

Approved 3-20-90
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Bunten at
Chairperson

2:40 ~~xxx~~ p.m. on February 15, 1990 in room 514-S of the Capitol.

All members were present except: Representatives Chronister, Fuller and Turnquist
(all excused)

Committee staff present: Ellen, Piekalkiewicz, Debra Duncan, Diane Duffy,
Alan Conroy, Pat Mah, Scott Rothe, Paul West
Legislative Research Department
Jim Wilson, Revisor of Statutes
Sharon Schwartz, Administrative Aide
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list.

Having voted on the prevailing side, Representative Lowther made a motion to reconsider committee final action on HB 2793. Representative Heinemann seconded. Motion carried. Representative Lowther moved to reconsider committee action on Representative Shriver's motion to amend HB 2793 to provide a tax levy for the Correctional Institutions Building Fund (CIBF). Representative Heinemann seconded. Motion failed. Representative Shriver renewed his motion that HB 2793, as amended, be recommended favorably for passage. Representative Teagarden seconded. Motion carried.

HB 2638 - Appropriations for FY91, General Government.

DEPARTMENT OF ADMINISTRATION

Representative Kline reviewed the subcommittee report for FY90 and FY91 (Attachment 1). Representative Francisco submitted a minority report for FY91 which replaces item 8 on the majority report. Representative Vancrum cited the significant costs the state has incurred in the implementation of Kansas Financial Information Systems (KFIS) and expressed concern that the proposed Geographic Information System (GIS) has no projected total cost at this point. In discussing KFIS implementation, Representative Vancrum noted that the interim committee suggested that there be a more open procedure with regard to bidding and procurement of computer equipment and services; however, no studies of procurement were specifically requested. Several members expressed frustration at approving initial expenditures for computer systems that mushroom in time. Representative Kline cited item 9 in the FY91 subcommittee report noting it imposes an expenditure limitation on DISC and requests agencies to restrict their use of DISC services to FY90 levels.

Representative Helgerson asked if the subcommittee reviewed the state employee health care contracts and the fact that there is only one provider bid taken. The Subcommittee did not review this.

The meeting was recessed at 3:30 p.m. and Chairman Bunten announced the Committee will reconvene at 5:00 p.m.

Chairman Bunten reconvened the meeting at 5:10 p.m. and continued the consideration of the Department of Administration subcommittee report for FY90 and FY91.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
room 514-S, Statehouse, at 2:40 ~~am~~/p.m. on February 15, 1990

Representative Helgerson moved to add a recommendation to the FY91 subcommittee report asking Division of Personnel Services to report to the Legislature this session on the Preventive Health Care Fund, including how the money is spent and what benefits have been derived from expenditures from that fund. Representative Teagarden seconded. Motion carried. Representative Kline moved adoption of the subcommittee report for FY90 and FY91 for the Department of Administration, as amended. Representative Teagarden seconded. Representative Francisco offered a substitute motion to adopt the minority report on the Department of Administration which would delete \$500,000--State Water Plan Fund for GIS. Representative Teagarden seconded. Several members supporting the motion expressed concern at approving funding from the water plan for this item and the fact that there is no clear plan on the future of GIS. On the substitute motion to adopt the minority report, motion failed. On Representative Kline's original motion to adopt the subcommittee report, the motion carried.

KANSAS CORPORATION COMMISSION

Representative Heinemann reviewed the subcommittee report for FY90 and FY91 (Attachment 2). It was noted that in this budget there is \$208,995 in GIS funding from the Public Service Regulations Fund and the Conservation Fee Fund. Representative Heinemann moved adoption of the subcommittee report for FY90 and FY91. Representative Teagarden seconded. Motion carried.

KANSAS COMMISSION ON CIVIL RIGHTS

Representative Francisco reviewed the subcommittee report for FY90 and FY91 (Attachment 3). Representative Solbach moved to add \$32,664 State General Fund to concur with the Governor for salaries to offset the shrinkage rate of 2.3 percent in the FY90 budget. Representative Brady seconded. Motion failed. Representative Francisco moved adoption of the subcommittee report for FY90 and FY91. Representative Kline seconded. Motion carried.

KPERS

Representative Goossen reviewed the subcommittee report for FY90 and FY91 (Attachment 4). Representative Goossen moved adoption of the subcommittee report for FY90 and FY91. Representative Pottorff seconded. Motion carried.

PUBLIC DISCLOSURE COMMISSION

The Committee reviewed the subcommittee report for FY90 and FY91 (Attachment 5). Representative Vancrum moved to delete the wording "and passage" in item 5 of the FY91 subcommittee report. Representative Solbach seconded. Motion carried. Representative Solbach moved to add the wording "consideration of" following the word "supports" in the first line of item 4 in the FY91 subcommittee report. Representative Vancrum seconded. Motion carried. Representative Mead made a motion to delete all of paragraph 4 in the FY91 report after the first sentence. Representative Shriver seconded. Representative Vancrum offered a substitute motion to delete all of paragraph 4 after the sentence ending "\$47,475." Representative Solbach seconded. Substitute motion carried. Representative Vancrum moved adoption of the subcommittee report for FY90 and FY91. Representative Helgerson seconded. Motion carried.

STATE FINANCE COUNCIL

Representative Shriver reviewed the subcommittee report for FY90 and FY91 (Attachment 6). Representative Shriver moved adoption of the subcommittee report for FY90 and FY91. Representative Goossen seconded. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
room 514-S, Statehouse, at 2:40 ~~am~~/p.m. on February 15, 1990

Representative Solbach moved introduction of a bill to correct technical difficulties in SB 77 including the one recommended by Representative Heinemann during debate on the floor of the House on SB 77. Representative Helgerson seconded. Motion carried.

Representative Heinemann moved that HB 2638, as amended, be recommended favorably for passage. Representative Teagarden seconded. Motion carried.

Representative Solbach moved that the minutes of January 23, 30, and February 2 be approved as presented. Representative Kline seconded. Motion carried.

Chairman Bunten expressed his appreciation to all the members of the Committee for their work and dedication. The meeting was adjourned at 6:50 p.m.

