by the 1989 Legislature. Included are increases for salaries and benefits (\$5,254), communications (\$3,209), commodities (\$4,250) and rents (\$1,103) and decreases for professional services (\$4,600) and travel (\$2,626).

The Governor recommends a net reduction in approved expenditures amounting to \$6,598 in the current fiscal year. Reduced expenditures are recommended for professional services (\$10,071), travel (\$3,377), and several other operating expense categories. Increased expenditures are recommended for salaries and benefits (\$3,444), communications (\$2,759), and commodities (\$1,867).

House Subcommittee Recommendation

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

1. Restore \$2,471 for the Impaired Practice Program in order to finance expenditures of \$25,000. The Subcommittee notes expenditures of \$11,473 through December 31, 1989. The 1989 Legislature approved expenditures of \$30,000 for this program and the Board reduced its revised estimate to \$25,000. The Governor's adjustment further reduced financing for the program by \$2,471 and the Subcommittee recommends restoration of these funds in order to insure adequate financing for drug intervention services the rest of this fiscal year. Actual FY 1989 expenses were \$17,529 for approximately nine months when the program began or \$1,948 per month (\$23,372 on an annual basis).
2. Restore \$1,332 for legal fees of the Board's attorney in order to finance expenditures of \$23,332. The Subcommittee notes expenditures of \$11,368 through January 15, 1990. The 1989 Legislature approved expenditures of \$25,000 for attorney fees. The Subcommittee's recommendation is based on \$3,532 paid to the Board's previous attorney and an estimate of \$19,800 for its new attorney which was encumbered last September, for a total of \$23,332 in FY 1990 for legal fees. Actual FY 1989 expenses were \$25,000.
3. Increase the Board's expenditure limitation by \$3,803 above the Governor's recommended level of expenditures in the supplemental

HA
2-8-90
Attachment 6

appropriations bill, which results in a net reduction of \$2,795 from the expenditure limitation approved by the 1989 Legislature.



Representative Henry Helgerson
Subcommittee Chairman



Representative Ellen Samuelson

SUBCOMMITTEE REPORT

Agency: State Board of Pharmacy Bill No. 2616 Bill Sec. 16

Analyst: Efird Analysis Pg. No. 42 Budget Pg. No. 450

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations	\$ 349,145	\$ 335,021	\$ 5,471
FTE Positions	6.0	6.0	6.0

Agency Request/Governor's Recommendation

The Board requests an increase of \$11,863 above the current fiscal year revised estimate. The budget request includes increases of \$7,640 for salaries and benefits and \$4,223 for contractual services. No increase in commodities is requested in FY 1991.

The Governor recommends an increase of \$10,128 above the current fiscal year's expenditures. Included are an additional \$9,574 for salaries and benefits and \$554 for contractual services. No increase in commodities is recommended in FY 1991.

House Subcommittee Recommendation

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

1. Restore \$2,471 for the Impaired Practice Program in order to finance expenditures of \$25,000. The Subcommittee recommends restoring funds for the program in order to insure the same financing for drug intervention services next fiscal year as is recommended in FY 1990.
2. Restore \$3,000 for legal fees of the Board's attorney in order to finance expenditures of \$25,000. The Subcommittee notes expenditures of \$11,368 through January 15, 1990. The Subcommittee believes that the case load may require work above the level provided by the Governor's recommended expenditures and that an additional 60 hours of legal services at \$50 per hour charged by the Board's attorney should be funded for next fiscal year.
3. Increase the Board's expenditure limitation by \$5,471 above the Governor's recommended level of expenditures in the regular FY 1991 appropriations bill.
4. Note that the Board's fee fund balances will decrease in FY 1990 and FY 1991 based on recommended expenditures and estimated receipts since spending exceeds revenues and that the Board has requested a bill be introduced to raise the statutory maximum from \$60 to \$100 for licenses. The bill has been introduced. The present license fee is \$55 and the statutory maximum is \$60, but estimate new revenue from a \$5 increase would be only \$14,000.

5. Direct the Board's staff to seek assistance from DISC for a study of future computer needs if funds are to be sought for a dedicated computer system. The Board office currently shares computing facilities with the Board of Nursing and the Pharmacy staff expressed dissatisfaction with the arrangement. The Subcommittee reiterates that this recommendation was made in the previous Subcommittee report during the 1989 Session and that no study has been made by DISC.

6. Concur with legislation which will be introduced by the Senate Committee on Governmental Organization to place this fee agency under the Kansas Sunset Law. The Board staff also expressed concurrence with this form of legislative review. The Subcommittee understands that all health-related fee agencies will be recommended for sunset review if not currently included (as are the Board of Nursing and the Board of Healing Arts).

Fee Fund Analysis. The State Board of Pharmacy Fee Fund receives revenues from the licensure of pharmacists, pharmacies, drug manufacturers and distributors, and retail dealers, and from administration of the pharmacist licensure examination. Licenses and permits are renewed on an annual basis. Most of the license and permit fees charged by the Board are not at the statutory maximums. The revenue estimates do not include any fee increases for FY 1990 or FY 1991, with decreasing ending balances noted for each fiscal year since expenditures exceed net receipts in FY 1990 and FY 1991. The following table summarizes estimated receipts and fund balances based on the Subcommittee's recommendations:

<u>Resource Estimate</u>	<u>Actual FY 89</u>	<u>Estimated FY 90</u>	<u>Estimated FY 91</u>
Beginning Balance	\$ 166,284	\$ 167,812	\$ 145,302
Net Receipts	<u>306,295</u>	<u>306,186</u>	<u>306,186</u>
Total Funds Available	\$ 472,579	\$ 473,998	\$ 451,288
Less: Expenditures	<u>304,767</u>	<u>328,696</u>	<u>340,492</u>
Ending Balance	<u>\$ 167,812</u>	<u>\$ 145,302</u>	<u>\$ 110,996</u>


 Representative Henry Helgerson
 Subcommittee Chairman


 Representative Ellen Samuelson

SUBCOMMITTEE REPORT

Agency: Real Estate Commission Bill No. 2729 Bill Sec. 16

Analyst: Efird Analysis Pg. No. 45 Budget Pg. No. 470

<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	\$ 530,387	\$ 526,574	\$ (15,426)
Other Assistance	20,000	21,307	(1,307)
TOTAL	<u>\$ 550,387</u>	<u>\$ 547,881</u>	<u>\$ (16,733)</u>
FTE Positions	13.0	13.0	--

Agency Request/Governor's Recommendation

The Commission estimates an increase of \$212 in state operations expenditures above the amount approved by the 1989 Legislature. The adjustment is attributed to a decrease in salaries and benefits (\$1,288) and an increase in professional services due to adding attorney fees (\$1,500). The FY 1990 budget was approved without this funding since it was assumed that the Attorney General would defend claims against the Real Estate Recovery Revolving Fund. An increase of \$1,500 is requested from the Real Estate Recovery Revolving Fund to pay for attorney fees for defending the Fund against claims. A reduction of \$1,288 is in the agency regular fee fund expenditures.

The Governor recommends a net reduction of \$2,294 in approved expenditures during the current fiscal year. A reduction of \$3,601 is recommended for salaries and benefits and an additional \$1,307 is recommended for attorney fees. That legal fee recommendation is included in the object code of claims rather than professional services.

House Subcommittee Recommendation

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

1. Reduce estimated net receipts by \$16,000 in the current fiscal year.
2. Shift \$1,307 between object codes in order to reflect expenditure of the funds for attorney fees rather than as claims under other assistance. This expenditure is financed from the Real Estate Recovery Fund.
3. Reduce estimated salaries and benefits by \$3,706 based on salary turnover savings for the first six months of the current fiscal year.
4. Reduce \$8,545 for attorney fees based on expenditures for the first six months of the current fiscal year and the agency's identification of potential savings in this object code.

HA
2-8-90
Attachment 7

5. Reduce \$5,682 for travel and subsistence due to a vacant field inspector position.
6. Add \$7,200 for KBI fees based on \$4 per check for an estimated 1,800 background checks on license applications during the current fiscal year.
7. Reduce \$6,000 for printing based on expenditures to date for the first six months of the current fiscal year and the agency's identification of savings in this object code.
8. Increase the estimated ending balance in the agency's fee fund by the amount of reductions, but do not adjust the agency's expenditure limitation to reflect the savings which are in addition to the Governor's net reductions of \$2,294. Total net savings of \$19,027 are identified in the approved budget of \$550,175.



