

Approved 4-16-90
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Burten at
Chairperson

8:00 a.m./~~p.m.~~ on March 23, 1990 in room 514-S of the Capitol.

All members were present except: All present

Committee staff present: Ellen Piekalkiewicz, Debra Duncan, Laura Howard, Paul West,
Julian Efird, 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.

SB 450 - Appropriations for FY91, General Government IV

STATE BOARD OF TAX APPEALS

Representative Moomaw reviewed the subcommittee report for FY90 and FY91 (Attachment 1). Representative Moomaw moved adoption of the subcommittee report. Representative Brady seconded. Motion carried.

DEPARTMENT OF REVENUE

Representative Fuller reviewed the subcommittee report for FY90 and FY91 (Attachment 2). The Committee discussed the subcommittee recommendation for FY91 to delete \$4 million State General Fund for counties for reappraisal. Several members support the recommendation because there are bills in the House and Senate which reinstate payments to the counties for continuing costs associated with reappraisal from the Gaming Fund. Representative Moomaw expressed concern that the deletion of the money would convey the message that the House is not committed to helping local units with these costs.

It was noted the DISC adjustment in item #2 of the FY91 report is significant because the Department of Revenue uses 58 percent of DISC's CPU hours. Other agencies use much less time so the savings of 26 percent per CPU hour is a smaller figure.

Representative Moomaw moved to add \$3.9 million from the State General Fund for state aid payments to counties for reappraisal. Representative Gatlin seconded. Representative Moomaw withdrew his motion with the consent of his second, Representative Gatlin. Representative Moomaw made a motion to add language to the subcommittee report stating that the House Appropriations Committee recognizes the need to fund a portion of the ongoing costs of reappraisal and will look at that funding following the disposition of the bill to be considered before Appropriations regarding this funding. Representative Gatlin seconded. Motion carried.

Representative Fuller moved adoption of the subcommittee report for FY90 and FY91 on the Department of Revenue. Representative Kline seconded. Motion carried.

KANSAS LOTTERY

The Committee reviewed the subcommittee report for FY90 and FY91 (Attachment 3). Representative Hoy moved adoption of the subcommittee report. Representative Helgerson seconded. Motion carried.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations

room 514-g Statehouse, at 8:00 a.m./~~p.m.~~ on March 23, 1990

RACING COMMISSION

The Committee reviewed the subcommittee report for FY90 and FY91 (Attachment 4). Representative Helgerson expressed concerns regarding the operations of the Racing Commission and with the fact that he feels the Commission has excessively used secrecy. Representative Hensley moved adoption of the subcommittee report. Representative Hoy seconded. Motion carried. Representative Helgerson is recorded as voting "no."

DEPARTMENT OF COMMERCE

Representative Fuller reviewed the subcommittee report for FY90 and FY91 (Attachment 5). During discussion of resources in the EDIF, staff advised that, based on recommendations to date, there would be an ending balance in the EDIF for FY91 of \$900,000. This assumes no financing for the commercial circuit breaker from the EDIF, as there has been no agreement to date. Representative Brady moved to adopt the Governor's recommendation of \$500,000 from the EDIF for the Kansas Partnership Fund. Representative Moomaw seconded. Motion carried. Staff noted that there is \$6.3 million from the EDIF currently designated for the residential circuit breaker. Representative Fuller moved adoption of the subcommittee report, as amended, for FY90 and FY91 on the Department of Commerce. Representative Brady seconded. Motion carried.

KANSAS TECHNOLOGY ENTERPRISE CORPORATION

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

KANSAS, INC.

The House Subcommittee concurred with the Senate for FY90 and FY91 (Attachment 7). Representative Fuller moved adoption of the subcommittee report. Representative Francisco seconded. Motion carried.

Representative Chronister moved that SB 450, as amended, be recommended favorably for passage. Representative Lowther seconded. Motion carried.

Chairman Bunten noted that HB 3096 with the Winfield State Hospital FY91 appropriations was sent to the Committee in error and needs to be returned to the Floor. Representative Chronister moved that HB 3096 be recommended favorably for passage. Representative Hoy seconded. Motion carried.

The Committee turned to consideration of final action on HB 3002. Representative Solbach distributed a letter from the National Association of Social Workers, Inc. supporting HB 3002 (Attachment 8); a balloon of proposed amendments to the statutory maximum fees of the Behavioral Sciences Regulatory Board (Attachment 9); and a memorandum from staff on the suggested statutory maximum fees (Attachment 10). Representative Solbach moved to amend HB 3002 according to the proposed balloon. Representative Hamm seconded. Motion failed. Representative Shriver moved to reconsider committee action on the previous motion. Representative Brady seconded. Motion carried. Back on the motion by Representative Solbach to amend, the motion carried. Representative Solbach moved that HB 3002, as amended, be recommended favorably for passage. Representative Chronister seconded. Motion carried.

The meeting was adjourned at 9:15 a.m.

SUBCOMMITTEE REPORT

Agency: State Board of Tax Appeals

Bill No. 558

Bill Sec. 8

Analyst: Efird

Analysis Pg. No. 149

Budget Pg. No. 558

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,509,854	\$ 1,422,303	\$ (68,390)
State General Fund	1,504,854	1,417,303	(68,390)
FTE Positions	39.0	39.0	--

Agency Request/Governor's Recommendation

The Board requests an increase of \$441,578 to its currently approved expenditures, to be financed by a supplemental appropriation of \$443,574 from the State General Fund. The supplemental would pay for additional staff positions and other operating expenses to augment to Board's current authorized staff of 20.0 FTE positions to help handle a projected increase in the number of appeals hearings resulting from statewide reappraisal. The Board's request for financing new staff includes 19.0 new FTE positions approved by the State Finance Council on January 3, 1990, with approximately five months of funding sought in this fiscal year. The Board previously had estimated handling 18,094 reappraisal valuation cases resulting from statewide reappraisal.

The Governor's FY 1990 recommendations add \$356,023 in State General Fund financing for additional expenditures, including funds for salaries and benefits of 19.0 new FTE positions, moving expenses, capital outlay, and communications. The Governor's recommended funding allows for \$354,027 in added FY 1990 expenditures for expanded staff (\$189,408), other operating expenses (\$164,619), and a \$1,996 supplemental to replace FY 1989 funds which did not reappropriate to FY 1990.

The 1990 Legislature approved S.B. 442 earlier this Session, authorizing a supplemental appropriation of \$315,522. Funding of \$40,501 and 2.0 FTE appraiser positions were deleted from the Governor's recommendation.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation, as previously adjusted by legislative action in S.B. 442, with the following exceptions:

1. Delete \$164,619 from S.B. 558 since funding was included in the emergency supplemental bill earlier this Session.

*HA
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Attachment 1*

2. Reduce estimated expenditures by \$68,390 to reflect salary turnover savings of \$37,876 based on the Board's hiring schedule of new positions and savings of \$30,514 for computer-related capital outlay not needed for the current CPU.

Senate Committee Recommendation

The Senate Committee concurs.

<u>Expenditure Summary</u>	<u>Senate Rec. FY 90</u>	<u>Subcommittee Adjustment</u>	<u>Subcommittee Rec. FY 90</u>
State Operations:			
All Funds	\$ 1,313,412	\$ (61,275)	\$ 1,252,137
State General Fund	1,308,412	(61,275)	1,247,137
FTE Positions	37.0	--	37.0

House Subcommittee Recommendation

The Subcommittee concurs with the previous recommendations with the following exceptions:

1. Further reduce FY 1990 expenditures by \$61,275 to reflect savings identified by the Board in its current fiscal year budget and reappropriate savings to reduce new financing next fiscal year.
2. Defer consideration of the Board's computer-related capital outlay items until Omnibus and request a DISC study of the Board's data processing needs and how best to meet those needs.