SUBCOMMITTEE REPORT

Agency: Department of Administration Bill No. 2729, 2607

Bill Sec. 21

Analyst: Duffy

Analysis Pg. No. 455

Budget Pg. No. 22

Expenditure Summary	Agency Req. FY 90	Governor's Rec. FY 90	Subcommittee Adjustments
All Funds:			
State Operations	\$ 21,653,296	\$ 21,363,826	\$ --
Aid to Local Units	1,688,941	1,701,105	--
Other Assistance	<u>32,000</u>	<u>32,000</u>	--
Subtotal-Operating	\$ 23,374,237	\$ 23,096,931	\$ --
Capital Improvements	<u>1,413,797</u>	<u>1,466,149</u>	--
TOTAL	<u>\$ 24,788,034</u>	<u>\$ 24,563,080</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 20,644,189	\$ 20,382,054	\$ --
Aid to Local Units	--	--	--
Capital Improvements	<u>1,387,997</u>	<u>1,440,349</u>	<u>(57,352)</u>
TOTAL	<u>\$ 22,032,186</u>	<u>\$ 21,822,403</u>	<u>\$ (57,352)</u>
FTE Positions:			
Reportable	420.4	420.4	--
Nonreportable	<u>513.6</u>	<u>513.6</u>	--
TOTAL	<u>934.0</u>	<u>934.0</u>	--

In addition to the reportable budget, the Department of Administration has a nonreportable budget estimate of \$72,689,669 in FY 1990. The Governor recommends a nonreportable budget of \$72,343,277 in FY 1990. The House Subcommittee concurs with the Governor's recommendation for the nonreportable budget.

Agency Request/Governor's Recommendation

A. Revised FY 1990 Reportable Expenditure Summary. The revised FY 1990 State General Fund operating budget estimate of \$20,644,189 is a reduction of \$19,179 from the approved General Fund operating budget of \$20,625,010. Also included in the FY 1990 operating budget is the estimated expenditure of \$2,730,048 from special revenue and intergovernmental services funds, an increase of \$268,881 from the approved expenditure level of \$2,762,660. The revised budget includes funding for 420.4 FTE positions which reflects a decrease of 12.6 FTE positions from the 433.0 FTE approved for FY 1990. The Governor's FY 1990 State General Fund operating budget estimate of \$20,382,054 is a reduction of \$242,956 from the approved General Fund operating budget of \$20,625,010. The FY 1990 Governor's recommendation for the operating budget also includes \$742,650 from special revenue funds and \$239,122 from intragovernmental service funds. The Governor's FY 1990 recommendation for the operating budget reflects an increase of 6.4 percent over actual FY 1989 expenditures. The Governor's FY 1990 recommendation would support 420.4 FTE positions, a reduction of 12.6 FTE from the number approved for FY 1990.

HA
2-15-90
Attachment 1

B. **Revised FY 1990 Nonreportable Expenditure Summary.** The revised FY 1990 nonreportable operating budget estimate of \$67,755,178 reflects an increase of \$1,187,340 over the approved nonreportable operating budget of \$66,567,838. The revised budget includes funding for 513.6 FTE positions which reflects an increase of 13.6 FTE positions over the 500.0 FTE approved for FY 1990. The Governor's FY 1990 nonreportable operating budget estimate of \$67,115,931 reflects an increase of \$548,093 over the approved nonreportable operating budget of \$66,567,838. The Governor's FY 1990 recommendation for the nonreportable operating budget reflects an increase of 4.7 percent over actual FY 1989 expenditures. The Governor's FY 1990 recommendation would support 513.6 FTE positions, an increase of 13.6 FTE over the number approved for FY 1990.

House Subcommittee Recommendations

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

1. Delete \$57,352 from the State General Fund in H.B. 2607 (capital improvements) as recommended by the Joint Committee on State Building Construction. The Subcommittee recommends that this project, which involves completion of renovations to the parking lot at 7th and VanBuren, be financed from the building and ground fund. There are adequate balances in the building and ground fund for this project. The expenditure limitation on this fund is adjusted in H.B. 2729 to reflect increased expenditures of \$57,352.
2. Add an expenditure limitation of \$125,000 to the property contingency fund. Currently, this is a "no limit" fund. (See item No. 5 of the FY 1991 House Subcommittee Report.)
3. Increase the expenditure limitation on the Cafeteria Benefits Fund in H.B. 2729 from \$355,651 to \$407,052 as a technical adjustment to reflect the Governor's recommendation.
4. Decrease the amount lapsed for capital improvement projects in H.B. 2607 from \$300,000 to \$273,165 as a technical adjustment to reflect the Governor's recommendation.
5. The Subcommittee understands that the Governor has created an Office of Children and Families and this office is to be budgeted in the Department of Administration. The Subcommittee believes that a Governor's Budget Amendment to establish a fund for this purpose may be appropriate.

Wanda Fuller

Representative Wanda Fuller
Subcommittee Chairperson

Phil Kline

Representative Phil Kline

Ken Francisco

Representative Ken Francisco

SUBCOMMITTEE REPORT

Agency: Department of Administration Bill No. 2638, 2607

Bill Sec. 6

Analyst: Duffy

Analysis Pg. No. 455

Budget Pg. No. 22

Expenditure Summary	Agency Req. FY 91	Governor's Rec. FY 91	Subcommittee Adjustments
All Funds:			
State Operations	\$ 25,201,408	\$ 22,186,086	\$ (472,360)
Aid to Local Units	1,981,772	4,973,123	--
Other Assistance	<u>32,000</u>	<u>32,000</u>	--
Subtotal-Operating	\$ 27,215,180	\$ 27,191,209	\$ (472,360)
Capital Improvements	<u>1,829,185</u>	<u>676,298</u>	<u>68,640</u>
TOTAL	<u>\$ 29,044,365</u>	<u>\$ 27,867,507</u>	<u>\$ (403,720)</u>
State General Fund:			
State Operations	\$ 23,507,646	\$ 20,068,449	\$ (241,000)
Aid to Local Units	--	--	--
Capital Improvements	<u>1,809,000</u>	<u>656,113</u>	--
TOTAL	<u>\$ 25,316,646</u>	<u>\$ 20,724,562</u>	<u>\$ (241,000)</u>
FTE Positions:			
Reportable	432.2	406.2	409.2
Nonreportable	<u>531.8</u>	<u>527.8</u>	<u>526.8</u>
TOTAL	<u>964.0</u>	<u>934.0</u>	<u>936.0</u>

In addition to the reportable budget, the Department requests a nonreportable budget of \$74,224,855 in FY 1991. The Governor recommends a nonreportable budget of \$69,480,113. The House Subcommittee recommends a nonreportable budget of \$74,832,449.