Representative Max Moomaw
Subcommittee Chairman



Representative Jim Russell

SUBCOMMITTEE REPORT

Agency: Real Estate Commission **Bill No.** 2616 **Bill Sec.** 17
Analyst: Efird **Analysis Pg. No.** 45 **Budget Pg. No.** 470

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 588,868	\$ 517,485	\$ 29,153
Other Assistance	20,000	21,500	(1,500)
TOTAL	<u>\$ 608,868</u>	<u>\$ 538,985</u>	<u>\$ 27,653</u>
 FTE Positions	 14.0	 13.0	 --

Agency Request/Governor's Recommendation

The Commission requests an increase of \$58,481 above the current fiscal year estimate. Major additions include increases of \$45,303 for new salaries and benefits, mainly associated with a new staff position, and \$14,081 for contractual services. A net decrease in commodities amounts to \$903. Estimated claims of \$20,000 against the Real Estate Recovery Revolving Fund are included in the budget total and payments of \$1,500 for attorney fees also are included from that funding source. The Commission projects payments of \$20,000 in both FY 1990 and FY 1991. FY 1989 claims totaled \$30,488.

The Governor recommends FY 1991 expenditures which are \$8,896 below the current fiscal year recommendation. The agency's FY 1991 request is reduced by \$69,883 and 1.0 FTE position. The Governor's recommendations provide an increase of \$15,018 for salaries and benefits, and reductions of \$21,766 for contractual services and of \$2,341 for commodities, compared with FY 1990 recommended amounts.

House Subcommittee Recommendation

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

1. Reduce estimated net receipts by \$13,000 for next fiscal year.
2. Shift \$1,500 between object codes in order to reflect expenditure of the funds for attorney fees rather than other assistance. This expenditure is financed from the Real Estate Recovery Fund.
3. Add \$4,906 for salaries and benefits in order to restore salary turnover savings of \$1,803 and to provide a total of \$6,300 for part-time employees' salaries. The Subcommittee reduced the salaries and benefits budget in the current fiscal year to provide these funds from FY 1990 savings.
4. Add \$8,545 for attorney fees based to restore expenditures requested by the agency for 12 months. The Subcommittee reduced professional

fees in the current fiscal year to provide these funds from FY 1990 savings.

5. Add \$5,682 for travel and subsistence to restore expenditures requested by the agency for field work. The Subcommittee reduced this object code in the current fiscal year to provide these funds from FY 1990 savings.
6. Add \$3,200 for KBI fees to supplement the \$4,000 in the Governor's recommended budget. This estimate is based on \$4 per check for an estimated 1,800 background checks on license applications during the current fiscal year. Also add \$800 for court reporting and other fees approved by the Governor in FY 1990, but not recommended in FY 1991.
7. Add \$3,020 for printing based on expenditures requested by the agency to restore funding. The Subcommittee reduced this object code in the current fiscal year to provide these funds from FY 1990 savings.
8. Add \$1,500 for repair and maintenance costs in FY 1991. The Governor's recommended budget provides \$250 next fiscal year. Actual expenditures to date in FY 1990 have been \$1,459. The agency pays repair costs on a service call basis rather than by securing service contracts on its equipment.

Fee Fund Analysis. Real Estate brokers and salespersons licenses are issued and renewed for a two-year period on a staggered basis. More revenue is typically received in even numbered years than in odd. Estimated fee receipts in FY 1991 are reduced by almost \$100,000 from the current fiscal year projection as a result of this biennial pattern and to a decrease in the number of people applying for license renewals. The following table summarizes estimated receipts, expenditures, and fund balances based on the Subcommittee's recommendations, which take into account revenue reductions of \$16,000 in FY 1990 and of \$13,000 in FY 1991 brought to the Subcommittee's attention by the Commission's staff.

<u>Resource Estimate</u>	<u>Actual FY 89</u>	<u>Estimated FY 90</u>	<u>Estimated FY 91</u>
Beginning Balance	\$ 449,526	\$ 440,406	\$ 418,045
Net Receipts	480,840	487,480	393,808
Total Funds Available	\$ 930,366	\$ 927,886	\$ 811,853
Less: Expenditures	489,960	509,841	545,138
Ending Balance	<u>\$ 440,406</u>	<u>\$ 418,045</u>	<u>\$ 266,715</u>

Max Moomaw

Representative Max Moomaw
Subcommittee Chairman

Jim Russell

Representative Jim Russell

SUBCOMMITTEE REPORT

Agency: Behavioral Sciences
Regulatory Board

Bill No. 2729

Bill Sec. 5

Analyst: Howard

Analysis Pg. No. 12

Budget Pg. No. 104

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 225,205	\$ 218,607	\$ 2,000
FTE Positions	4.0	4.0	--

Agency Estimate/Governor's Recommendation

The Board estimates FY 1990 expenditures of \$225,205 as approved by the 1989 Legislature. The Governor recommends FY 1990 expenditures of \$218,607, a reduction of \$6,598 in salaries from the agency estimate. The Governor recommends that the agency's expenditure limitation be reduced to reflect this reduction.

House Subcommittee Recommendations

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

1. Add \$2,000 in salaries for the Executive Director in FY 1990. The Subcommittee was informed concerning a lawsuit filed by the Executive Director following her dismissal by the Board and a subsequent settlement agreement which included the reinstatement of the Executive Director. As a part of the settlement agreement, a salary study was conducted by the Division of Personnel Services. The Executive Director currently draws a base salary of \$28,420. The study by the Division of Personnel Services recommends that the Executive Director be placed in salary range 26, which equates to a salary between \$28,896 and \$40,668. The Board held a special conference call meeting on February 5 and voted to set a salary of \$35,124 (Range 26, Step 1) for the Executive Director, effective with the pay period beginning February 18, 1990 or as soon thereafter as possible. The Board has recommended this salary adjustment to the Governor and is awaiting a response from the Governor.

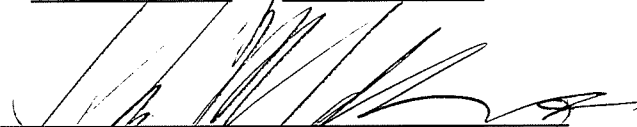
The Subcommittee understands that the Governor may set the salary for the Executive Director at a different level than that recommended by the Board. However, given the unanimous agreement of the four members of the Board participating in the special meeting, the years of experience of the executive director, the salary study, and other factors, the Subcommittee does not believe that the Board recommendation is unreasonable. The Subcommittee feels that this matter ought to be addressed early in this legislative Session in order for the Board

HA
2-8-90
Attachment 8

to get on with its duties and functions. This agency has had some problems as evidenced by the lawsuit and settlement; the Subcommittee believes that the functions of the Behavioral Sciences Regulatory Board are important to the health and welfare of the citizens of the state and further recognizes that in order to carry out functions in an effective and efficient manner, it is important for the Board to be able to place this controversy behind them. With this intent, the Subcommittee recommends the addition of \$2,000 in salaries in the current year. The Subcommittee further recommends that the Senate Subcommittee review this issue and make appropriate adjustments upon action by the Governor in setting a salary level for the Executive Director position.

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

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>
Beginning Balance	\$ 79,003	\$ 61,052
Net Receipts	<u>165,512</u>	<u>203,010</u>
Total Funds Available	\$ 244,515	\$ 264,062
Less: Expenditures	<u>183,463</u>	<u>220,607</u>
Ending Balance	<u>\$ 61,052</u>	<u>\$ 43,455</u>



Representative John Solbach
Subcommittee Chairperson



Representative Jim Russell

102-90/LH

SUBCOMMITTEE REPORT

Agency: Behavioral Sciences
Regulatory Board

Bill No. 2616

Bill Sec. 6

Analyst: Howard

Analysis Pg. No. 12

Budget Pg. No. 104

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 254,008	\$ 226,930	\$ 33,074
FTE Positions	5.0	4.0	1.0

Agency Request/Governor's Recommendation

The Board requests an expenditure limitation of \$254,008 in FY 1991, which is an increase of 12.8 percent (\$28,803) and one position from the current year estimate.

The Governor recommends FY 1991 expenditures of \$226,930, a reduction of \$27,078 from the agency request. The recommendation includes funding for 4.0 FTE positions, the same number as in the current year.