Max Moomaw

 Representative Max Moomaw
 Subcommittee Chairperson

Fred Gatlin

 Representative Fred Gatlin

Bill Brady

 Representative Bill Brady

SUBCOMMITTEE REPORT

Agency: State Board of Tax Appeals

Bill No. 450

Bill Sec. 2

Analyst: Efird

Analysis Pg. No. 149

Budget Pg. No. 558

<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	\$ 1,885,631	\$ 1,895,716	\$ (91,612)
State General Fund	1,880,631	1,890,966	(91,612)
FTE Positions	39.0	39.0	(2.0)

Agency Request/Governor's Recommendation

The Board's request includes a net increase in expenditures of \$375,777 more than its revised FY 1990 estimate. This increased funding would be required primarily for annualized expenditures resulting from the Board's revised FY 1990 request to add new staff for handling additional reappraisal appeals. The Board's FY 1991 request includes continuing all 19.0 FTE new positions requested in FY 1990, with no additional increase in staffing. Funding for higher other operating expenditures due to an expanded staff working 12 months also is requested in FY 1991.

The Governor's FY 1991 recommendations provide a net increase of \$473,413 in expenditures. Annual funding for all new positions added in the current fiscal year and other salary adjustments comprise the main increases in FY 1991 expenditures. Increases in certain categories of other operating expenses also are recommended to support the expanded staff. Unlimited expenditure of reappropriated balances is authorized in the FY 1991 appropriation bill.

Senate Subcommittee Recommendation

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

1. Reappropriate \$68,390 from FY 1990 to reflect savings in the current fiscal year and reduce new financing in FY 1991 by that amount.
2. Delete 2.0 FTE appraiser positions and \$91,612 for salaries and benefits to reflect the same reductions in the emergency supplement bill for the current fiscal year.

Senate Committee Recommendation

The Senate Committee concurs.

<u>Expenditure Summary</u>	<u>Senate Rec. FY 91</u>	<u>Subcommittee Adjustment</u>	<u>Subcommittee Rec. FY 91</u>
State Operations:			
All Funds	\$ 1,804,104	\$ 86,932	\$ 1,891,036
State General Fund	1,799,354	86,932	1,886,286
FTE Positions	37.0	--	37.0


House Subcommittee Recommendation

The Subcommittee concurs with the previous recommendations with the following exceptions:

1. Reappropriate additional FY 1990 savings of \$61,275.
2. Further reduce FY 1991 expenditures by \$19,000 to reflect adjustments of \$4,000 in communications, \$5,000 in repair and servicing, and \$10,000 in commodities.
3. Add \$105,932 from the State General Fund to finance to Board's relocation from the 10th floor to the 4th floor of the Docking State Office Building. Included are the following expenditures: \$11,700 for telecommunications, \$4,030 for moving costs, \$50,593 for office rent, \$1,860 for other services, and \$37,749 for remodeling costs.
4. Note that the Subcommittee's FY 1990 recommendation for a DISC computer study may have an impact in either FY 1990 or FY 1991, depending upon the DISC alternatives suggested by the study which should be reviewed during Omnibus.


 Representative Max Moomaw
 Subcommittee Chairperson


 Representative Fred Gatlin


 Representative Bill Brady

SUBCOMMITTEE REPORT

Agency: Department of Revenue

Bill No. 558

Bill Sec. 9

Analyst: Efird

Analysis Pg. No. 153

Budget Pg. No. 480

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 53,590,590	\$ 52,961,107	\$ --
State Aid	11,877,500	11,877,500	--
Other Assistance	<u>2,500,000</u>	<u>2,500,000</u>	--
TOTAL	<u>\$ 67,968,090</u>	<u>\$ 67,338,607</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 28,828,201	\$ 28,444,319	\$ --
State Aid	--	--	--
Other Assistance	--	--	--
TOTAL	<u>\$ 28,828,201</u>	<u>\$ 28,444,319</u>	<u>\$ --</u>
FTE Positions	1,326.0	1,326.0	--

Agency Request/Governor's Recommendation

The revised agency budget includes a net reduction of expenditures for state operations and a decrease in FTE positions compared with the budget approved by the 1989 Legislature. Estimated expenditures in four areas are increased: capital outlay, other contractual services, printing and commodities. Reductions in data processing and other fees, repair and maintenance, and all other categories provide financing for the increases in the other four areas, while allowing a net reduction in total state operations expenditures this fiscal year. Categories with increased expenditures in the current fiscal year are reduced substantially in the agency's FY 1991 budget request. No major changes in FY 1990 financing are requested as a result of adjustments in expenditures.

The Governor concurs with all changes in the agency's other operating expenditures as requested in the revised budget, with shifts of financing recommended from certain object codes to fund higher expenditures in certain areas, most notably capital outlay, other contractual services, printing, and commodities. Recommended expenditures in these four areas are \$1,579,432 higher than approved by the 1989 Legislature. The Governor's recommendations also include adjustments in health insurance to reflect current rates. Recommended salaries and benefits are \$709,560 less than the amount approved by the 1989 Legislature. The Governor's recommendations apparently accelerate a proposed FY 1991 reduction of 5.0 percent in staffing and result in increasing salary turnover savings to an estimated 5.5 percent for the last six months of this fiscal year, or 2.0 percent higher than the 3.5 percent approved by the 1989 Legislature.

Senate Subcommittee Recommendation

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

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Attachment 2

1. Include \$123,845 in S.B. 558 as a supplemental appropriation from the State General Fund for other operating expenditures recommended in the Governor's Budget Report but omitted in error from the FY 1990 supplemental appropriations bill.
2. Note a reduction of \$1.7 in the approved data processing fees due to a DISC rate reduction and the shift of this \$1.7 million of financing to other areas, such as capital outlay, commodities, and other contractual services as a one-time expenditure to accelerate certain purchases, thereby enabling the agency to reduce its FY 1991 expenditures in these three areas.
3. Note that \$1.8 million of FY 1989 County Reappraisal Fund money encumbered since the end of last fiscal year was being distributed, beginning in January of 1990, to counties as \$1.2 million of state aid to upgrade county computer hardware used for CAMA and VIPS and that \$0.4 million was to be used for CAMA software enhancements requested by counties. Since a portion of the computer memory and disk storage enhancements may be used for VIPS, the Subcommittee recommends that \$350,000 be transferred from the DOV Operating Fund to the County Reappraisal Fund for reimbursing costs associated with VIPS rather than CAMA.

County Reappraisal Fund Analysis. The Governor's FY 1990 recommendations include payments of \$5.5 million in state aid to counties for reappraisal. The following table summarizes the status of the County Reappraisal Fund based on recommendations of the Governor which assume reduced parimutuel revenues and on the Subcommittee's additional \$350,000 transfer this fiscal year from the DOV Operating Fund.

<u>County Reappraisal Fund</u>	<u>Actual FY 89</u>	<u>Gov. Rec. FY 90</u>	<u>Estimated FY 90</u>
Beginning Balance	\$ 579,700	\$ 1,988,269	\$ 1,988,269
Net Receipts	<u>9,408,569</u>	<u>7,404,674</u>	<u>7,754,674</u>
Total Funds Available	\$ 9,988,269	\$ 9,392,943	\$ 9,742,943
Less: Expenditures	<u>8,000,000^a</u>	<u>5,500,000</u>	<u>5,500,000</u>
Ending Balance	<u>\$ 1,988,269</u>	<u>\$ 3,892,943^b</u>	<u>\$ 4,242,943^b</u>

- a) Of \$8.0 million, \$1,827,555 was encumbered but not liquidated as of January 12, 1990.
- b) Any remaining balance on June 30, 1990, will be transferred to the State General Fund, pursuant to K.S.A. 1989 Supp. 79-4802, and the Fund will be abolished.

Senate Committee Recommendation

The Senate Committee concurs.