Agency Request/Governor's Recommendation

A. **FY 1991 Reportable Budget Summary.** The FY 1991 reportable operating request of \$27,215,180 is an increase of 16.4 percent or \$3,839,943 over the FY 1990 revised operating request of \$23,374,237. The Department's operating budget request includes \$25,201,408 for state operations, \$1,981,772 for aid to local units and \$32,000 for other assistance, grants, and benefits. The FY 1991 salary and wage request of \$14,578,372 would support 432.2 FTE positions, an increase of 11.8 FTE positions from the 420.4 FTE in the agency's revised request for the current year. The agency requests expenditures for capital improvements of \$1,829,185 of which \$1,809,000 is from the State General Fund and \$20,185 is from the Energy Conservation Improvement Fund. The Governor recommends \$27,191,209 for operating expenditures in FY 1991, a 3.8 percent increase over the Governor's FY 1990 recommendation. The Governor's FY 1991 operating budget recommendation includes \$22,186,086 for state operations, a 3.8 percent increase over the Governor's FY 1990 recommendation; \$4,973,123 for federal aid to local units for alcohol and substance abuse programs, and \$32,000 for other assistance, grants, and benefits. The Governor recommends \$676,298 for capital improvements in FY 1991, of which \$656,113 is from the State General Fund. The Governor's FY 1991

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recommendation would support 406.2 FTE, a reduction of 14.2 from the Governor's FY 1990 recommendation.

B. FY 1991 Nonreportable Budget Summary. The FY 1991 nonreportable operating request of \$72,546,345 is an 18.2 percent increase over the FY 1990 revised operating expenditures of \$67,755,178. The operating budget request includes \$64,496,777 for state operations and \$8,049,568 for other assistance, grants, and benefits. The FY 1991 salary and wage request of \$15,612,821 would support 531.8 FTE positions, a net increase of 18.2 FTE positions from the agency's revised request for the current year of 513.6 FTE. Actual expenditures in FY 1989 were \$43,952,696. The agency requests expenditures for capital improvements of \$1,678,510. The Governor recommends \$69,025,119 for nonreportable operating expenditures in FY 1991, a 2.8 percent increase over the Governor's FY 1990 recommendation. The Governor's FY 1991 operating budget recommendation includes \$60,975,551 for state operations, an increase of 2.6 percent over the Governor's FY 1990 recommendation; and \$8,049,568 for other assistance, grants, and benefits. The Governor's FY 1991 salary and wage recommendation of \$15,404,115 would support 527.8 FTE positions, an increase of 14.2 FTE over the number recommended by the Governor for FY 1990. The Governor recommends expenditures of \$454,994 for capital improvements in FY 1991.

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

1. Delete \$465,000 from the State General Fund and the proviso which establishes a salary reserve for the reclassification of licensed practical nurses as part of the Comprehensive Classification and Job Rate Study, pending further review by the Legislature. The Subcommittee is concerned that the appropriation of a salary reserve to the Department of Administration, as recommended by the Governor, is a departure from prior practice of appropriating such funds to the State Finance Council or including the funds in agency budgets. The Subcommittee notes that no mechanism exists to distribute the reserve to agencies which employ licensed practical nurses. Although the Subcommittee is generally supportive of the reclassification of licensed practical nurses, there was no detailed information submitted by the agency about the specifics of this phase of the Comprehensive Classification and Job Rate Study. The Subcommittee understands that a Governor's Budget Amendment may be submitted to distribute the funds among the agencies which employ licensed practical nurses. The Subcommittee believes that the Legislature should revisit this issue to consider a Governor's Budget Amendment or in the alternative consider appropriating a sum to the State Finance Council for distribution.
2. Delete \$75,000 from the State General Fund in the Division of Personnel Services for consulting services for the personnel/payroll component of the Kansas Financial Information Systems (KFIS). The Department of Administration has a State General Fund line-item appropriation, Central Management and Information Systems and Computing Operations Account, which was developed to provide central management and control of systems development within the Department of Administration. All KFIS costs should be budgeted in this account and not in individual division budgets. The Subcommittee concurs with the Governor's recommendation of \$3,478,209 for this account in FY

1991 and believes that costs for KFIS should be funded from that amount.

3. Delete \$31,000 from the State General Fund in the Division of Personnel Services for the statewide advertising campaign concerning drug and alcohol abuse targeted at state employees. The Subcommittee objects to the use of General Fund for this purpose and believes that the drug and alcohol abuse advertising campaign may be a suitable activity for financing from federal alcohol and drug education funds.
4. Add \$330,000 from the State General Fund and 3.0 FTE for the Division of Architectural Services to avoid the layoff of 11 positions. The Governor's recommendation eliminates in-house architectural services. The statutes provide that the Division of Architectural Services may perform in-house services for architectural projects that are below \$250,000 and engineering projects below \$100,000 in value. The Subcommittee concludes that the elimination of this unit would result in agencies contracting with private "on call" architects for all agency projects. The Subcommittee concludes that the use of "on call" architects would be more expensive for the state. In addition, the Subcommittee believes that it is important for the Division of Architectural Services to be involved with in-house design and production. Also, the Subcommittee notes that the Architectural Services Recovery Fund is estimated to generate \$175,000 in FY 1991. The Architectural Services Recovery Fund generates its revenue from a 1 percent assessment on certain state capital projects. The Subcommittee directs the Department of Administration to carefully review the financing of the Division of Architectural Services and report recommendations to the 1991 Legislature. The Subcommittee believes that it may be necessary to generate additional funds to support the Division of Architectural Services, for example, some type of fees for services.
5. Add a \$25,000 expenditure limitation to the Property Contingency Fund and transfer the balance of \$202,733 to the State General Fund. For FY 1992, the Legislature may wish to consider repealing the statute and abolishing this Fund. The purpose for which this fund was created, that is to provide for the use of the funds from the sale of certain state property, has been accomplished. The Subcommittee recommends that the Department study the need for a contingency fund for agency moves and submit a proposal to the Governor and Legislature in 1991. The Subcommittee believes that there may be merit in creating some type of revolving fund for unanticipated moves by state agencies.
6. The Subcommittee recommends an adjustment in the format of the appropriation bill to reflect two line items for the State General fund (i.e. salaries and wages and other operating expenditures) for each of the divisions included in the appropriation bill.
7. The Subcommittee concurs with the Governor's recommendation of \$120,000 from the State General Fund for gubernatorial transition, however, the Subcommittee recommends that these funds be identified in a separate line item in the appropriation bill.