House Subcommittee Recommendations

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

1. Add \$6,000 in salaries for the Executive Director in FY 1991. The Subcommittee was informed concerning a lawsuit filed by the Executive Director following her dismissal by the Board and a subsequent settlement agreement which included the reinstatement of the Executive Director. As a part of the settlement agreement, a salary study was conducted by the Division of Personnel Services. The Executive Director currently draws a base salary of \$28,420. The study by the Division of Personnel Services recommends that the Executive Director be placed in salary range 26, which equates to a salary between \$28,896 and \$40,668. The Board held a special conference call meeting on February 5 and voted to set a salary of \$35,124 (Range 26, Step 1) for the Executive Director, effective with the pay period beginning February 18, 1990 or as soon thereafter as possible. The Board has recommended this salary adjustment to the Governor and is awaiting a response from the Governor.

The Subcommittee understands that the Governor may set the salary for the Executive Director at a different level than that recommended by the Board. However, given the unanimous agreement of the four members of the Board participating in the special meeting, the years of experience of the executive director, the salary study, and other factors, the Subcommittee does not believe that the Board recommen-

dation is unreasonable. The Subcommittee feels that this matter ought to be addressed early in this legislative Session in order for the Board to get on with its duties and functions. This agency has had some problems as evidenced by the lawsuit and settlement; the Subcommittee believes that the functions of the Behavioral Sciences Regulatory Board are important to the health and welfare of the citizens of the state and further recognizes that in order to carry out functions in an effective and efficient manner, it is important for the Board to be able to place this controversy behind them. With this intent, the Subcommittee recommends the addition of \$6,000 in salaries in FY 1991. The Subcommittee further recommends that the Senate Subcommittee review this issue and make appropriate adjustments upon action by the Governor in setting a salary level for the Executive Director position.

2. Add \$19,459 in salaries and 1.0 FTE Office Assistant II and \$1,116 in capital outlay for the recommended new position. The Subcommittee notes that the Board currently has 4.0 authorized positions, including the Executive Director and three clerical positions. The most recent staff addition to the Board was in FY 1988, with the addition of the third clerical position. Since that time the Board has been given the responsibility to regulate two additional professions -- Masters Level Psychologists and Professional Counselors, with no increase in staffing. Due to demands of the office, funding intended for an intermittent Social Worker has been used for an intermittent clerical position. The Subcommittee believes that the addition of this position is necessary for the Board to efficiently carry out its functions and expedite its processing of applications and response to questions and complaints.
3. Add \$2,183 in communications to provide a total of \$14,646 in communications in FY 1991. The Subcommittee notes that expenditures in FY 1990 are estimated to total \$13,794 and that actual FY 1989 expenditures were \$16,120.
4. Add \$235 in repairing and servicing based on estimated expenditures in the current year and the age of the agency's office equipment.
5. Add \$3,298 in professional services for private investigator fees. The Subcommittee notes that the Board has been experiencing an increase in the number of complaints against professionals regulated by the Board and believes that adequate funding for a private investigator is necessary to insure prompt investigation and response to these complaints.
6. Add \$783 in memberships fees to allow the Board to maintain membership in national professional organizations in order to access national examinations for psychology, counseling and social work. The only other source of the examinations is to generate them within the state. The cost of this option is prohibitive and would be in the tens of thousands of dollars.
7. The Subcommittee was informed that the Board has been pursuing the possibility of moving its office to another location in order attain an increase in space and a lower rental rate. The Board has looked into the possibility of moving to the Merchants Bank Building with an

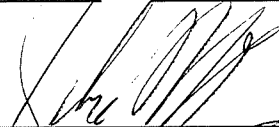
11,000 to 15,000

additional 1,500-square feet of space, including space for an additional staff member, storage space, and an area for board and committee members to meet. The Subcommittee was informed that the cost in FY 1991 for this additional space, including one-time moving costs of \$2,000, would total \$17,750, or \$436 above the Governor's recommendation. In subsequent fiscal years the Board anticipates rent savings of at least \$1,000 per year from such a move. The Subcommittee concurs with the move of the Board to the Merchants Bank Building but believes that the additional cost in FY 1991 can be absorbed within the Board's existing expenditure limitation.

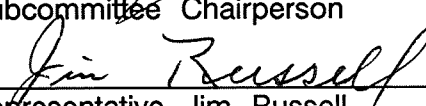
- 8. The Subcommittee would note that the ending balances have been declining and would note that fee increases are necessary in order to maintain adequate ending balances and provide for the financial stability of the Behavioral Sciences Regulatory Board. The Subcommittee recommends that a bill be introduced to increase the statutory maximum fees for examinations, applications and renewals to \$250 for all professions. Actual fees would be set by the Board through the rules and regulations process. The Subcommittee would note that the Board is currently reviewing the status of the fee fund and intends to raise fees to a level which would insure that income equals or exceeds anticipated expenditures. The Subcommittee would further note that the Board has experienced unanticipated increases in expenditures, primarily due to increases in the costs of national examinations. At the current time, the cost paid by the Board for these examinations is not recovered in full from applicants under the existing fee structure.

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

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 79,003	\$ 61,052	\$ 43,455
Net Receipts	<u>165,512</u>	<u>203,010</u>	<u>241,640</u>
Total Funds Available	\$ 244,515	\$ 264,062	\$ 285,095
Less: Expenditures	<u>183,463</u>	<u>220,607</u>	<u>260,004</u>
Ending Balance	<u>\$ 61,052</u>	<u>\$ 43,455</u>	<u>\$ 25,091</u>



Representative John Solbach
Subcommittee Chairperson



Representative Jim Russell

SUBCOMMITTEE REPORT

Agency: Board of Technical Professions

Bill No. 2729

Bill Sec. 19

Analyst: Mah

Analysis Pg. No. 54

Budget Pg. No. 550

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 260,074	\$ 251,949	\$ 3,579
FTE Positions	4.0	4.0	--

Agency Request/Governor's Recommendation

The Board estimates an increase of \$273 in salaries and wages over the approved current year budget of \$259,801 because of costs associated with 1989 revisions to the employee pay plan. The Board does not request any other changes from the approved budget. The Governor's recommendation reduces the Board's estimate by a net of \$8,125. The Governor's expenditure limitation reduction is reflected in the supplemental bill (H.B. 2729) for the current year.

House Subcommittee Recommendation

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

1. Restore \$1,506 for salary and wage expenditures to reduce the estimated turnover savings from 1.9 to 0.7 percent and for technical adjustments. (Actual turnover savings were 0.7 percent in FY 1989.)
2. Restore \$2,073 to provide for the Board's additional travel and subsistence expenses because of hearings and meetings associated with pending legislation. The pending legislation (Substitute S.B. 104) provides for major revisions to current regulations and licensure of the technical professions.
3. Delete Section 19 from H.B. 2729 to reflect the Subcommittee's recommendations and to continue the customary practice of the Legislature.

Ken Francisco

 Representative Ken Francisco
 Subcommittee Chairperson

Al Lane

 Representative Al Lane

HA
 2-8-90
 Attachment 9

SUBCOMMITTEE REPORT

Agency: Board of Technical Professions

Bill No. 2616

Bill Sec. 20

Analyst: Mah

Analysis Pg. No. 54

Budget Pg. No. 550

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 270,007	\$ 257,877	\$ 6,256
FTE Positions	4.0	4.0	--

Agency Request/Governor's Recommendation

The Board requests an increase of \$9,933 or 3.8 percent above the current year estimate. Salaries and wages are increased by \$4,064 and other operating expenditures by \$5,869. The Governor's recommendation reduces the Board's request by \$12,130 to provide for a 2.4 percent increase over the current year recommendation. Salaries and wages are reduced by \$935 and other operating expenditures by \$11,195.