<u>Expenditure Summary</u>	<u>Senate Rec. FY 90</u>	<u>Subcommittee Adjustment</u>	<u>Subcommittee Rec. FY 90</u>
All Funds:			
State Operations	\$ 52,961,107	\$ (217,620)	\$ 52,743,487
State Aid	11,877,500	--	11,877,500
Other Assistance	2,500,000	--	2,500,000
Total	<u>\$ 67,338,607</u>	<u>\$ (217,620)</u>	<u>\$ 67,120,987</u>
All Funds:			
State Operations	\$ 28,444,319	\$ --	\$ 28,444,319
State Aid	--	--	0
Other Assistance	--	--	0
Total	<u>\$ 28,444,319</u>	<u>\$ --</u>	<u>\$ 28,444,319</u>
FTE Positions	1,326.0	--	1,326.0

House Subcommittee Recommendation

The Subcommittee concurs with the previous recommendations, with the following exception:

1. Reduce \$217,620 from the DOV Operating Fund for fees to develop the Commercial Drivers License (CDL) software. The agency lowered its initial estimate of \$976,000 to \$758,380 to reflect a contract currently in effect to develop the CDL software.
2. Note item 2 of the Senate Subcommittee report and flag a problem with financing of DISC fees with the recommendation that the agency shift resources within the Governor's recommended funding to address its problem.


 Representative Wanda Fuller
 Subcommittee Chairperson


 Representative Phil Kline


 Representative Ken Francisco

SUBCOMMITTEE REPORT

Agency: Department of Revenue

Bill No. 450

Bill Sec. 3

Analyst: Efirid

Analysis Pg. No. 153

Budget Pg. No. 480

<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	\$ 52,542,510	\$ 51,933,370	\$ (55,178)
State Aid	13,795,500	6,795,500	4,000,000
Other Assistance	--	--	--
TOTAL	<u>\$ 66,338,010</u>	<u>\$ 58,728,870</u>	<u>\$ 3,944,822</u>
State General Fund:			
State Operations	\$ 27,943,827	\$ 27,544,266	\$ (32,447)
State Aid	--	--	4,000,000
Other Assistance	--	--	--
TOTAL	<u>\$ 27,943,827</u>	<u>\$ 27,544,266</u>	<u>\$ 3,967,553</u>
FTE Positions	1,294.0	1,280.0	--

Agency Request/Governor's Recommendation

The agency's budget request includes a net decrease of slightly more than \$1.0 million in state operations expenditures and a net decrease of 32.0 FTE positions compared with the revised current fiscal year request. Substantial reductions are estimated in three other operating expenditure categories. Four categories of expenditures reflect increases next fiscal year: salaries and benefits, professional services, data processing and other fees, and all other items. Reductions in FY 1991 State General Fund and DOV Operating Fund financing reflect reduced net expenditures. A slight increase in financing from other funds is requested next fiscal year. The agency's budget request includes a 5.0 percent reduction in existing FTE positions for FY 1991.

The agency requests establishing 29.0 FTE new positions in conjunction with the federally mandated Commercial Driver License (CDL) program. Partial FY 1991 funding is estimated at \$504,224 for the new positions. In addition, other operating expenditures for CDL are estimated at \$770,350 in FY 1990 and \$484,280 in FY 1991 by the Division of Vehicles. In FY 1990, also requested is \$976,000 for development of computer software. The agency proposes to eliminate 64.0 FTE positions or 5.0 percent of its staff in FY 1991. The agency includes a 3.5 percent reduction to its salary base, the same percentage as approved by the 1989 Legislature for FY 1989 and FY 1990 salary turnover savings.

The Governor's recommended budget includes a net decrease of over \$1.0 million in state operations expenditures next fiscal year and a reduction of 46.0 FTE positions from the current approved staffing level. Increases of \$1.0 million in both data processing fees and in personnel costs are included in the Governor's recommendations, offset by reductions of over \$3.0 million in other operating areas.

The Governor concurs in establishing a new CDL program, with 18.0 FTE new positions recommended in FY 1991. In FY 1990, expenditures are recommended

at \$976,000 for software development and \$770,000 for other operating costs related to startup, including \$310,000 for fees, \$257,405 for capital outlay, \$200,260 for printing, and \$2,685 for travel. In FY 1991, the Governor recommends \$720,338 for state operations, including \$297,496 for salaries and benefits. The Governor concurs with the agency's proposed position abolitions in FY 1991 in reducing its workforce by 5.0 percent. The Governor recommends a 3.5 percent turnover rate in FY 1991.

Senate Subcommittee Recommendations

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

1. Make technical adjustments in the financing included in S.B. 450 to reflect Governor's Budget Amendment No. 1-13 and recut the appropriations bill to provide for separate accounts for salaries and wages and other operating expenditures in both the State General Fund and the DOV Operating Fund.
2. Note substantial reductions in expenditures for commodities, capital outlay, and other contractual services based on accelerating expenditures to FY 1990.
3. Appropriate \$4.0 million from the State General Fund for financing state aid to counties for maintaining and updating reappraised valuations as required by current law.
4. Concur with salary turnover reductions of \$55,178 (\$32,447 State General Fund) in Governor's Budget Amendment No. 1-12 to correct the Governor's Budget Report and incorporate the necessary changes into the appropriations bill.
5. Recommend introduction of a bill to extend for one year the current law which distributes 30.0 percent of the State Gaming Revenue Fund proceeds to the County Reappraisal Fund. Delete the fund reference in S.B. 450 pending passage of legislation.

DOV Operating Fund Analysis. In order to finance activities related to motor vehicles, most financing for the DOV Operating Fund is provided by quarterly transfers from the State Highway Fund. The following table summarizes the status of the DOV Operating Fund as recommended by the Governor and adjusted by the Subcommittee's recommendations.

Resource Estimate	Actual FY 89	Estimated FY 90	Estimated FY 91
Beginning Balance	\$ 2,191,418	\$ 1,813,229	\$ 576,197
Net Receipts	1,817,259	1,801,500	1,801,500
Transfers	22,577,880	20,891,280	21,312,037
Total Funds Available	\$ 26,586,557	\$ 24,506,009	\$ 23,689,734
Less: Expenditures	24,773,328	23,929,812	23,689,734
Ending Balance	\$ 1,813,229	\$ 576,197	\$ 0

Senate Committee Recommendation

The Senate Committee concurs.

<u>Expenditure Summary</u>	<u>Senate Rec. FY 91</u>	<u>Subcommittee Adjustment</u>	<u>Subcommittee Rec. FY 91</u>
All Funds:			
State Operations	\$ 51,878,192	\$ (467,454)	\$ 51,410,738
State Aid	10,795,500	(4,000,000)	6,795,500
Other Assistance	--	--	--
Total	<u>\$ 62,673,692</u>	<u>\$ (4,467,454)</u>	<u>\$ 58,206,238</u>
All Funds:			
State Operations	\$ 27,511,819	\$ --	\$ 27,511,819
State Aid	4,000,000	(4,000,000)	0
Other Assistance	--	--	--
Total	<u>\$ 31,511,819</u>	<u>\$ (4,000,000)</u>	<u>\$ 27,511,819</u>
FTE Positions	1,280.0	--	1,280.0

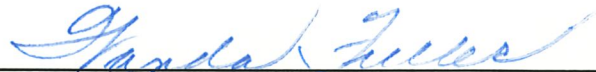
House Subcommittee Recommendation

The Subcommittee concurs with the previous recommendations, with the following exceptions:

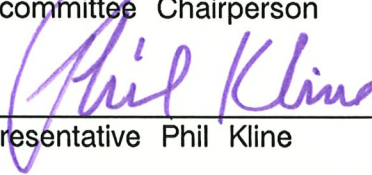
1. Reduce \$4.0 million from the State General Fund for state aid payments to counties for maintaining and updating reappraised valuations on property.
2. Reduce FY 1991 DISC fee payments by \$467,454 in anticipation of a DISC rate adjustment for FY 1991. This recommendation lowers the agency's estimated DISC fees from \$4,526,624 to \$3,772,554 and provides financing of \$1,149,871 from the State General Fund and \$2,887,318 from the DOV Operating Fund. The Subcommittee notes data processing fees in FY 1990 are under financed from the State General Fund as shown in the following table:

	<u>SGF</u>	<u>DOV</u>	<u>All Funds</u>
FY 1989 Actual Expenditures	\$ 1,025,647	\$ 2,318,009	\$ 3,343,656
FY 1990 Approved	\$ 1,112,701	\$ 3,349,807	\$ 4,462,508
FY 1990 Gov.'s Rec.	729,619	2,041,128	2,770,747
Actual FY 1990 Expenditures to Date	772,204	593,235	1,365,439
FY 1991 Gov.'s Rec.	\$ 1,149,871	\$ 3,354,772	\$ 4,526,624
House Subcommittee Recommendation	1,149,871	2,887,318	3,772,554

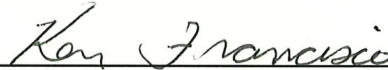
The Subcommittee reviewed the FY 1990 year-to-date expenditures and anticipates that the agency will shift State General Fund savings from other operating categories to finance the remaining four months of data processing fees in FY 1990 since the Governor's recommended amount of \$729,619 has been overspent by \$42,585. The Subcommittee believes that the approved FY 1990 level of \$1,112,701 from the State General Fund will be expended in FY 1990, and that in FY 1991, the Governor's recommended amount of \$1,149,871 provides some increase in fees. The Subcommittee notes that the DOV Operating Fund expenditures of \$2,318,009 in FY 1989 for DISC fees suggests that the Governor's recommended amounts of \$2,041,128 in FY 1990 may be sufficient, since only \$593,235 has been spent to date.



Representative Wanda Fuller
Subcommittee Chairperson



Representative Phil Kline



Representative Ken Francisco

565-91/je

SUBCOMMITTEE REPORT

Agency: Kansas Lottery

Bill No. 558

Bill Sec. 10

Analyst: Efird

Analysis Pg. No. 162

Budget Pg. No. 424

<u>Expenditure Summary</u>	<u>Agency^(a) Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 12,269,454	\$ 12,269,871	\$ --
State Paid Prizes	9,154,000	7,704,000	--
Other Prizes and Commissions ^(b)	<u>28,625,000</u>	<u>28,625,000</u>	--
TOTAL	<u>\$ 50,048,454</u>	<u>\$ 48,598,871</u>	<u>\$ --</u>
FTE Positions	121.0	121.0	--

- a) Amended budget submitted in December, 1989 and not reflected in FY 1991 Governor's Budget Report.
- b) Category of other prizes and retailer commissions includes payments which are never recorded in the State Treasury as either receipts or expenditures.

Agency Request/Governor's Recommendation

The agency's revised estimate for the current fiscal year includes a reduction of \$2.1 million in approved state operations expenditures, but there is no reduction in projected sales of \$70.0 million. The agency's revised budget includes reductions in expenditures for salaries and benefits, professional services and commodities, with increases in expenditures for communications and printing. Requested state operations expenditures are 17.5 percent of gross retail sales, a reduction from the 21.3 percent based on the budgeted expenditures approved by the 1989 Legislature. The reduction in FY 1990 administrative cost increases the amount available for prizes. Transfers to the State Gaming Revenues Fund (SGRF) in FY 1990 are estimated at \$21.0 million (based on 30.0 percent of gross retail sales).

For FY 1990, the Governor estimates \$70.0 million in sales. The Governor concurs with the Lottery's amended fiscal year state operations expenditure estimates of reduced spending submitted in early December of 1989, with a recalculation of salaries and benefits the only difference in the current fiscal year recommended expenditures. Recommended state operations expenditures are 17.5 percent of estimated FY 1990 sales. The Governor's estimate of state paid prizes apparently understates potential expenditures of paying more than 45 percent in prizes. Transfers to the SGRF are recommended at \$21.0 million as approved last Session.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations.

*HA
3-23-90
Attachment 3*

Senate Committee Recommendation

The Senate Committee concurs.

House Subcommittee Recommendation

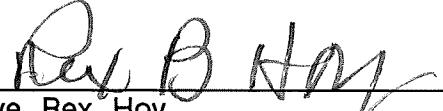
<u>Expenditure Summary</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>	<u>House Subcommittee Rec. FY 90</u>
All Funds:			
State Operations	\$ 12,269,871	\$ --	\$ 12,269,871
State Paid Prizes	7,704,000	--	7,704,000
Other Prizes and Commissions	<u>28,625,000</u>	--	<u>28,625,000</u>
TOTAL	<u>\$ 48,598,871</u>	<u>\$ --</u>	<u>\$ 48,598,871</u>
FTE Positions	121.0	--	121.0

The Subcommittee concurs with the previous recommendations, with the following exceptions:

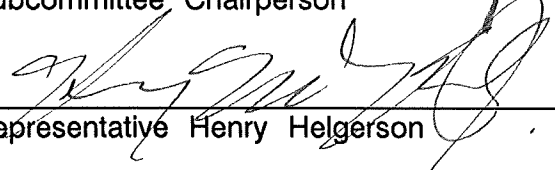
1. Lower the Governor's estimated sales of \$70.0 million in FY 1990 to a revised Lottery estimate of \$65.0 million for the current fiscal year. The resulting impact on the State Gaming Revenues Fund (SGRF) transfers is a decrease of \$1.5 million of Lottery receipts included in the Governor's FY 1990 SGRF revenue estimates.
2. Note that the cost of the Lottery's annual report has decreased from \$50,000 in FY 1989 to approximately \$5,000 this fiscal year.
3. Further note the Senate's recommendation of a bill to establish a Director of Finance position and to recombine the Director of Sales and the Director of Marketing positions into a single Director of Sales and Marketing position. The net effect of this recommendation is no increase in FTE positions and no increase in salaries since the changes will be absorbed within the existing budget.
4. Additionally note that the Lottery has made reductions in its FY 1990 state operations budget which was approved by the 1989 Legislature. Both the Governor and the Senate have concurred with those self-imposed reductions. Even with a reduction in recently revised sales estimates of \$65.0 million in the current fiscal year, the revised FY 1990 budget constitutes less than 20.0 percent of project sales. The Subcommittee notes that elimination of the weekly TV game show and a significant reduction in the Lottery's advertising budget together account for most of the reduction from \$14.384 million in approved state operations expenditures to \$12.270 million in the revised estimate. The Subcommittee believes that the \$1.2 million advertising budget for FY 1990 (reduced from \$2.6 million of approved expenditures) is compounded by the fact that G-Tech no longer provides advertising

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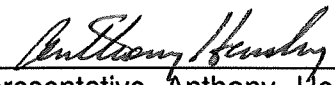
which amounted to in excess of \$1.2 million during the initial contract period ending June 30, 1989.



Representative Rex Hoy
Subcommittee Chairperson



Representative Henry Helgeson



Representative Anthony Hensley

SUBCOMMITTEE REPORT

Agency: Kansas Lottery

Bill No. 450

Bill Sec. 4

Analyst: Efird

Analysis Pg. No. 162

Budget Pg. No. 424

<u>Expenditure Summary</u>	<u>Agency^(a) Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 14,202,703	\$ 14,122,842	\$ (723,988)
State Paid Prizes	8,340,000	8,180,000	--
Other Prizes and Commissions ^(b)	<u>29,715,000</u>	<u>33,220,000</u>	--
TOTAL	<u>\$ 52,257,703</u>	<u>\$ 55,522,842</u>	<u>\$ (723,988)</u>
 FTE Positions	 121.0	 121.0	 (8.0)

- a) Amended budget submitted in December, 1989 and not reflected in 1991 Governor's Budget Report.
- b) Category of other prizes and retailer commissions includes payments which are never recorded in the State Treasury as either receipts or expenditures.