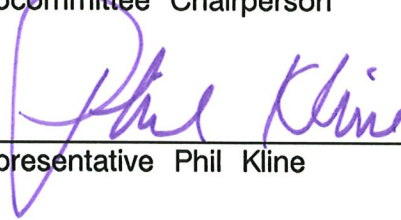
8. Delete \$300,000 from the State Water Plan Fund for data base development as part of the Geographic Information Systems (GIS). The Subcommittee recommends a total of \$200,000 for "start up" costs and recommends that the GIS Policy Board study this issue and develop options whereby agencies that use GIS will pay for GIS and report back to the 1991 Legislature.
9. Add an expenditure limitation to the Information Technology Fund (\$26,144,948) and the Information Technology Reserve Fund (\$7,663,543). Currently, these are "no limit" funds. The Subcommittee recommends that a proviso be added to each of the line items to allow the agency to exceed the expenditure limitation on either of the line items, as long as total expenditures do not exceed the total for the two funds (\$33,808,491). The Subcommittee acknowledges that there has been considerable legislative concern over the growth of DISC over the last several years. After considerable study, the Subcommittee concludes that DISC has a rigorous rate process and generally DISC rates have decreased, however, agency utilization of information services has increased. The Subcommittee believes that the only way DISC expenditures will be contained is if agencies reduce demand for services. The Subcommittee directs DISC to inform state agencies that the expenditure limitation placed on DISC is intended to limit agency expenditures. DISC should advise agencies to restrict their use of DISC services to FY 1990 levels.
10. Delete \$48,356 from the Information Technology Fund and 1.0 FTE position for an Information Resource Manager associated with GIS.
11. Delete \$68,640 from the State Buildings Operating Fund in H.B. 2607 (capital improvements) and increase expenditures from the building and grounds fund by \$68,640, as recommended by the Joint Committee on State Building Construction. The Subcommittee recommends that this project, which involves debt service on the parking lot at 7th and VanBuren, be financed from the building and ground fund. There are adequate balances in the building and ground fund for this project. The expenditure limitation on this fund is adjusted in H.B. 2729 to reflect increased expenditures of \$68,640.
12. The Subcommittee understands that the Governor has created an Office of Children and Families and this office is to be budgeted in the Department of Administration. The Subcommittee believes that a Governor's Budget Amendment to establish a fund for this purpose is appropriate.
13. The Subcommittee understands that the House Appropriations Subcommittee on the State Finance Council recommends the transfer of \$480,000 from the Self-Insurance Reserve Fund to the State General Fund. The Subcommittee concurs with this transfer.
14. The Subcommittee notes the state will receive a substantial increase in federal alcohol and drug abuse funds. For FY 1991, expenditures of federal funds are estimated to be \$4,688,123. Total federal funds for FY 1990 totaled \$1,523,904. The Governor's Assistant on Alcohol and

Drug Abuse Programs informed the Subcommittee that a special report to the Legislature describing the Governor's proposal for a statewide drug strategy will be presented to the Legislature within the next several weeks. The Subcommittee notes that the 1989 Interim Committee on Appropriations/Ways and Means recommended that the executive branch appear before the 1990 Legislature "to recommend a coordinated and comprehensive drug strategy, including funding priorities and the estimated impact that programs and funding will have on solving the alcohol and drug abuse problems in Kansas."

15. Amend H.B. 2638 as a technical adjustment to reflect the Governor's recommendation for accounting services of \$4,542,473 and a reappropriation of \$44,447.



Representative Wanda Fuller
Subcommittee Chairperson



Representative Phil Kline

Representative Ken Francisco

MINORITY REPORT

I concur with the House Subcommittee's recommendations with the following exception:

1. Delete \$500,000 from the State Water Plan Fund for data bases for the Geographic Information System (GIS). A January, 1990 audit by the Legislative Post Audit Committee on the Comprehensive Automated Eligibility and Child Support Enforcement System (CAECES) describes what I believe to be a very significant problem in state government with regard to computer systems. The audit includes the following recommendation:

The Comprehensive Automated Eligibility and Child Support Enforcement System is the most recent in a series of State computer projects that have cost more and taken longer than initially planned. In the last five years, the State has had similar experiences with the Kansas Business Integrated Tax System and the Vehicle Information Processing System. In order for the Legislature to be able to monitor costs and timeframes agencies must maintain a comprehensive budget for such projects. Such comprehensive budgets would allow executive and legislative decision makers to monitor progress by comparing initial expenditure and time estimates with current and projected estimates.

The Subcommittee requested, but has not yet received specific information regarding precisely how the \$500,000 would be expended. It is unclear what total costs are involved with this system. Another computer system should not be approved by the Legislature without a comprehensive budget proposal.



Representative Ken Francisco

SUBCOMMITTEE REPORT

Agency: Kansas Corporation Commission Bill No. 2638

Bill Sec. 5

Analyst: Rothe

Analysis Pg. No. 497

Budget Pg. No. 128

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Special Revenue Funds			
State Operations	\$ 11,840,999	\$ 10,785,026	\$ 17,781
Other Assistance	<u>2,798,523</u>	<u>2,798,523</u>	--
Total	<u>\$ 14,639,522</u>	<u>\$ 13,583,549</u>	<u>\$ 17,781</u>
 FTE Positions	 239.5	 238.0	 (1.0)

Agency Request/Governor's Recommendation

For FY 1991, the Commission requests expenditures of \$14,639,522, an increase of \$1,248,056 above the current year estimate. The request would finance 239.5 FTE positions, an increase of 4.5 FTE positions. New positions include 2.0 natural gas pipeline inspectors, 1.0 attorney, 1.0 secretary, and a 0.5 law clerk. The FY 1991 request includes \$472,894 and 4.5 FTE positions for the Citizens' Utility Ratepayer Board (CURB), an increase of \$219,927 and 3.0 FTE positions above the amount approved for FY 1990 (\$252,967).

The Governor's FY 1991 recommendation of \$13,583,549 is a reduction of \$1,055,973 from the Commission's request. The Governor recommends 2.0 FTE new natural gas pipeline inspectors, 1.0 FTE new attorney for CURB, and \$120,294 for a 1.5 percent general salary increase. Recommended reductions include \$502,904 from capital outlay, \$5,467 from commodities, \$346,665 from contractual services, and the requested new secretary and half-time law clerk. The recommendation includes \$333,589 and 3.5 FTE positions for CURB, a reduction of \$139,305. The Governor does not recommend the addition of a 0.5 FTE secretary or a 0.5 FTE law clerk.