House Subcommittee Recommendation

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

1. Restore \$1,521 to salary and wage expenditures to reduce the estimated turnover savings from 1.9 to 0.7 percent and for technical adjustments. (Actual turnover savings were 0.7 percent in FY 1989.)
2. Restore \$2,660 for in-state travel and subsistence to bring total expenditures to \$12,764. (Actual FY 1989 expenditures were \$10,945 and FY 1990 expenditures are estimated at \$13,818.)
3. Restore \$525 for printing expenditures to provide for costs to print the Board's rules and regulations.
4. Restore \$1,550 for capital outlay expenditures to provide for replacement of essential equipment (\$550 for a desk and \$1,000 for file cabinets).
5. The Subcommittee encourages the Board to consider options that would allow for the use of state attorneys rather than continuing to contract with a private attorney for legal services. According to a February 1988 Legislative Post Audit Committee Report relating to legal services for state agencies, the Board spent \$22,307 on legal services in FY 1987. Of that amount, \$18,488 was for attorney's fees for 317 hours of legal work. For the amount the Board paid, Post Audit estimates that a half-time Attorney II could have been hired to serve the legal needs of the Board and the half-time attorney would still have had about 500 hours available to provide legal services to some other

9-2

agency. Another option for the Board is the Attorney General's Office. The Attorney General's Office provides the same legal services for other state agencies that the Board requires.

Fee Fund Analysis. An analysis of the Board's fee fund based upon the Subcommittee recommendations is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 235,731	\$ 224,196	\$ 186,421
Net Receipts	<u>225,436</u>	<u>217,753</u>	<u>238,662</u>
Total Funds Available	\$ 461,167	\$ 441,949	\$ 425,083
Less: Expenditures	<u>236,971</u>	<u>255,528</u>	<u>264,133</u>
Ending Balance	<u>\$ 224,196</u>	<u>\$ 186,421</u>	<u>\$ 160,950</u>

Ken Francisco
Representative Ken Francisco
Subcommittee Chairperson

Al Lane
Representative Al Lane

SUBCOMMITTEE REPORT

Agency: Securities Commissioner

Bill No. 2729

Bill Sec. 18

Analyst: West

Analysis Pg. No. 51

Budget Pg. No. 516

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 1,250,721	\$ 1,218,347	\$ 37,500
FTE Positions	27.0	27.0	--

Agency Request/Governor's Recommendation

The Securities Commissioner's revised FY 1990 budget estimate totals \$1,250,721, a decrease of \$1,392 from the budget approved by the 1989 Legislature. Major revisions include decreases in salaries and wages (\$26,950), travel expenses (\$15,930), and office supplies (\$4,274), and increases in software development (\$26,000), communication expenses (\$9,619), rents (\$7,539), and janitorial fees (\$3,600). Net other changes decrease total expenditures by \$996. The agency estimates that \$1,284,492 will be transferred to the State General Fund at the end of FY 1990.

The Governor recommends an FY 1990 budget of \$1,218,347, a decrease of \$32,374 from the agency's estimate. Major revisions from the agency's estimate include decreases in travel (\$8,593), professional fees (\$7,500), salaries and wages (\$6,696), and other service fees (\$4,417). Net other changes decrease total expenditures by \$5,068. The Governor estimates that \$1,316,866 will be transferred to the State General Fund at the end of FY 1990.

House Subcommittee Recommendation

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

1. Add \$37,500 for professional services related to administrative hearings. The Subcommittee was informed that the Commissioner has an extensive hearing scheduled for April which may cost \$40,000 while the Governor's recommendation includes only \$2,500 for administrative hearings. The Subcommittee notes that the scheduled hearing could result in civil penalties of up to \$85,000 pursuant to K.S.A. 17-1266a(c)(2) if all the allegations are proved. The Subcommittee further notes that the agency has received \$125,000 in civil penalties so far this year which were not included in the Governor's resource estimate for the agency.

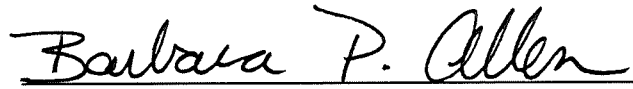
The following is the fee fund analysis, based on the recommendations of the House Subcommittee:

HA
2-8-90
Attachment 10

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 503,982	\$ 500,000	\$ 500,000
Net Receipts	<u>2,283,239</u>	<u>2,660,213</u>	<u>2,663,277</u>
Total Funds Available	\$ 2,787,221	\$ 3,160,213	\$ 3,163,277
Less: Expenditures	1,005,977	1,255,847	1,287,823
Transfer to SGF	<u>1,281,244</u>	<u>1,404,366</u>	<u>1,375,454</u>
Ending Balance	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>



Representative Fred Gatlin
Subcommittee Chairman



Representative Barbara P. Allen

SUBCOMMITTEE REPORT

Agency: Securities Commissioner **Bill No.** 2616 **Bill Sec.** 19
Analyst: West **Analysis Pg. No.** 51 **Budget Pg. No.** 516

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 1,356,430	\$ 1,287,823	\$ --
FTE Positions	27.0	27.0	--

Agency Request/Governor's Recommendation

The Securities Commissioner requests \$1,356,430 in FY 1991, an increase of \$105,709 from the current year estimate. According to the agency, the request would maintain the agency's current level of operations with 27.0 FTE positions. The agency estimates that \$1,306,847 will be transferred to the State General Fund at the end of FY 1991.

The Governor recommends an FY 1991 budget for 27.0 FTE positions of \$1,287,823, an increase of \$69,476 from the current year recommendation and a decrease of \$68,607 from the agency's FY 1991 request. The Governor estimates that \$1,375,454 will be transferred to the State General Fund at the end of FY 1991.


House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's FY 1991 recommendation, with the following observation:

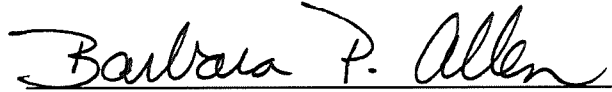
1. The Subcommittee notes that administrative hearing costs can be highly variable from year to year and recommends that the 1991 Legislature review the agency's FY 1991 budget to determine if any adjustments are necessary.

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

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 503,982	\$ 500,000	\$ 500,000
Net Receipts	<u>2,283,239</u>	<u>2,660,213</u>	<u>2,663,277</u>
Total Funds Available	\$ 2,787,221	\$ 3,160,213	\$ 3,163,277
Less: Expenditures	1,005,977	1,255,847	1,287,823
Transfer to SGF	<u>1,281,244</u>	<u>1,404,366</u>	<u>1,375,454</u>
Ending Balance	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 500,000</u>



Representative Fred Gatlin
Subcommittee Chairman



Representative Barbara P. Allen

SUBCOMMITTEE REPORT

Agency: Kansas Dental Board

Bill No. 2729

Bill Sec. 9

Analyst: Robinson

Analysis Pg. No. 22

Budget Pg. No. 172

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 149,204	\$ 142,042	\$ --
FTE Positions	1.5	1.5	--

Agency Request/Governor's Recommendation

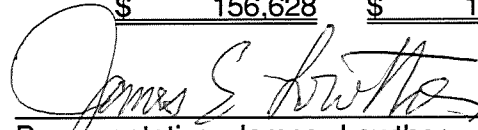
FY 1990. The agency's FY 1990 estimate of expenditures of \$149,204 reflects an increase of \$5,763 from the amount approved by the 1989 Legislature. The increase consists of \$763 in salaries and \$5,000 in professional services. The Governor recommends expenditures of \$142,042 for the Dental Board in FY 1990, a reduction of \$7,162 from the agency estimate. The recommendation includes reductions of \$1,162 in salaries and wages, and \$6,000 in professional services.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

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

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>
Beginning Balance	\$ 149,262	\$ 156,628
Net Receipts	<u>140,576</u>	<u>137,860</u>
Total Funds Available	\$ 289,838	\$ 294,488
Less: Expenditures	<u>133,210</u>	<u>142,042</u>
Ending Balance	<u>\$ 156,628</u>	<u>\$ 152,446</u>



Representative James Lowther
Subcommittee Chairman



Representative Barbara Allen

HA
2-8-90
Attachment II

SUBCOMMITTEE REPORT

Agency: Kansas Dental Board **Bill No.** 2616 **Bill Sec.** 10
Analyst: Robinson **Analysis Pg. No.** 22 **Budget Pg. No.** 172

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 155,575	\$ 143,428	\$ --
FTE Positions	1.5	1.5	--

Agency Request/Governor's Recommendation

FY 1991. The agency requests expenditures of \$155,575 in FY 1991, an increase of \$6,371 over the FY 1990 estimate. The Governor recommends expenditures of \$143,428, a reduction of \$12,147 from the agency estimate. The recommendation includes reductions of \$531 in salaries and wages, \$1,082 in communications, \$6,723 in professional services, \$2,578 in printing, and \$1,233 in travel.