Agency Request/Governor's Recommendation

The agency estimates lottery sales of \$75.0 million next fiscal year. Expenditures for state operations are estimated at \$14.2 million and staffing of 121.0 FTE positions is requested by the Kansas Lottery. Requested state operations expenditures are 18.9 percent of gross retail sales. Transfers to the SGRF in FY 1991 are estimated at \$22.5 million (based on 30.0 percent of gross retail sales). Increased expenditures budgeted for state operations result primarily from salaries and benefits, printing, rent, and professional services, especially advertising. Reduced expenditures are attributed to the repair and service category.

For FY 1991, the Governor estimates \$70.0 million in sales. In general, the Governor concurs with the Lottery's estimated FY 1991 state operations expenditures, with the following exceptions. Increases in salaries and benefits (\$221,069) and in printing of tickets (\$327,125) are recommended at amounts greater than requested by the Lottery. Increases in professional services (\$1,188,100) and all other operating expenditures (\$5,676) are recommended at amounts below those sought by the Lottery. Recommended state operations expenditures are 20.2 percent of estimated retail sales in FY 1991. Transfers to the SGRF are recommended at \$21.0 million.

Senate Subcommittee Recommendation

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

1. Reduce 8.0 FTE positions and funding of \$165,988 to reflect elimination of four classified and four unclassified positions. The Lottery has

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averaged 12.0 to 17.0 vacant positions, or more than 10.0 percent of its authorized level of 121.0 FTE positions.

2. Reduce \$215,000 from the Governor's recommended financing for advertising, thereby providing for expenditures of \$2.0 million in FY 1991. The Subcommittee reviewed the Lottery's level "A" budget which was based on sales of \$70.0 million. That request includes \$1.7 million for advertising in FY 1991. The Subcommittee's recommendation of \$2.0 million allows additional expenditures above the "A" level for advertising activity next fiscal year.
3. Reduce \$142,000 for printing, thereby providing for expenditures of \$1.4 million in FY 1991. The Subcommittee reviewed the Lottery's level "A" budget which was based on sales of \$70.0 million. That request includes \$1.27 million for printing in FY 1991. The Subcommittee's recommendation of \$1.4 million is the agency's level "C" request and allows additional expenditures above the "A" level for printing instant tickets as well as other promotional materials next fiscal year. Instant ticket sales of \$33.0 million are included in the Lottery's FY 1991 estimate of \$70.0 million in total sales.
4. Reduce \$201,000 for contractual services due to lowering the Governor's estimate of \$40.0 million in on-line sales to \$37.0 million. The Subcommittee reviewed the Lottery's level "A" budget which was based on sales of \$70.0 million. That request includes \$2.479 million for the G-Tech commission in FY 1991. The Subcommittee's recommendation of \$2.479 million provides for paying a 6.7 percent commission to G-Tech for next fiscal year, based on \$37.0 million of on-line lotto sales as projected by the agency's "A" level budget request.
5. Recommend that a bill be introduced to establish an unclassified Director of Finance and to recombine the Director of Marketing and Director of Sales into a single position, the Director of Marketing and Sales. The Subcommittee reiterates its statement from the 1989 Session that this Director of Finance position is necessary and that the agency should move with all due speed in filling this position which has been vacant since the former Deputy Director (who served in this capacity) left in January of 1990.
6. Note that future financial audits of the Kansas Lottery will include separate reporting of financial activity of the Lottery Operating Fund and the Lottery Prize Fund as directed by the 1989 Subcommittee Report. The FY 1989 financial audit made available to the Subcommittee did not include the summary data for each separate fund.
7. Note that the Subcommittee had as one of its goals maintaining an ending balance of approximately \$2.75 million in FY 1991 as it developed its recommendations. That \$2.75 million balance originally was specified as the carryover balance for FY 1988.

Lottery Operating Fund Analysis. The revised FY 1990 budget projects an increase in estimated net receipts. Because of a reduction in approved FY 1990 expenditures and the higher estimated receipts, the carryover balance will be almost \$2.7

million. In FY 1991, the Governor's recommended expenditures are reduced \$723,988 in order to maintain an estimated carryover balance of \$2.7 million. Recommended expenditures for state operations represent 19.1 percent of estimated FY 1991 sales, while FY 1990 state operations expenditures represent 17.5 percent of estimated sales. The following table summarizes the status of the Lottery Operating Fund as adjusted for the Subcommittee's recommendations:

<u>Resource Estimate</u>	<u>Actual FY 1989</u>	<u>Estimated FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 3,072,743	\$ 1,104,360	\$ 2,691,312
Net Receipts	<u>13,152,838</u>	<u>13,856,823</u>	<u>13,420,000</u>
Total Funds Available	\$ 16,225,581	\$ 14,961,183	\$ 16,111,312
Less: Expenditures	<u>15,121,221</u>	<u>12,269,871</u>	<u>13,398,854</u>
Ending Balance	<u>\$ 1,104,360</u>	<u>\$ 2,691,312</u>	<u>\$ 2,712,458</u>

Transfers. The Subcommittee concurs with the Governor's estimates of Lottery receipts which provide revenues for the State Gaming Revenues Fund on a continuing basis.

<u>Financial Activity</u>	<u>Actual FY 89</u>	<u>Gov. Rec. FY 90</u>	<u>Gov. Rec. FY 91</u>
Estimated Sales	\$ 68,034,146	\$ 70,000,000	\$ 70,000,000
Transfers by Fund:			
To Gaming Revenues (Regular)	\$ 20,115,848	\$ 21,000,000	\$ 21,000,000
To Gaming Revenues (Special)	1,444,696	--	--
To County Reappraisal	2,835,471	--	--
TOTAL -- Transfers	<u>\$ 24,396,015</u>	<u>\$ 21,000,000</u>	<u>\$ 21,000,000</u>
Percentage of Sales	35.9%	30.0%	30.0%

Senate Committee Recommendation

The Senate Committee concurs.

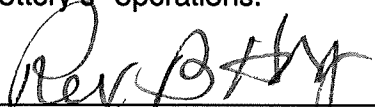
House Subcommittee Recommendation

<u>Expenditure Summary</u>	<u>Senate Rec. FY 91</u>	<u>House Subcommittee Adjustments</u>	<u>House Subcommittee Rec. FY 91</u>
All Funds:			
State Operations	\$ 13,398,854	\$ (76,354)	\$ 13,322,500
State Paid Prizes	8,180,000	--	8,180,000
Other Prizes and Commissions	<u>33,220,000</u>	<u>(5,220,000)</u>	<u>28,000,000</u>
TOTAL	<u>\$ 54,798,854</u>	<u>\$ (5,296,354)</u>	<u>\$ 49,502,500</u>
FTE Positions	113.0	(4.0)	109.0


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The Subcommittee concurs with the previous recommendations, with the following exceptions:

1. Reduce an additional 4.0 FTE positions and financing of \$76,354 for salaries and wages of 2.0 classified and 2.0 unclassified staff in order to reestablish the Lottery staffing at 109.0 FTE positions as originally authorized by the Legislature when the Lottery was established and sales of \$60.0 to \$70.0 million were estimated. The higher staffing level of 121.0 FTE positions was predicated on sales of \$80.0 to \$84.0 million being achieved.
2. Reduce from \$41.4 million to \$36.18 million the estimated payments for prizes and commissions for an adjustment of \$5.22 million to more accurately reflect the Governor's estimated sales of \$70.0 million in FY 1991 and the Governor's resource estimate for financing prizes and commissions.
3. Change next fiscal year transferring to the State Gaming Revenues Fund (SGRF) on an 11-month schedule (August to June) and count the July 1991 transfer as an FY 1992 financial transaction instead of an FY 1991 transaction which takes place after June 30, 1991. The potential exists for parimutuel moneys to be available in June 1991 to offset the reduction of one months Lottery transfer during FY 1991.
4. Complement the new Executive Director for the professional and business-like approach which he brings to the Lottery management.
5. Note that the Subcommittee intends to supplement this report later with additional comments regarding the Lottery's operations.