House Subcommittee Recommendations

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

FY 1991. The House Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Delete 1.0 FTE new Attorney recommended by the Governor for the CURB program and \$41,319 from the Public Service Regulation Fund. The Subcommittee recommends financing for 2.5 FTE CURB positions, including 1.0 Consumer Counsel, 1.0 Volunteer Services Coordinator (to be transferred from the KCC), and a half-time Secretary.
2. Add a proviso to the Commission's FY 1991 appropriation bill (H.B. 2638) limiting CURB expenditures and FTE positions to \$292,270 and 2.5 FTE, respectively.

*HA
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Attachment 2*

3. Add \$23,000 from the federal Underground Injection Control Fund for the third year of a five-year installment purchase of an IBM AS 400 minicomputer and microcomputer network in the Conservation Division.
4. Add \$46,100 for the first of a five-year installment purchase of new photocopy equipment (expenditures in the second through fifth year would be \$25,000 each for a total five-year cost of \$146,100). During the 1989 Session, the House Subcommittee urged the Commission to pursue the purchase of reprographic equipment to achieve savings over the existing leasing arrangement. Estimated FY 1991 leasing costs would have totaled \$38,700.
5. Delete \$10,000 from contracted attorney fees in the Administrative Services Division. The Subcommittee recommends total attorney fees of \$40,000 for Washington, D.C. counsel. The recommendation would permit closer monitoring of Federal Energy Regulatory Commission proceedings to evaluate their impact on Kansas ratepayers and the Kansas oil and gas industry.
6. The Subcommittee recommends that the Chairperson of the House Committee on Appropriations send a letter to the Chairperson of the Kansas Corporation Commission requesting that \$100,000 be transferred from the non-Warner account of the oil overcharge fund to the Mennonite Housing Rehabilitation Services, Inc. (MHRS) for weatherization of homes. Similar transfers were made in FY 1988 (\$144,600) and FY 1989 (\$106,300) to leverage other MHRS funding from the Farmers Home Administration, a Community Development Block Grant, Title III-B of the Older Americans Act, and private donations. MHRS has utilized previous financing from the oil overcharge fund to weatherize 289 homes in Sedgwick, Harvey, and Butler counties.
7. Amend the Commission's FY 1991 appropriation bill (H.B. 2638) to provide one salary and wage limitation rather than three on the Public Service Regulation Fund, the Motor Carrier License Fees Fund, and the Conservation Fee Fund.
8. The Subcommittee notes that the public image of the Kansas Corporation Commission is not always positive, and strongly endorses Chairman Henley's efforts to jazz up the Commission by wearing dark glasses. We feel this move will bring the Commission statewide, nay, national recognition and could be the precursor for other agencies that also lack charisma. We foresee employees of the Governor's office wearing flack jackets or cartridge belts, KDOT employees wearing reflective material on clothing, and Corrections employees dressed in blue. The potential is enormous. The Subcommittee therefor

recommends an appropriation of \$19,219.62 (234.5 FTE x \$81.96) so that all KCC employees will be provided with quality shades, and can ape their innovative leader.

Rochelle Chronister

Representative Rochelle Chronister
Subcommittee Chairperson

Bill Buntin

Representative Bill Buntin

David Heinemann

Representative David Heinemann

George Teagarden

Representative George Teagarden

Lee Hamm

Representative Lee Hamm

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Civil Rights

Bill No. 2729

Bill Sec. 23

Analyst: Rothe

Analysis Pg. No. 505

Budget Pg. No. 108

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,039,953	\$ 1,031,928	\$ --
Special Revenue Funds	420,943	396,304	--
Total	<u>\$ 1,460,896</u>	<u>\$ 1,428,232</u>	<u>\$ --</u>
FTE Positions	42.0	40.0	--

Agency Request/Governor's Recommendation

The Commission estimates FY 1990 operating expenditures of \$1,460,896, the amount approved by the 1989 Legislature. The estimate includes \$1,039,953 from the State General Fund and \$420,943 from federal funds. The budget provides funding for 40.0 FTE positions as approved.

The Governor's FY 1990 recommendation of \$1,428,232 is a reduction of \$32,664 from the agency's estimate. Reductions include \$27,011 from salaries due to health insurance and shrinkage rate adjustments, \$5,508 from communications, and \$145 from other expenditures. Recommended financing for FY 1990 includes \$1,031,928 (a reduction of \$8,025) and \$396,304 from federal funds (a reduction of \$24,639).

House Subcommittee Recommendations

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

1. The Subcommittee does not agree to add \$32,664 from the State General Fund for salaries to offset the Governor's recommended shrinkage rate of 2.3 percent. The Subcommittee was surprised to learn that the agency, in the midst of well-publicized projected state budget shortfalls, filled four vacant positions last fall. Because the agency has no existing vacancies, layoffs will probably be necessary for both FY 1990 and FY 1991 to remain within recommended expenditure limitations.
2. **Federal Fund Analysis.** The Subcommittee makes no adjustments to the Governor's estimates for federal fund expenditures (which finance 27.7 percent of agencywide expenditures for FY 1990 and 28.4 percent for FY 1991). The federal fund ending balance has been spent down from \$724,402 in FY 1985 to \$42,209 in FY 1990 and an estimated \$5,146 in FY 1991 to lessen the burden on the State General Fund. The Subcommittee learned that due to a \$40,400 decrease in the FY 1990 federal Equal Employment Opportunity Commission (EEOC)

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contract, the ending balance could actually be \$5,454 in FY 1990 and a deficit of \$81,159 by the end of FY 1991. The federal fund resource estimate, based upon the Governor's expenditure recommendation and updated receipt estimates, follows:

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 100,284	\$ 12,933	\$ 5,454
Net Receipts	<u>349,185</u>	<u>388,825</u>	<u>346,800</u>
Total Available	\$ 449,469	\$ 401,758	\$ 352,254
Less: Expenditures	<u>436,536</u>	<u>396,304</u>	<u>433,413</u>
Ending Balance	<u>\$ 12,933</u>	<u>\$ 5,454</u>	<u>\$ (81,159)</u>



Representative Wanda Fuller
Subcommittee Chairperson



Representative Phil Kline



Representative Kenneth Francisco

058-90

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Civil Rights

Bill No. 2638

Bill Sec. 4

Analyst: Rothe

Analysis Pg. No. 505

Budget Pg. No. 108

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,234,507	\$ 1,090,533	\$ --
Special Revenue Funds	<u>367,200</u>	<u>433,413</u>	<u>--</u>
Total	<u>\$ 1,601,707</u>	<u>\$ 1,523,946</u>	<u>\$ --</u>
 FTE Positions	 42.0	 40.0	 --

Agency Request/Governor's Recommendation

The agency requests \$1,601,707 for FY 1991 for the salaries of 42.0 FTE positions and other operating costs. The request represents a 9.6 percent increase above the FY 1990 estimate and includes \$1,090,533 from the State General Fund (an 18.7 percent increase) and \$367,200 from federal funds (a reduction of 12.8 percent). The portion of the budget financed from federal funds would decrease from 28.8 percent to 22.9 percent to enable the agency to maintain a federal fund ending balance of \$24,695. The agency requests 2.0 FTE new Civil Rights Investigators for FY 1991, with salaries and benefits totaling \$53,527.