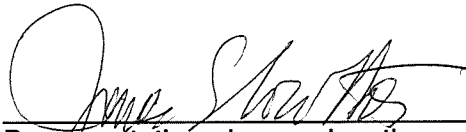
House Subcommittee Recommendation

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

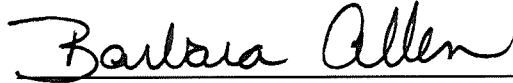
1. Increase salaries and wages by \$2,013 to provide for \$1,053 in temporary help and \$960 for longevity pay for the 1.0 FTE classified position. The longevity pay was inadvertently omitted from the agency request and the Governor's recommendation.
2. Decrease professional services by \$2,013. The Subcommittee notes that the actual cost for the impaired provider program in FY 1989 was approximately \$10,000 and that the estimated cost for FY 1990 is \$14,000. The Subcommittee questions whether the cost of the contract will increase to the \$17,000 recommended by the Governor and recommends \$14,987 for the impaired provider contract in FY 1991.

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

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 149,262	\$ 156,628	\$ 152,446
Net Receipts	140,576	137,860	139,000
Total Funds Available	\$ 289,838	\$ 294,488	\$ 291,446
Less: Expenditures	133,210	142,042	143,428
Ending Balance	<u>\$ 156,628</u>	<u>\$ 152,446</u>	<u>\$ 148,018</u>



Representative James Lowther
Subcommittee Chairman



Representative Barbara Allen

SUBCOMMITTEE REPORT

Agency: Board of Optometry
Examiners

Bill No. 2729

Bill Sec. 14

Analyst: Robinson

Analysis Pg. No. 40

Budget Pg. No. 434

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 31,872	\$ 31,522	\$ 3,100
FTE Positions	0.3	0.3	--

Agency Request/Governor's Recommendation

The agency requests FY 1990 expenditures of \$31,872, a reduction of \$1,829 from the amount approved by the 1989 Legislature. The reduction includes reductions of \$2,340 in salaries and wages, \$1,004 in printing and advertising, \$35 in repairing and servicing, \$400 in travel and subsistence and \$50 in stationery and office supplies. The reductions were partially offset by increases of \$550 in communications, \$100 in freight and express, \$50 in rents, \$1,500 in professional and other fees, and \$250 in other contractual services.

The Governor recommends FY 1990 expenditures of \$31,522, a reduction of \$350 from the agency estimate. The recommendation includes a \$750 increase for printing, and reductions of \$600 in travel, and \$500 in professional services.

House Subcommittee Recommendations

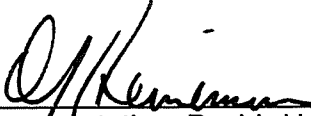
The House Subcommittee concurs with the recommendations of the Governor with the following adjustments:

1. Add \$600 for travel and subsistence.
2. Add \$2,500 for professional services to provide for the cost of legal services and the impaired provider contract.

HA
2-8-90
Attachment 12

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

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>
Beginning Balance	\$ 55,832	\$ 43,651
Net Receipts	<u>14,633</u>	<u>24,958</u>
Total Funds Available	\$ 70,465	\$ 68,609
Less: Expenditures	<u>26,814</u>	<u>34,622</u>
Ending Balance	<u>\$ 43,651</u>	<u>\$ 33,987</u>



Representative David Heinemann
Subcommittee Chairman



Representative Richard Reinhardt

SUBCOMMITTEE REPORT

Agency: Board of Optometry
Examiners

Bill No. 2616

Bill Sec. 15

Analyst: Robinson

Analysis Pg. No. 40

Budget Pg. No. 434

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 34,247	\$ 33,475	\$ 3,100
FTE Positions	0.3	0.3	--

Agency Request/Governor's Recommendation

The agency requests FY 1991 expenditures of \$34,247, an increase of \$2,375 over the revised current year estimate. The request would continue the present staffing of a 0.3 FTE position and continue the current level of operations. The Governor recommends FY 1991 expenditures of \$33,475, a reduction of \$772 from the agency request. The recommendation includes increases of \$228 in salaries, and \$500 in professional services, and a reduction of \$1,500 in travel and subsistence.

House Subcommittee Recommendations

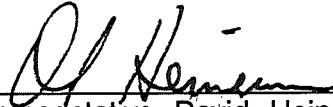
The House Subcommittee concurs with the recommendations of the Governor with the following adjustments:

1. Add \$600 for travel and subsistence.
2. Add \$2,500 for professional services to provide for the cost of legal services and the impaired provider contract.

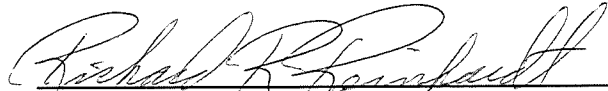
12-3

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

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 55,832	\$ 43,651	\$ 33,987
Net Receipts	<u>14,632</u>	<u>24,958</u>	<u>25,980</u>
Total Funds Available	\$ 70,465	\$ 68,609	\$ 59,967
Less: Expenditures	<u>26,814</u>	<u>34,622</u>	<u>36,575</u>
Ending Balance	<u>\$ 43,651</u>	<u>\$ 33,987</u>	<u>\$ 23,392</u>



Representative David Heinemann
Subcommittee Chairman



Representative Richard Reinhardt

SUBCOMMITTEE REPORT

Agency: Board of Mortuary Arts Bill No. 2729 Bill Sec. 10
 Analyst: Porter Analysis Pg. No. 31 Budget Pg. No. 426

<u>Expenditure Summary</u>	<u>Agency Est. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 134,102	\$ 128,668	\$ 700
State General Fund	--	--	--
FTE Positions	3.0	3.0	--

Agency Request/Governor's Recommendation

The Board of Mortuary Arts estimates expenditures for FY 1990 to be \$134,102 an increase of \$4,784 above amount approved by the 1989 Legislature.

The Governor recommends FY 1990 expenditures of \$128,668, a decrease of \$5,434 from the FY 1990 Board estimate.

House Subcommittee Recommendation

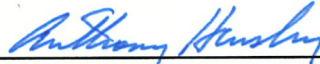
The House Subcommittee concurs with the Governor's FY 1990 recommendation with the following exception:

1. Add \$700 for operating expenses in FY 1990. The Subcommittee finds reasonable and necessary the Board's request for an additional \$2,466 for operating expenses in FY 1990, including \$276 for salaries and wages, \$330 for communications, \$300 for printing, \$60 for repairing and servicing of the Board's office equipment, and \$1,500 for twelve additional embalmer examinations to be purchased through the National Conference of Funeral Service Examining Boards. The Subcommittee notes, however, that the Board has offsetting savings of \$1,766 in rents due to its move from the Landon State Office Building to new office space. With the offsetting savings, the effect of the Subcommittee's recommendation is an expenditure increase of \$700 in FY 1990.

*HA
 2-8-90
 Attachment 13*

The fee fund analysis below reflects the House Subcommittee adjustments to expenditures in FY 1990:

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 38,690	\$ 51,346	\$ 49,301
Net Receipts	<u>133,155</u>	<u>127,323</u>	<u>127,026</u>
Total Funds Available	\$ 171,845	\$ 178,669	\$ 176,327
Less: Expenditures	<u>120,499</u>	<u>129,368</u>	<u>136,136</u>
Ending Balance	<u>\$ 51,346</u>	<u>\$ 49,301</u>	<u>\$ 40,191</u>



Representative Anthony Hensley
Subcommittee Chairperson



Representative Richard Reinhardt

SUBCOMMITTEE REPORT

Agency: Board of Mortuary Arts Bill No. 2616 Bill Sec. 11
Analyst: Porter Analysis Pg. No. 31 Budget Pg. No. 426

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 139,260	\$ 133,751	\$ 2,385
State General Fund	--	--	--
FTE Positions	3.0	3.0	--

Agency Request/Governor's Recommendation

The Board requests expenditure authority of \$139,260, a 3.9 percent increase over the amount approved for FY 1990. The Board requests funding for the existing 3.0 FTE positions. The Board proposes no major changes in its operation.

The Governor recommends \$133,751 for FY 1991, a decrease of \$5,509 from the agency's request.