Representative Rex Hoy
Subcommittee Chairperson



Representative Henry Helgerson



Representative Anthony Hensley

SUBCOMMITTEE REPORT

Agency: Kansas Racing Commission **Bill No.** 558

Bill Sec. 11

Analyst: Efird

Analysis Pg. No. 167

Budget Pg. No. 464

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State Racing Fund	\$ 2,175,069	\$ 1,562,411	\$ 12,577
State General Fund	350,000	350,000	--
Spec. Revenue Funds	703,299	703,299	--
Subtotal	\$ 3,228,368	\$ 2,615,710	\$ 12,577
Other Assistance	301,800	301,800	--
TOTAL	\$ 3,530,168	\$ 2,917,510	\$ 12,577
 FTE Positions	 30.0	 26.0	 2.0

Agency Request/Governor's Recommendation

For the current fiscal year, the Commission requests an increase of \$498,601 in its approved expenditures for state operations, an additional 10.0 FTE positions, and other assistance payments of \$301,800. State operations increases above the approved levels include \$594,658 for contractual services and \$185,066 for capital outlay. No change in expenditures for commodities is requested. A reduction of \$281,123 is estimated in salaries and benefits largely due to shifting racing stewards and judges from staff costs to contractual services. An increase of \$644,370 from the State Racing Fund above the currently approved amount is requested to provide spending of \$2,175,069, including \$500,000 for the KBI.

The Governor recommends a reduction of \$113,489 in state operations expenditures during the current fiscal year. Funding for 6.0 FTE new positions is recommended for six assistant animal health officers. A shift from salaries and wages to contractual services involving compensation for racing stewards and judges is reflected in the Governor's recommendations. Commodities are reduced by the Governor's recommendation. No new funding is recommended for capital outlay. The Governor's recommendations include an increase of \$31,472 in financing from the State Racing Fund and no changes in requested funding of other expenditures for this fiscal year. The Governor's recommended funding from the State Racing Fund includes payments of \$350,000 for the KBI in the current fiscal year.

Senate Subcommittee Recommendation

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

1. Shift \$350,000 for financing the KBI Gaming Unit from an expenditure to a transfer not subject the expenditure limitation on the State Racing Fund, effective upon publication of this bill. The Governor recommends financing of \$350,000 in FY 1990 for the KBI as an expenditure from the State Racing Fund within the agency's expenditure limitation.

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Attachment 4*

2. Increase the revenue estimate from parimutuel receipts by \$887,204 based on actual experience at the two major dog tracks and on projections for the Kansas City horse track beginning in May 1990.
3. Increase expenditures from the State Racing Fund by a net of \$12,577 above the Governor's recommended expenditures and authorize an additional 2.0 FTE positions for a research analyst and office assistant. This adjustment to the Governor's recommended budget includes an increase of \$71,975 in salaries and benefits, a decrease of \$105,280 in contractual services, an increase of \$5,320 in commodities, and an increase of \$40,532 in capital outlay.

Senate Committee Recommendation

The Senate Committee concurs.

<u>Expenditure Summary</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustment</u>	<u>House Subcommittee Rec. FY 90</u>
All Funds:			
State General Fund	\$ 350,000	\$ --	\$ 350,000
State Racing Fund	1,574,988	--	1,574,988
Other Revenue Funds	<u>703,299</u>	--	<u>703,299</u>
Subtotal	\$ 2,628,287	\$ 0	\$ 2,628,287
Other Assistance	<u>301,800</u>	<u>(105,000)</u>	<u>196,800</u>
Total	<u>\$ 2,930,087</u>	<u>\$ (105,000)</u>	<u>\$ 2,825,087</u>
FTE Positions	28.0	--	28.0

House Subcommittee Recommendations

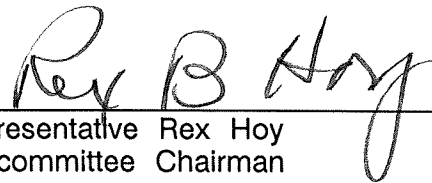
The Subcommittee concurs with the previous recommendations, with the following exceptions:

1. Identify an additional \$500,000 estimated in the State Racing Fund FY 1990 ending balance which could be transferred to the State Gaming Revenues Fund (SGRF) to partially offset the recently estimated \$1.5 million shortfall in Lottery receipts. The Governor's recommended transfer schedule in FY 1990 anticipates \$3.682 million to be transferred by June 15, 1990, and currently is included in an Agreement of Amount of Monthly Transfer executed pursuant to statute between the Director of Accounts and Reports, and the Executive Director of the Kansas Racing Commission.
2. Change the expenditure limitation on the Greyhound Breeding Development Fund from no limit to \$0 since the Racing Commission has not developed rules and regulations for reviewing, evaluating, and awarding grants for research. The Subcommittee is aware that the Racing Commission recently awarded a \$33,000 grant, but that there

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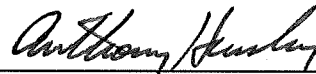
were no other applicants for awards. The Subcommittee believes that the Racing Commission must develop procedures to follow and that the public should be made aware of the availability of grants to allow for competition. The Subcommittee makes a related recommendation for this fund in FY 1991 in recommending that a proviso be included on the no limit account in order to allow expenditures from the fund after the Racing Commission has adopted rules and regulations to guide its procedures for awarding competitive grants. There is \$105,000 included as an FY 1990 expenditure under other assistance, grants and benefits. This amount could not be spent by placing a \$0 limitation on this fund.

3. Add a proviso the Horse Breeding Development Fund in FY 1990 to permit expenditures from that fund after the Racing Commission has adopted rules and regulations to guide its procedures for awarding competitive grants.



Representative Rex Hoy
Subcommittee Chairman

Representative Henry Helgerson



Representative Anthony Hensley

SUBCOMMITTEE REPORT

Agency: Kansas Racing Commission Bill No. 450

Bill Sec. 5

Analyst: Efird

Analysis Pg. No. 167

Budget Pg. No. 464

Expenditure Summary	Agency Req. FY 91	Governor's Rec. FY 91	Subcommittee Adjustments
State Operations:			
State Racing Fund	\$ 2,849,722	\$ 2,043,240	\$ 5,182
State General Fund	--	--	--
Spec. Revenue Funds	692,299	698,715	--
Subtotal	\$ 3,542,021	\$ 2,741,955	\$ 5,182
Other Assistance	609,400	609,400	--
TOTAL	\$ 4,151,421	\$ 3,351,355	\$ 5,182
FTE Positions	37.0	26.0	6.0

Agency Request/Governor's Recommendation

The Commission requests expenditure increases of \$313,653 above the revised FY 1990 estimate. The Commission's expenditure estimates do not include costs related to opening a race track at Pittsburg. The request does include an additional 7.0 FTE positions and annualized financing for new staff. The Commission requests increased funding from the State Racing Fund in FY 1991 which amounts to \$674,653.

The Governor recommends an increase of \$126,245 above the current fiscal year's expenditures for state operations. No new positions are recommended in FY 1991, but funding increases are included for salary and fringe benefit enhancements of existing staff. The Governor recommends increased funding of \$480,829 to finance state operations. The Commission's proposed financing does not include any expenditures for KBI payments in FY 1991 to be made from the State Racing Fund. The Governor's recommended financing plan appears to include \$364,000 for KBI payments to be made from the State Racing Fund in FY 1991.

Senate Subcommittee Recommendation

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

1. Shift \$364,000 for financing the KBI Gaming Unit from an expenditure to a transfer not subject the expenditure limitation on the State Racing Fund, and make quarterly transfers to the KBI. The Governor recommends financing of \$364,000 in FY 1990 for the KBI as an expenditure from the State Racing Fund within the agency's expenditure limitation.

2. Increase the revenue estimate from parimutuel receipts by \$1,655,887 based on actual experience at the two major dog tracks and on projections for the Kansas City horse track beginning in May 1990.