The Governor recommends \$1,523,946 for FY 1991 expenditures, a reduction of \$77,761 from the agency's request. The recommendation includes a 1.5 percent salary increase of \$17,412 and reductions of 2.0 FTE new positions (\$53,527), \$9,208 from health insurance and shrinkage rate adjustments, \$14,442 from communications, \$9,734 from travel costs, \$4,855 from other contractual services, \$2,618 from commodities, and \$789 from capital outlay. The recommendation includes \$1,090,533 from the State General Fund (a reduction of \$143,974) and \$433,413 from federal funds (28.4 percent of the total, an increase of \$66,213). The Governor recommends a federal fund ending balance of \$5,146.

House Subcommittee Recommendations

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

1. The following table, based upon reduced estimated federal receipts, indicates a negative ending balance of \$81,159 in FY 1991. The Subcommittee acknowledges the difficulty of managing an agency which is dependent on both tight federal and state revenues. Under the existing circumstances, however, the Commission will need to substantially reduce expenditures in FY 1991. Careful, foresighted management will be necessary to remain within approved appropriations.

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 100,284	\$ 12,933	\$ 5,454
Net Receipts	<u>349,185</u>	<u>388,825</u>	<u>346,800</u>
Total Available	\$ 449,469	\$ 401,758	\$ 352,254
Less: Expenditures	<u>436,536</u>	<u>396,304</u>	<u>433,413</u>
Ending Balance	<u>\$ 12,933</u>	<u>\$ 5,454</u>	<u>\$ (81,159)</u>

Wanda Fuller

Representative Wanda Fuller
Subcommittee Chairperson

Phil Kline

Representative Phil Kline

Ken Francisco

Representative Kenneth Francisco

058-91

SUBCOMMITTEE REPORT

Agency: Kansas Public Employees Retirement System (KPERS) **Bill No.** 2729

Bill Sec. 46

Analyst: Conroy

Analysis Pg. No. 508

Budget Pg. No. 376

<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	\$ 3,113,517	\$ 3,059,362	\$ --
Aid to Local Units	40,862,862	40,862,862	--
Other Assistance	<u>163,814,243</u>	<u>163,814,243</u>	--
Total	<u>\$ 207,790,622</u>	<u>\$ 207,736,467</u>	<u>\$ --</u>
State General Fund:			
Aid to Local Units	\$ 40,862,862	\$ 40,862,862	\$ --
FTE Positions	65.0	65.0	--

Agency Request/Governor's Recommendation

The agency's FY 1990 estimate totals \$207,790,622. The revised FY 1990 estimate for operating expenses is \$3,113,517 or \$22,222 above the currently authorized amount of \$3,091,295. The agency's FY 1990 estimate for state aid to local units of government for public school employers' contributions of \$40,862,862 also reflects the current authorized amount. However, the agency requests \$174,207 from the State General Fund in the current year to satisfy the state's obligation in public school employers' contributions from FY 1989. The FY 1990 revised estimate for pension benefits is \$163,814,243 or \$4,796,384 above the original FY 1990 amount.

The Governor's recommendation for FY 1990 is \$207,736,467 which includes a reduction of \$54,155 for state operations below the agency's request and therefore does not include any supplemental funds. The Governor concurs with the agency's request for state aid to local units of government in the current year. The Governor does not recommend any supplemental funds in FY 1990 to meet FY 1989 public school employers contributions. However, the Governor does recommend that the agency be authorized to pay the FY 1989 obligation from existing FY 1990 resources. The Governor also concurs with the agency's revised estimate of \$163,814,243 for employee benefits.

House Subcommittee Recommendations

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

1. At the end of FY 1989 the agency was short \$174,206 from the State General Fund appropriation for public school employers' contributions. Since it was an FY 1989 expenditure, the agency was prevented from using FY 1990 resources to satisfy the FY 1989 obligation. The Governor has recommended language within 1990 H.B. 2729 to permit

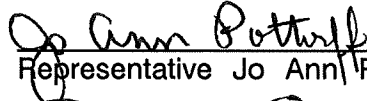
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Attachment 4*

the agency to pay the FY 1989 obligation with FY 1990 resources. However, the Subcommittee notes this action will greatly increase the likelihood that supplemental funds will be required for the agency in FY 1990, not only to meet the FY 1989 obligation but to fully meet the FY 1990 obligation for public school employers' contributions from the State General Fund. The Subcommittee recommends that the Senate Ways and Means subcommittee for the agency carefully review the need for supplemental funding for public school employers' contributions based on the most recent data available to that subcommittee.

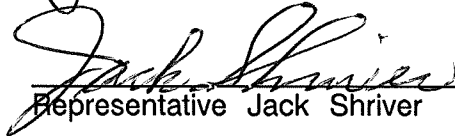
2. The Subcommittee notes with great pride that Marshall Crowther, Executive Secretary of KPERS, was recently selected by Pension World magazine as one of the top ten pension fund leaders in the nation and co-winner of the 1989 "Public Sector Benefits Administrator" award. The Subcommittee recommends that a House resolution be introduced recognizing the accomplishments and contributions that Mr. Crowther has made on behalf of KPERS for the 114,000 active members and 37,000 retired members of our public retirement systems.



Representative Duane A. Goossen
Subcommittee Chairman



Representative Jo Ann Pottorff



Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: Kansas Public Employees Retirement System (KPERs) Bill No. 2638

Bill Sec. 2

Analyst: Conroy

Analysis Pg. No. 508

Budget Pg. No. 376

<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	\$ 3,677,470	\$ 3,140,551	\$ 10,708
Aid to Local Units	43,777,469	41,551,170*	--
Other Assistance	<u>177,087,139</u>	<u>177,087,139</u>	--
Total	<u>\$ 224,542,078</u>	<u>\$ 221,778,860</u>	<u>\$ 10,708</u>
State General Fund:			
Aid to Local Units	\$ 43,777,469	\$ 41,551,170*	\$ --
FTE Positions	65.0	64.0	--

* Includes Governor's Budget Amendment No.1, issued February 2, 1990.