House Subcommittee Recommendation

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

1. Add \$300 for communications expenses in FY 1991. The Subcommittee finds compelling the Board's request for additional expenditures in this area, but does not feel that the Board's entire request for \$435 is necessary.
2. Add \$300 for repairing and servicing of the Board's office equipment in FY 1991. Again, the Subcommittee believes that increased expenditures are warranted, but does not recommend the full amount requested by the Board, which is \$475.
3. Add \$1,785 for travel and subsistence in FY 1991. The Subcommittee notes that travel across the state is necessary for the Board to meet its regulatory obligations of inspecting funeral establishments and investigating complaints filed against individuals and establishments.

The fee fund analysis below reflects the House Subcommittee adjustments to expenditures in FY 1991:

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 38,690	\$ 51,346	\$ 49,301
Net Receipts	<u>133,155</u>	<u>127,323</u>	<u>127,026</u>
Total Funds Available	\$ 171,845	\$ 178,669	\$ 176,327
Less: Expenditures	<u>120,499</u>	<u>129,368</u>	<u>136,136</u>
Ending Balance	<u>\$ 51,346</u>	<u>\$ 49,301</u>	<u>\$ 40,191</u>



Representative Anthony Hensley
Subcommittee Chairperson



Representative Richard Reinhardt

SUBCOMMITTEE REPORT

Agency: Board of Healing Arts **Bill No.** 2729 **Bill Sec.** 6
Analyst: Rampey **Analysis Pg. No.** 25 **Budget Pg. No.** 232

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 1,305,220	\$ 1,244,350	\$ 8,848
FTE Positions	20.0	20.0	--

Agency Estimate/Governor's Recommendation

The Board of Healing Arts estimates expenditures of \$1,305,220, which are \$3,700 less than the expenditure limitation of \$1,308,920 approved by the 1989 Legislature. On January 29, the Board moved from its offices in the Landon State Office Building to the Hutton Building at 235 South Topeka. In March, the Board will install its new computer system, for which the State Finance Council approved the expenditure of \$240,000, as authorized by the 1989 Legislature. (The installation of the new computer will sever the Board's computer-sharing arrangement with the Board of Nursing and the Board of Pharmacy.)

For FY 1990, the Governor recommends expenditures of \$1,244,350, a reduction of \$60,870 from the Board's estimate. Major areas of reduction are salaries (\$19,719), rents (\$16,931), travel (\$7,762), and fees for professional services (\$19,000). Expenditures for communications are increased by \$6,242 so that the Board can purchase a new phone system during the current year, not in FY 1991 as requested.

House Subcommittee Adjustments

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

1. Add \$3,000 for utilities and \$5,848 for rent. These additions are connected with the Board's recent move to the Hutton Building at 235 South Topeka.

Until January 29, 1990, the Board of Healing Arts rented 2,949 square feet of office space in the Landon State Office Building at \$11.75 per square foot, plus 66 square feet of storage at \$4.25 per square foot. The total of \$34,931 per year included utilities. In addition, the Board budgeted a total of \$1,600 for parking and the rent of examination rooms.

During the 1989 Session, the Executive Director of the Board informed the Legislature that the Board wished to relocate and had selected office space in the Commerce Bank Building at a total cost of \$35,200 for 3,200 square feet at \$11.00 per square foot. The 1989 Legislature added expenditure authority to the Board's budget to enable it to move to the Commerce Bank Building.

*HA
2-8-90
Attachment 14*

It came as a surprise, therefore, when the Subcommittee learned that the Board was moving to the Hutton Building. True, the cost per square foot at the Hutton Building of \$8.75 is lower than either the Commerce Bank Building or the Landon Office Building. It is also true that the Board will no longer have to pay for downtown parking spaces and for examination rooms. But the size of the new office (5,140 square feet, plus 993 square feet for storage) results in an expenditure for rent that is higher than the 1989 Legislature approved -- \$35,200 for the office in the Commerce Building compared to \$40,357 for rent in the Hutton Building. (Rent is expected to be \$48,752 in FY 1991.) In addition, utilities, which would have been part of the rent in the Commerce Building, are expected to be \$3,000 for the remainder of FY 1990 and \$6,000 in FY 1991. The Board also will have to pay approximately \$500 a month in rent for space in the Landon State Office Building to house its existing computer operation until its new computer system is installed, probably in March.

The Subcommittee's recommendations would provide enough funding to pay for the Board's rent in the current year and to pay for utilities. Since the Board has already moved, there seems to be no alternative but for the Legislature to approve the expenditures.

However, the Subcommittee makes no provision for the continuing rent of space in the Landon State Office Building (\$500 per month for the Board's computer operation) because it does not know how long the space will be needed. The Subcommittee suggests that the Senate, in its review of this budget, consider this item when it is known more precisely how long the space will be needed.

The Subcommittee also suggests the Senate consider asking the Board to reimburse the Division of Facilities Management in the Department of Administration for costs incurred in connection with the Board's earlier plan to move to the Commerce Bank Building. These costs totaled \$2,125.



Representative Jack Shriver
Subcommittee Chairperson



Representative Elaine Wells

SUBCOMMITTEE REPORT

Agency: Board of Healing Arts **Bill No.** 2616 **Bill Sec.** 7
Analyst: Rampey **Analysis Pg. No.** 25 **Budget Pg. No.** 232

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 1,226,811	\$ 1,084,744	\$ 4,966
FTE Positions	21.0	20.0	--

Agency Estimate/Governor's Recommendation

The Board is requesting expenditures of \$1,226,811, a reduction of \$82,109 from its revised estimate for FY 1990. Increases in several areas (primarily salaries, communications, and rent) are offset by a large reduction in expenditures for capital outlay due to the purchase of computer equipment in the current year. In FY 1991, the Board wishes to add 1.0 FTE new position, bringing its authorized position limitation to 21.0 FTE.

The Governor recommends expenditures of \$1,084,744 in FY 1991, a reduction of \$142,067 from the Board's request. The Governor does not approve the addition of a new position.

House Subcommittee Adjustments

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

1. Add \$6,000 for utilities, which were not budgeted for FY 1991 but are now estimated to be \$500 per month.
2. Delete \$2,648 in rent, for a total of \$48,752. The Governor's recommendation provides \$51,400 for office rent, which is more than is needed.
3. Add \$1,614 for fees for professional services, for a total of \$250,646. The addition is for contracts for services for impaired providers, which total \$212,146. That amount would fund the contracts as follows: programs for physician's assistants, \$4,600; for chiropractors, \$14,600; for doctors of osteopathy, \$12,950; and for medical doctors, \$179,996.

The original estimate for the program for medical doctors provided by the Kansas Medical Society was for \$194,782, which the Society revised downward to \$187,782. The Subcommittee further reduces the amount by \$7,786, which is the cost to provide medical malpractice insurance for the doctor who serves as director of the program. It is the Subcommittee's opinion that the Board of Healing Arts should not pay

for the malpractice insurance of a person under contract to the Kansas Medical Society.

- 4. The Board of Healing Arts currently is authorized 3.0 FTE attorneys. In discussions with the Board's Executive Director, it became apparent to the Subcommittee that some of the work being done by the Board's attorneys should be done by the Attorney General's office. The Subcommittee directs the Board to make appropriate use of its own legal staff.

- 5. The Subcommittee notes that the Board has hired and been able to retain a competent employee to manage its bookkeeping and budgeting. A year ago, the Board's inability to track its spending resulted in an emergency increase in fees and a shortfall at the end of FY 1989 that necessitated the payment of a pending claim of approximately \$20,000 in FY 1990 instead of in FY 1989 when it was due. The Subcommittee acknowledges the improvement the Board staff has made and hopes the Board's inability to account for its expenditures is a thing of the past.

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

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 965,642	\$ 956,282	\$ 778,607
Net Receipts	<u>794,474</u>	<u>1,079,223</u>	<u>1,108,836</u>
Total Funds Available	\$ 1,760,116	\$ 2,035,505	\$ 1,887,443
Less: Nonreportable Expenditures	3,140	3,700	4,000
Expenditures	<u>800,694</u>	<u>1,253,198</u>	<u>1,089,710</u>
Ending Balance	<u>\$ 956,282</u>	<u>\$ 778,607</u>	<u>\$ 793,733</u>


 Representative Jack Shriver
 Subcommittee Chairperson


 Representative Elaine Wells

SUBCOMMITTEE REPORT

Agency: Board of Examiners for
Hearing Aids

Bill No. 2729

Bill Sec. 11

Analyst: Rampey

Analysis Pg. No. 29

Budget Pg. No. 268

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 11,682	\$ 11,981	\$ 519
FTE Positions	--	--	--

Agency Request/Governor's Recommendation

The Board estimates it will spend \$11,682 in FY 1990, which is \$2,134 less than the approved amount of \$13,816. The Governor recommends expenditures of \$11,981, an increase of \$299 over the Board's estimate. The increase is in the area of other operating expenditures.