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- Increase expenditures from the State Racing Fund by a net of \$5,182 above the Governor's recommended expenditures and authorize an additional 6.0 FTE positions for a research analyst and an office assistant recommended in FY 1990 as well as a personnel specialist and three additional office assistants. This adjustment to the Governor's recommended budget includes an increase of \$99,951 in salaries and benefits, a decrease of \$230,238 in contractual services, an increase of \$9,745 in commodities, and an increase of \$29,359 in capital outlay.

Racing Fund Analysis. The Subcommittee recommendations include the Racing Commission's estimate of receipts and an incremental increase in the Governor's recommended expenditures in both fiscal years. Payments to the KBI are treated as transfers rather than expenditures by the Subcommittee recommendations.

<u>Resource Estimate</u>	<u>Gov. Rec. FY 1990</u>	<u>Estimated FY 1990</u>	<u>Gov. Rec. FY 1991</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 326,518	\$ 326,518	\$ 812,356	\$ 1,336,983
Net Receipts	5,730,495	6,617,699	6,851,856	8,507,743
Transfers In/(Out)	(3,682,246)	(4,032,246)	(4,538,444)	(4,902,444)
Total Available	\$ 2,374,767	\$ 2,911,971	\$ 3,125,768	\$ 4,942,444
Less: Expenditures	1,562,411	1,574,988	2,043,240	2,048,422
Ending Balance	<u>\$ 812,356</u>	<u>\$ 1,336,983</u>	<u>\$ 1,082,528</u>	<u>\$ 2,893,860</u>

Senate Committee Recommendation

The Senate Committee concurs.

<u>Expenditure Summary</u>	<u>Senate Rec. FY 91</u>	<u>House Subcommittee Adjustment</u>	<u>House Subcommittee Rec. FY 91</u>
All Funds:			
State Racing Fund	\$ 2,048,422	\$ 36,000	\$ 2,084,422
Other Revenue Funds	698,715	--	698,715
Subtotal	\$ 2,747,137	\$ 36,000	\$ 2,783,137
Other Assistance	609,400	--	609,400
Total	<u>\$ 3,356,537</u>	<u>\$ 36,000</u>	<u>\$ 3,392,537</u>
FTE Positions	32.0	--	32.0

House Subcommittee Recommendations

The Subcommittee concurs with the previous recommendations, with the following exceptions:

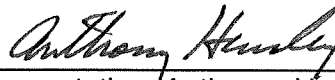
- Substitute a Supervisor of Judges and Stewards for 1.0 FTE clerical position added by the Senate, and add \$36,000 from the State Racing Fund to finance this position.

2. Recommend introduction of a bill to authorize in statute transfers from the State Racing Fund to the KBI for the purpose of financing a portion of the costs for the KBI Gaming Unit.
3. Add a proviso the Greyhound Breeding Development Fund in FY 1991 to permit expenditures from that fund after the Racing Commission has adopted rules and regulations to guide its procedures for awarding competitive grants.
4. Add a proviso the Horse Breeding Development Fund in FY 1991 to permit expenditures from that fund after the Racing Commission has adopted rules and regulations to guide its procedures for awarding competitive grants.
5. Note that approximately \$100,000 may have to be expended this fiscal from the State Racing Fund rather than from a reimbursable fund in order to pay the stewards and assistance vets at Eureka Downs. There is an expenditure limitation placed on the State Racing Fund which does not include these estimated expenditures since it was anticipated that Eureka Downs would reimburse the costs of these employees, which are estimated at \$57,000 for the fall race season and \$43,000 for the spring race season. The Racing Commission would have to absorb this extra, unbudgeted expense charged against the State Racing Fund by reducing its other operating expenditures as currently recommended, unless the expenditure limitation is increased. The Subcommittee is reluctant to recommend the increase, especially if the race track should pay any or all of the reimbursement before the end of this fiscal year. Furthermore, there is a policy issue as to whether any or all of the expense should be forgiven by the Racing Commission, in which case the forgiven expenses would be borne by the State Racing Fund. The Racing Commission has not announced any decision involving forgiving these expenses.



Representative Rex Hoy
Subcommittee Chairman

Representative Henry Helgerson



Representative Anthony Hensley

SUBCOMMITTEE REPORT

Agency: Department of Commerce Bill No. 558 Bill Sec. 12
 Analyst: West Analysis Pg. No. 173 Budget Pg. No. 110

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,992,503	\$ 7,785,889	\$ --
Local Aid	18,261,185	15,168,482	1,989,000
Other Assistance	<u>3,550,000</u>	<u>3,550,000</u>	<u>--</u>
TOTAL	<u>\$ 29,803,688</u>	<u>\$ 26,504,371</u>	<u>\$ 1,989,000</u>
State General Fund:			
State Operations	\$ 6,396,083	\$ 6,271,506	\$ --
Other Assistance	<u>1,825,000</u>	<u>1,825,000</u>	<u>--</u>
TOTAL	<u>\$ 8,221,083</u>	<u>\$ 8,096,506</u>	<u>\$ --</u>
Economic Development Initiatives Fund:			
State Operations	\$ 543,527	\$ 454,335	\$ --
Local Aid	3,468,703	376,000	1,989,000
Other Assistance	<u>1,725,000</u>	<u>1,725,000</u>	<u>--</u>
TOTAL	<u>\$ 5,737,230</u>	<u>\$ 2,555,335</u>	<u>\$ 1,989,000</u>
FTE Positions	110.0	110.0	--

Agency Request/Governor's Recommendation

State Operations. The Department of Commerce proposes an FY 1990 state operations budget for 110.0 FTE positions of \$7,992,503, including \$6,396,083 from the State General Fund, \$543,527 from the Economic Development Initiatives Fund (EDIF), and \$1,052,893 from other funding sources. The estimate reflects a decrease of \$2,000 in State General Fund expenditures and an equal increase in special revenue financed expenditures from the budget approved by the 1989 Legislature.

The Governor recommends an FY 1990 state operations budget of \$7,785,889, reflecting decreases from the agency's estimate of \$124,577 from the State General Fund and \$89,192 from the EDIF and an increase of \$7,155 from special revenue funds. Major revisions include reductions in travel (\$50,435), professional fees (\$36,521), printing \$27,135), supplies (\$15,811), and communications (\$14,640). In addition, the Governor recommends a net reduction in salaries of \$42,996, associated with revised health insurance costs, an increase in estimated turnover savings from 2.5 percent to 4 percent, and the addition of a special project position to serve as a rural economic development coordinator. Net other changes decrease total FY 1990 expenditures by \$19,066.

Local Aid. The Department of commerce estimates payments to local units of government will total \$18,261,185 in FY 1990, an amount unchanged from the budget approved by the 1989 Legislature. Grants provided under the CDBG program are estimated at \$14,042,482, while grants under the Rental Rehabilitation program are estimated at \$750,000. EDIF expenditures of \$3,468,703 are anticipated for loans to

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local units of government from the Kansas Partnership Fund (\$3,417,703) and for grants under the Main Street program (\$51,000).

The Governor estimates payments to local units of government in FY 1990 will total \$15,168,482, a reduction of \$3,092,703 from the agency's estimate. The Governor concurs with the agency's estimates for grants from the CDBG, Rental Rehabilitation, and Main Street programs. The Governor recommends that EDIF financing for the Kansas Partnership Fund be reduced from \$3,417,703 to \$325,000.