Agency Request/Governor's Recommendation

The KPERs operating budget request for FY 1991 totals \$224,542,078. The agency request for state operations of \$3,677,470 is an 18.1 percent increase or \$563,953 above the agency's revised FY 1990 estimate of \$3,113,517. In state operations the agency is proposing that a temporary 1.0 FTE position not be continued and that a permanent 1.0 FTE field representative position be added. The agency also requests contractual printing and distribution of selected forms, administrative costs, taxes and insurance for their share of the Capitol Tower building, and a new computer. An increase of \$2,914,607 or 7.1 percent is reflected in the local aid amount for public school employers' contributions above the FY 1990 amount. Public employees retirement and disability benefits are estimated to increase by 8.1 percent or \$13,272,896.

For FY 1991 the Governor recommends a total budget of \$221,778,860 or \$2,763,218 below the agency's request. The Governor's recommendation for state operations is \$3,140,551 or \$536,919 less than the agency requested. The Governor does not recommend an additional field representative or acquisition of a new computer. The Governor recommends \$41,551,170 or \$2,226,299 less than the agency request for public school employers' contributions. The FY 1991 recommendation is based on school budget limitations of 1.0 percent to 2.0 percent, an employer contribution rate of 3.2 percent, and implementation of a tax lid on local units of government. The Governor concurs with the agency request of \$177,087,139 for public employee retirement and disability payments.

House Subcommittee Recommendation

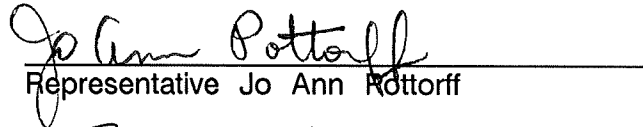
FY 1991. The House Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Addition of language to the agency's State General Fund appropriation for public school employers' contributions to permit expenditure of FY 1991 resources to satisfy the state's obligation regardless of when the liability occurred. The addition of this language would be similar to the Department of Social and Rehabilitation Services statutory authority to pay medical assistance claims regardless of when they were incurred. This language would prevent another occurrence of the agency's problem at the beginning of FY 1990 when an outstanding obligation from FY 1989 could not be satisfied by using FY 1990 resources. The Subcommittee believes the state should take every step to satisfy the public school employers' contribution requirements of the public school employees retirement system.

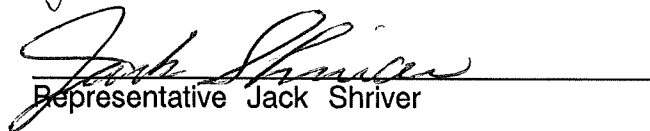
2. The Subcommittee recommends the addition of \$10,708 for printing and distribution costs for two issues of the agency's newsletter ("KPERS Papers"). The Governor had recommended that the current quarterly newsletter not be continued in FY 1991. However, the Subcommittee believes the newsletter does provide useful information to the 145,000 members and retirees of KPERS. The Subcommittee would also recommend that one of the newsletters be issued as soon after the Legislature adjourns in order that KPERS members could be informed of any legislation affecting retirement matters.



Representative Duane A. Goossen
Subcommittee Chairman



Representative Jo Ann Rottorff



Representative Jack Shriver

SUBCOMMITTEE REPORT

Agency: Public Disclosure
Commission

Bill No. 2729

Bill Sec. --

Analyst: Mah

Analysis Pg. No. 493

Budget Pg. No. 462

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 234,387	\$ 233,514	\$ --
FTE Positions	6.0	6.0	--

Agency Request/Governor's Recommendation

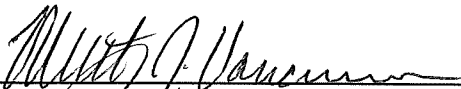
The Commission estimates current year expenditures of \$234,387 from the State General Fund, the same amount that was approved by the 1989 Legislature. The Commission requests revisions to the approved budget which increase salaries and wages by \$1,576 and reduce other operating expenditures by the same amount. The current year estimate includes \$183,081 for salaries and wages, \$9,345 for communications, \$9,442 for rent, \$14,850 for legal services, and \$17,669 for all other operating expenditures.

The Governor's current year recommendation of \$233,514 from the State General Fund reduces the Commission's estimate by \$873. The reduction is because of adjustments to salary and wage expenditures to reflect current rates for fringe benefit costs. The Governor concurs with the Commission's current year estimate of \$51,306 for all other operating expenditures.


House Subcommittee Recommendation

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

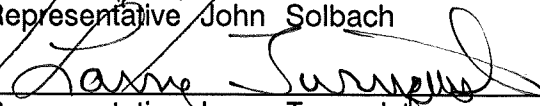
1. Delete \$4,000 from expenditures for salaries and wages to reflect current anticipated savings as indicated by year-to-date expenditures.
2. Add \$4,000 to printing expenditures to provide for additional costs associated with the reprinting of materials because of significant changes in the 1989 Campaign Finance Act and for the printing of materials necessary for the 1990 election year.



Representative Robert Vancrum
Subcommittee Chairperson



Representative John Solbach



Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Public Disclosure
Commission

Bill No. 2638

Bill Sec. 3

Analyst: Mah

Analysis Pg. No. 493

Budget Pg. No. 462

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 249,415	\$ 248,629	\$ 1,917
FTE Positions	6.0	6.0	--

Agency Request/Governor's Recommendation

The Commission requests a FY 1991 budget of \$249,415. The request includes a total of \$194,992 for salaries and wages for the existing unclassified 6.0 FTE positions, an increase of \$11,911 from the current year estimate. Other major revisions from the current year estimate include: increases of \$3,147 for communications, \$1,478 for travel and subsistence, \$1,000 for legal services, \$1,545 for stationery and office supplies; and reductions of \$3,038 for printing and advertising and \$2,398 for capital outlay. Net other changes increase expenditures by \$1,383 from the current year estimate.

The Governor's FY 1991 recommendation of \$248,629 from the State General Fund reduces the Commission's request by \$786. Adjustments were made to salary and wage expenditures to reflect current rates for fringe benefit costs. The Governor concurs with the Commission's FY 1991 request of \$54,423 for all other operating expenditures.