House Subcommittee Recommendations

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

1. Add \$200 for printing and advertising, for a total of \$445. The Board is in the process of increasing its fees through the rules and regulations procedure and expects additional costs to reprint the new regulations.
2. Add \$319 for travel and subsistence, for a total of \$1,313. The composition of the Board has changed and fewer members now live in Topeka.


 Representative Phil Kline
 Subcommittee Chairperson


 Representative Elaine Wells

SUBCOMMITTEE REPORT

Agency: Board of Examiners for
Hearing Aids

Bill No. 2616

Bill Sec. 12

Analyst: Rampey

Analysis Pg. No. 29

Budget Pg. No. 268

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 14,283	\$ 13,724	\$ --
FTE Positions	--	--	--

Agency Request/Governor's Recommendation

The Board estimates expenditures of \$14,283 in FY 1991, an increase of \$2,601 over its estimate for the current year. The increase is attributable in part to greater expenses for travel and subsistence because fewer Board members live in Topeka and the publication of new rosters and rules and regulations booklets.

House Subcommittee Recommendations

The House Subcommittee concurs with the recommendations of the Governor.

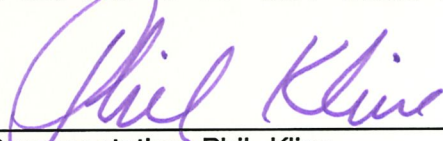
The Subcommittee calls attention to the fact that the balance in the Board's fee fund has declined to the extent that the Board faces a serious revenue shortfall by FY 1992 if additional revenues are not generated. The new Executive Secretary of the Board, who took office in November, 1989, has told the Subcommittee that the Board has approved an increase in the Board's annual renewal fee from \$25 to \$50, in its late renewal fee from \$5.00 to \$100, and in its extended late renewal fee from \$10 to \$200. The increases will bring these fees to their statutory limits and are expected to generate \$5,000 a year, minus 20 percent deposited into the State General Fund.

Depending upon how quickly the Board can complete the rules and regulations procedure, the higher fees will take effect in either the current fiscal year or in FY 1991. In either case, it appears that the Board will have addressed its immediate revenue shortfall.

The fee fund analysis shown below reflects the Subcommittee's recommendations for FY 1990 and FY 1991 and does not include revenue derived from higher fees.

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 25,362	\$ 21,157	\$ 15,813
Net Receipts	7,156	7,156	7,156
Total Funds Available	\$ 32,518	\$ 28,313	\$ 22,969
Less: Expenditures	11,361	12,500	13,724
Ending Balance	<u>\$ 21,157</u>	<u>\$ 15,813</u>	<u>\$ 9,245</u>

Assuming that the proposed fee increase began to generate additional revenues in FY 1991, the ending balance at the end of FY 1991 would be \$13,245.



Representative Phil Kline
Subcommittee Chairperson



Representative Elaine Wells

SUBCOMMITTEE REPORT

Agency: Board of Barber Examiners **Bill No.** -- **Bill Sec.** --

Analyst: Piekalkiewicz **Analysis Pg. No.** 10 **Budget Pg. No.** 102

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 95,749	\$ 88,166	\$ 6,019
FTE Positions	2.5	2.5	--

Agency Estimate/Governor's Recommendation

The Board's current year expenditure estimate of \$95,749 is the amount approved by the 1989 Legislature.

The Governor recommends FY 1990 expenditures of \$88,166, a reduction of \$7,583 from the Board's estimate. The recommendation includes a reduction in salaries and wages, reflecting the termination of a .5 FTE Inspector, and a reduction in Board per diem. The Governor's total recommendation for the current year includes a \$2,239 reduction in travel and subsistence. The Governor's recommendation reduces expenditures but does not reduce the expenditure limitation amount.

House Subcommittee Recommendation

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

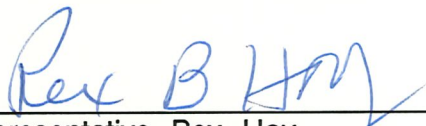
1. The Subcommittee notes that though the Governor recommends decreased expenditures for FY 1990, the expenditure limitation is not decreased in the recommendation.
2. Restore \$2,000 of the \$5,000 deleted by the Governor for the .5 FTE Inspector. The Subcommittee was informed that in order for the Board to lay-off an employee, the Board must inform the Secretary of Administration 90 days in advance of the proposed layoff. The Subcommittee recommendation makes the lay-off effective April 18.
3. Add \$2,400 for accrued annual leave for the .5 FTE Inspector, to which he is entitled to upon termination.
4. Add \$577 for Board travel to a fifth meeting. The Subcommittee was informed that at this meeting the Board will be meeting with the Board of Cosmetology to discuss future cooperation between the Boards.
5. Add \$778 for the repair a state-owned vehicle which was damaged in an accident while an inspector was on duty.

*HA
2-8-90
Attachment 16*


6. Restore \$264 of the \$528 deletion recommended by the Governor for office supplies.
7. The Subcommittee acknowledges that if H.B. 2466 is passed, which raises the statutory fee maximums, the Board will have to send notices to barbers informing them of the fee increase. The Board estimates that the mailing will cost \$350. The Subcommittee notes that the Board has adequate funds to cover this expense available under the expenditure limitation of \$95,749.

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

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>
Beginning Balance	\$ 48,169	\$ 39,912
Net Receipts	<u>74,228</u>	<u>73,724</u>
Total Funds Available	\$ 122,397	\$ 113,636
Less: Expenditures	<u>82,485</u>	<u>94,185</u>
Ending Balance	<u>\$ 39,912</u>	<u>\$ 19,451</u>



Representative Rex Hoy
Subcommittee Chairperson



Representative Sheila Hochhauser

SUBCOMMITTEE REPORT

Agency: Board of Barber Examiners Bill No. 2616 Bill Sec. 5

Analyst: Piekalkiewicz Analysis Pg. No. 10 Budget Pg. No. 102

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations: Special Revenue Fund	\$ 102,019	\$ 83,253	\$ 415
FTE Positions	2.5	2.0	--

Agency Request/Governor's Recommendation

The Board's request for FY 1991 totals \$102,019, a net increase of \$6,270 (6.5 percent) over the FY 1990 estimate of \$95,749. The request includes increases of \$5,558 for salaries and wages and \$666 for travel and subsistence, and reduction of \$267 for communications and \$313 for miscellaneous expenses. For FY 1991, the Board is requesting a statutory fee increase.

The Governor's recommendation for FY 1991 is \$83,253, a reduction of \$18,766 from the Board's request. The recommendation includes a decrease of \$14,108 in salaries and wages, reflecting the elimination of a .5 FTE Inspector.

House Subcommittee Recommendation

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

1. Add \$135 for a total of \$3,195 for rent.
2. Add \$280 for a total of \$505 for office supplies.
3. The Subcommittee was informed that when the Board received the Governor's recommendation for FY 1991, including the elimination of a .5 FTE Inspector, the Board modified its salary and wage request to include funding for a full-time Administrative Officer and a full-time inspector to be based in Topeka, who would be responsible for inspections as well as clerical duties. Currently the Board has a full-time Administrative Officer, two part-time Inspectors, and one part-time Secretary. The Board revised request for salaries and wages totals \$68,834. The Subcommittee agrees with the staffing concept proposed by the Board, but recommends that implementation of the plan should be delayed until the Board has an adequate ending balance.

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

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 48,169	\$ 39,912	\$ 19,451
Net Receipts	<u>74,228</u>	<u>73,724</u>	<u>74,005</u>
Total Funds Available	\$ 122,397	\$ 113,636	\$ 93,456
Less: Expenditures	<u>82,485</u>	<u>94,185</u>	<u>83,668</u>
Ending Balance	<u>\$ 39,912</u>	<u>\$ 19,451</u>	<u>\$ 9,788</u>

Rex B Hoy

Representative Rex Hoy
Subcommittee Chairperson

Sheila Hochhauser

Representative Sheila Hochhauser

SUBCOMMITTEE REPORT

Agency: Board of Nursing

Bill No. 2729

Bill Sec. 13

Analyst: Mah

Analysis Pg. No. 34

Budget Pg. No. 432

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 678,874	\$ 652,778	\$ 6,344
FTE Positions	14.0	14.0	--

Agency Request/Governor's Recommendation

The Board of Nursing estimates expenditures of \$678,874 in the current year, a reduction of \$16,903 or 2.4 percent from the amount approved by the 1989 Legislature. The Governor's recommendation of \$652,778 reduces the Board's estimate by \$26,096. Salaries and wages are reduced by \$11,096 and the peer assistance contract is reduced from \$60,000 to \$45,000.

House Subcommittee Recommendation

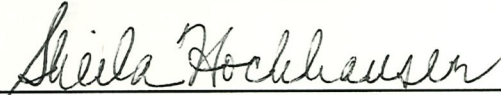
The Subcommittee concurs with the Governor's recommendation, with the following adjustments:

1. Add \$19,894 for salary and wage expenditures to reduce the estimated turnover savings from 7.0 percent to approximately 2.25 percent. Year-to-date expenditures do not indicate that there will be significant turnover savings in the current fiscal year.
2. Add \$5,000 to communication expenditures to provide for total funding of \$32,878. (Actual FY 1989 expenditures were \$32,652.)
3. Delete \$3,550 from fees--other services expenditures to reflect anticipated savings from year-to-date information.
4. Delete \$5,000 from fees--professional services expenditures to reflect the Board's current year savings for the peer assistance contract.
5. Delete \$10,000 from stationery and office supply expenses to reflect current anticipated savings as indicated by year-to-date expenditures.
6. Shift \$12,500 from stationery and office supplies to printing expenditures to correctly reflect the Board's plan to use the funds for a printing contract.

HA
2-8-90
Attachment 17



Representative Duane Goossen
Subcommittee Chairperson



Representative Sheila Hochhauser

SUBCOMMITTEE REPORT

Agency: Board of Nursing

Bill No. 2616

Bill Sec. 14

Analyst: Mah

Analysis Pg. No. 34

Budget Pg. No. 432

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 773,194	\$ 661,625	\$ (8,000)
FTE Positions	16.0	14.0	--

Agency Request/Governor's Recommendation

The Board requests an expenditure limitation of \$773,194 in FY 1991, an increase of \$94,320 or 13.9 percent from the current year estimate. The request includes an increase of \$45,347 for salary and wage expenses and the addition of 2.0 FTE positions. Other operating expenditures are increased by \$48,973. The Governor's FY 1991 recommendation of \$661,625 reduces the Board's request by \$111,569. Salaries and wages are reduced by \$35,306 and other operating expenditures by \$76,263. The recommendation maintains the 14.0 FTE positions which are currently approved and provides for an increase of \$8,847 or 1.4 percent over the current year Governor's recommendation.

House Subcommittee Recommendation

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

1. Restore \$2,000 to communication expenditures to provide for total funding of \$32,205. (Actual FY 1989 expenditures were \$32,652 and the Subcommittee recommends \$32,878 for the current year.)
2. Delete \$10,000 from printing expenditures to reflect potential savings.
3. The Subcommittee suggests that the Board's request for additional FTE positions be reviewed by the Senate Subcommittee when the Board's currently vacant position for Executive Administrator has been filled. The Board anticipates that the position will be filled within a few weeks. At that time, the Subcommittee specifically recommends that the Board's request to increase the 0.5 FTE Special Investigator I position to a 1.0 FTE position be reviewed. Current information from the Board indicates that the number of complaints requiring investigative actions by the Board has and will continue to significantly increase.
4. The Subcommittee encourages the Board to use the \$2,300 approved by the Governor in FY 1991 for a site visit from a computer software vendor to remove the Board of Healing Arts files from its computer system. The Board of Healing Arts previously shared the computer

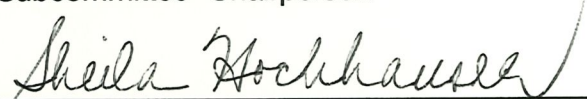
system, but received funds for acquiring its own computer system in FY 1990.

Fee Fund Analysis. An analysis of the Board's fee fund based upon the Subcommittee recommendations is shown below. The analysis does not reflect the Board's proposed fee changes which will increase revenues by an estimated \$11,700 in FY 1991.

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 151,042	\$ 255,453	\$ 211,811
Net Receipts	<u>635,919</u>	<u>616,680</u>	<u>650,252</u>
Total Funds Available	\$ 786,961	\$ 872,133	\$ 862,063
Less: Nonreportable Expenditures	1,091	1,200	1,200
Expenditures	<u>530,417</u>	<u>659,122</u>	<u>653,625</u>
Ending Balance	<u>\$ 255,453</u>	<u>\$ 211,811</u>	<u>\$ 207,238</u>



Representative Duane Goossen
Subcommittee Chairperson



Representative Sheila Hochhauser

HOUSE BILL No. 2650

By Committee on Agriculture and Small Business

1-18

Proposed Amendment

2-8-90

9 AN ACT concerning the state board of agriculture; relating to the
10 authority of the board; creating the agricultural statistics fund;
11 amending K.S.A. 74-504b and repealing the existing section.
12

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

14 Section 1. K.S.A. 74-504b is hereby amended to read as follows:
15 74-504b. For the attainment of these objectives, the state board of
16 agriculture is authorized:

17 (a) To provide means of more effective assistance to county clerks
18 and deputy assessors in securing a complete and accurate annual
19 agricultural enumeration;

20 (b) to secure statistics relating to summer fallow and continuous
21 crop acreage, depth of soil moisture, winter wheat abandonment and
22 utilization of abandoned wheat acreage;

23 (c) to secure information relative to acreage of wheat by varieties;

24 (d) to secure monthly information on prices received by farmers
25 for agricultural commodities sold by grades and classes;

26 (e) to gather monthly information relating to livestock slaugh-
27 tered, market receipts by class, average weight and price;

28 (f) to gather information on monthly receipts and sales of milk
29 for fluid consumption and prices received by producers and paid by
30 consumers for milk;

31 (g) to determine farm and commercial grain storage capacity and
32 secure information concerning soybean and flaxseed processing and
33 alfalfa dehydrating plants in Kansas; and;

34 (h) to secure such other data as may be of service in the up-
35 building and prosperity of the state's agriculture;

36 (i) to prepare and disseminate the information thus gathered to
37 be prepared and disseminated in a suitable manner on a county,
38 area and state basis;

39 (j) to make agreements with any other agency or educational
40 institution of this state or its subdivisions or with any agency or
41 educational institution of any other state or with the United States
42 government or any of its agencies or any ~~other person or entity~~ for
43 data collection, processing of data, research studies, or any other

[Not-for-profit corporation or organization]

Attachment 18
2-8-90

1 purpose related to performing the duties of the statistical service of
2 the state board of agriculture;

3 (k) to conduct statistical surveys and studies for any other agency
4 or educational institution of this state or its subdivisions or with
5 any agency or educational institution of any other state or with the
6 United States government or any of its agencies or any other person
7 or entity, and to make a reasonable service charge for conducting
8 such studies; and

9 (l) to receive and accept funds from the United States govern-
10 ment, or any of its agencies, or from any agency or educational
11 institution of the state of Kansas or from any other source whatsoever
12 for performing statistical studies, data collection or for any other
13 purposes related to the performance of any duties of the statistical
14 service of the state board of agriculture.

15 New Sec. 2. The state board of agriculture shall remit all moneys
16 received under K.S.A. 74-504b, and amendments thereto, to the
17 state treasurer at least monthly. Upon receipt of any such remittance,
18 the state treasurer shall deposit the entire amount thereof in the
19 state treasury and the same shall be credited to the agricultural
20 statistics fund which is hereby created. All expenditures from such
21 fund shall be made for any purpose consistent with K.S.A. 74-504b,
22 and amendments thereto, and shall be made in accordance with
23 appropriation acts upon warrants of the director of accounts and
24 reports issued pursuant to vouchers approved by the secretary of
25 the state board of agriculture or a person designated by the secretary.

26 Sec. 3. K.S.A. 74-504b is hereby repealed.

27 Sec. 4. This act shall take effect and be in force from and after
28 its publication in the statute book.

not-for-profit corporation or organization
for a purpose related to performing the
duties of the statistical service of the
state board of agriculture

not-for-profit corporation or organization

18-81