House Subcommittee Recommendation

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

1. Add \$1,917 for a technical adjustment to expenditures for salaries and wages to reflect current rates for health benefit costs.
2. The Subcommittee recommends that the 1991 Legislature review the need for additional positions because of the increase in responsibilities for the Commission with the passage of 1989 Campaign Finance Act. The legislation extended the Campaign Finance Act to candidates for elective office in cities of the first class, counties, and the boards of public utilities. The election year of 1990 will be the first time that candidates for these offices must file designated forms and annual reports which are required by the Campaign Finance Act. The Subcommittee believes that the addition of one more Commissioner and other staff positions in future years will be necessary to ensure that the Commission will be able to properly complete its extended duties.

3. The Subcommittee recommends that the Commission review its policy of not appointing an Executive Director. The administrative duties of the Commission are currently performed by an Administrative Assistant. Current law (K.S.A. 25-4119a) provides that the Commission may appoint an Executive Director. Although there is pending legislation (H.B. 2916, as introduced) that would require the Commission to appoint an Executive Director, the Subcommittee believes that the Commission should reconsider its current policy, which does not make use of its existing authority.

4. The Subcommittee supports legislation that would strengthen the authority of the Commission and is aware that legislation has been introduced which would alter the existing Public Disclosure Commission significantly. Specifically, H.B. 2916 would abolish the Kansas Public Disclosure Commission and establish the Kansas Governmental Ethics Commission. The Kansas Governmental Ethics Commission would consist of nine members instead of the five members which currently make up the Public Disclosure Commission. Should the legislation be enacted by the 1990 Legislature, the Subcommittee recommends that money be added to the Commission's budget to fund the legislation. Based on estimates made by the Public Disclosure Commission, the legislation would require the addition of a 1.0 new FTE Executive Director position at a cost of \$43,399 and \$4,076 for per diem and travel costs of four additional Commission members, for a total of \$47,475. The Subcommittee also strongly supports the portions of H.B. 2916 which would establish an annual registration fee of \$100 to be paid by political action committees and \$25 to be paid by lobbyists for each lobbying employment or lobbying position held. (Current law, K.S.A. 46-265, provides only for a lobbyist registration fee of \$15 that goes to the State General Fund). The fees would be deposited into the Governmental Ethics Commission Fee Fund, which would be established with passage of the legislation. The Public Disclosure Commission estimates annual revenues for the Fund would be \$24,700 (988 times \$25) from lobbyists and \$21,000 (210 times \$100) from political action committees, for a total of \$45,700. Receipts to the Fund would be used for the state operations of the Kansas Governmental Ethics Commission.

5. The Subcommittee strongly recommends the introduction and passage of legislation to create civil penalty provisions for violation of certain Kansas governmental ethics laws. Under current law, there are no penalties for violations of the following:

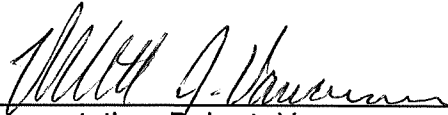
K.S.A. 46-234, relating to restrictions on the appointment of elected state officers to any state office which was created by law during the individual's last term in office;

K.S.A. 46-241, relating to restrictions on the use of confidential information that is acquired by an elected state officer or employee in the course of performing official duties to further the economic interest of any individual; and

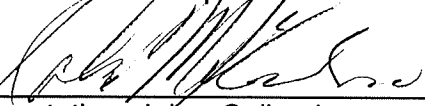
K.S.A. 46-270, relating to failure of lobbyists to wear name tags of a designated type (including the name of the lobbyist, the

names of the persons compensating or appointing the lobbyist and the current year) while lobbying in the State Capitol.

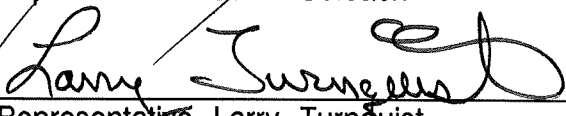
The Subcommittee believes that the civil penalty provisions will help prevent the violation of these current laws, provide the state with a means to enforce proper ethical conduct, and serve as a platform for all Legislators to speak to the importance of strong ethical standards in the State of Kansas.



Representative Robert Vancrum
Subcommittee Chairperson



Representative John Solbach



Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: State Finance Council Bill No. 2638 Bill Sec. 7
 Analyst: Duffy Analysis Pg. No. 492 Budget Pg. No. 212

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 3,163	\$ 3,163	\$
FTE Positions	0.0	0.0	

Agency Request/Governor's Recommendation

FY 1990 and FY 1991. The agency submits an estimate for FY 1990 of \$3,329 and for FY 1991 of \$3,163 for compensation and travel of legislative members of the State Finance Council. There were no expenditures in FY 1989. The 1989 Legislature appropriated \$3.4 million from the State General Fund to the State Finance Council for transfers to agencies for their proportionate shares of the additional costs of the revisions to the state pay plan adopted by the 1989 Legislature in H.B. 2553. No such transfers were submitted to the Finance Council and the matter of additional costs is an item for legislative review with respect to revised FY 1990 budgets. The agency requests that the \$3.4 million be lapsed. There were no expenditures from the State Emergency Fund in FY 1989, therefore, the carryover balance is maintained at \$750,000.

The Governor concurs with the agency's FY 1991 and FY 1990 requests.

House Subcommittee Recommendation

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

FY 1991. The House Subcommittee concurs with the Governor's recommendation with the following adjustment:

1. Transfer \$480,000 (estimate) from the State Self-Insurance Reserve Fund to the State General Fund as soon as funds are available. The 1973 Legislature created the Self-Insurance Reserve Fund and authorized a transfer to it of \$2 million from the General Fund. K.S.A. 12-3724 provides for investment of money in the fund by the Pooled Money Investment Board. Also in 1973, the Legislature revised the law relating to state grants from revenue bond proceeds to local units receiving federal waste treatment construction grants. Among other things, this legislation gave an annual first claim and lien of \$1.5 million on the Self-Insurance Reserve Fund to insure debt service on the bonds. Principal and interest on the revenue bonds is paid by local units by means of sewer service charges. The revenue bonds are expected to mature in the mid-1990s. The Self-Insurance Reserve Fund currently has an invested balance of \$1,883,000. According to the PMIB, the

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investment matures on September 30, 1990 at which time it is estimated that \$480,000 would be available (the amount exceeding the \$1.5 million pledge on the revenue bonds) for transfer to the State General Fund. The Subcommittee notes that transfers from this fund occurred in FY 1986 when \$3.5 million was transferred to the State General Fund and in FY 1987 a transfer of \$447,750 was made from the State Self-Insurance Fund to the State Emergency Fund.



Representative Duane Goossen
Subcommittee Chairperson



Representative Jo Ann Rottorf



Representative Jack Shriver