Other Assistance. The Department estimates other assistance payments of \$3,550,000 in FY 1990 for grants to Certified Development Companies (\$425,000) and Small Business Development Centers (\$275,000) and assistance under the Trade Show Assistance program (\$100,000) and the Industrial Training programs (\$2,750,000), amounts unchanged from the budget approved by the 1989 Legislature. The current-year estimate is financed by \$1,825,000 from the State General Fund and \$1,725,000 from the EDIF. The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

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

1. The Subcommittee concurs with Governor Budget Amendment No. 1 which recommends that EDIF financing for the Kansas Partnership Fund be reduced from \$3,417,703 to \$2,314,000 instead of to \$325,000 as initially recommended by the Governor.
2. Appropriate the Greyhound Tourism Fund with a zero limit on current year expenditures. The fund receives 15 percent of the unclaimed winning tickets from greyhound races as per K.S.A. 1989 Supp. 74-8822 and 8831. The Subcommittee was informed that the fund should receive some revenues in late FY 1990, although the amount is unknown at this time.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

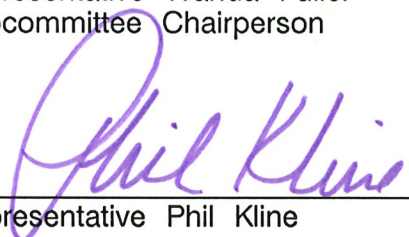
The Senate Committee of the Whole concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 7,785,889	\$ --
Local Aid	1,989,000	17,157,482	--
Other Assistance	--	3,550,000	--
TOTAL	<u>\$ 1,989,000</u>	<u>\$ 28,493,371</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ --	\$ 6,271,506	\$ --
Other Assistance	--	1,825,000	--
TOTAL	<u>\$ --</u>	<u>\$ 8,096,506</u>	<u>\$ --</u>
Economic Development Initiatives Fund:			
State Operations	\$ --	\$ 454,335	\$ --
Local Aid	1,989,000	2,365,000	--
Other Assistance	--	1,725,000	--
TOTAL	<u>\$ 1,989,000</u>	<u>\$ 4,544,335</u>	<u>\$ --</u>
FTE Positions	--	110.0	--

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Senate.


 Representative Wanda Fuller
 Subcommittee Chairperson


 Representative Phil Kline


 Representative Kenneth Francisco

SUBCOMMITTEE REPORT

Agency: Department of Commerce Bill No. 450 Bill Sec. 6
 Analyst: West Analysis Pg. No. 173 Budget Pg. No. 110

<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	\$ 11,713,709	\$ 8,004,503	\$ --
Local Aid	18,289,105	15,264,105	--
Other Assistance	<u>4,550,000</u>	<u>3,600,000</u>	<u>250,000</u>
TOTAL	<u>\$ 34,552,814</u>	<u>\$ 26,868,608</u>	<u>\$ 250,000</u>
State General Fund:			
State Operations	\$ 9,847,640	\$ 5,450,897	\$ --
Other Assistance	<u>3,100,529</u>	<u>--</u>	<u>--</u>
TOTAL	<u>\$ 12,948,169</u>	<u>\$ 5,450,897</u>	<u>\$ --</u>
Economic Development			
Initiatives Fund:			
State Operations	\$ 605,196	\$ 1,452,630	\$ --
Local Aid	3,575,000	500,000	--
Other Assistance	<u>1,449,471</u>	<u>3,600,000</u>	<u>250,000</u>
TOTAL	<u>\$ 5,629,667</u>	<u>\$ 5,552,630</u>	<u>\$ 250,000</u>
FTE Positions	138.0	112.0	(1.0)

Agency Request/Governor's Recommendation

State Operations. The Department requests \$11,713,709, including \$9,847,640 from the State General Fund, \$605,196 from the EDIF, and \$1,260,873 from other funding sources, for state operations in FY 1991. The request represents an increase from the current-year estimate of \$3,721,206, including \$3,451,557 from the State General Fund, \$61,669 from the EDIF, \$207,980 from other funding sources, and reflects the addition of \$809,860 for 28.0 FTE new positions.

The Governor recommends an FY 1991 state operations budget of \$8,004,503, including \$5,450,897 from the State General Fund, \$1,452,630 from the EDIF, and \$1,100,976 from other funding sources. The FY 1991 recommendation represents a decrease of \$820,609 from the State General Fund and increases of \$998,295 from the EDIF and \$40,928 from other funding sources when compared to the current-year recommendation. Effective in FY 1991, the Governor recommends that State General Fund appropriations for the Department be made as a single line item. The FY 1991 recommendation includes \$21,561 for a 1.0 FTE new position and conversion of a special project position to an unclassified position.

Local Aid. The Department requests \$18,289,105 for payments to local units of government in FY 1991. The request includes \$14,214,105 for grants under the Small Cities CDBG program and \$500,000 for grants under the Rental Rehabilitation program. The request also includes \$3,500,000 from the EDIF for the Kansas Partnership Fund, which provides loans to local units of government for infrastructure improvements, and

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\$75,000 from the EDIF to provide assistance to cities enrolled in the Main Street program.

The Governor recommends \$15,264,105 for payments to local units of government. The Governor concurs with the agency's estimate for CDBG grants of \$14,214,105 and recommends Rental Rehabilitation grants of \$550,000. In addition, the Governor recommends \$500,000 from the EDIF for the Kansas Partnership Fund. EDIF financing of \$51,000 for Main Street grants is recommended as a state operations expense.

Other Assistance. The Department requests \$4,550,000 in FY 1991 for grants to Certified Development Companies (CDCs) (\$750,000) and Small Business Development Centers (SBDCs) (\$350,000) and assistance under the Trade Show Assistance program (\$200,000) and the Industrial Training programs (\$3,250,000). The FY 1991 request is financed by \$3,100,529 from the State General Fund and \$1,449,471 from the EDIF. The Governor recommends \$3,600,000 from the EDIF in FY 1991 for the Industrial Training programs (\$2,750,000), CDC grants (\$425,000), SBDC grants (\$275,000), and Trade Show Assistance (\$150,000).

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's FY 1991 recommendation, with the following adjustments:

1. Change the format of the bill to reflect separate line items for State General Fund financed salaries and wages and other operating expenses.
2. The Subcommittee recommends that the Rural Development Coordinator be maintained as a special project position instead of an unclassified position. This would allow the reduction of 1.0 FTE position from the agency's position limitation.
3. Appropriate the Greyhound Tourism Fund with no limit on FY 1991 expenditures. The Subcommittee notes that K.S.A. 1989 Supp. 74-8831(c) requires that this fund be used only for the promotion of greyhound-related tourism.
4. Add \$250,000 from the EDIF for a special projects fund to allow the agency flexibility to respond to economic development opportunities which arise outside the scope of the agencies' current programs or to provide enhanced funding for agency programs which may need additional funding.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee, with the following adjustment:

1. Add \$1,250,000 from the EDIF for the Partnership Fund to provide at least \$1,750,000 for infrastructure loans.

Senate Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 8,004,503	\$ --
Local Aid	1,250,000	16,514,105	250,000
Other Assistance	250,000	3,850,000	(250,000)
Total	<u>\$ 1,500,000</u>	<u>\$ 28,368,608</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ --	\$ 5,450,897	\$ --
Other Assistance	--	--	--
Total	<u>\$ --</u>	<u>\$ 5,450,897</u>	<u>\$ --</u>
Economic Development Initiatives Fund:			
State Operations	\$ --	\$ 1,452,630	\$ --
Local Aid	1,250,000	1,750,000	250,000
Other Assistance	250,000	3,850,000	(250,000)
Total	<u>\$ 1,500,000</u>	<u>\$ 7,052,630</u>	<u>\$ --</u>
FTE Positions	(1.0)	111.0	--

House Subcommittee Recommendation

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

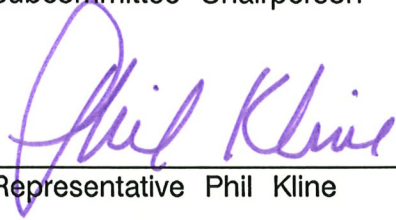
1. Change the format of the bill to reflect a single line item for State General Fund-financed state operations, as recommended by the Governor.
2. Delete the \$250,000 added by the Senate from the EDIF for a special projects fund.

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3. Add \$250,000 from the EDIF for the Partnership Fund to provide a total of \$2,000,000 for loans to local units of government in FY 1991.



Representative Wanda Fuller
Subcommittee Chairperson



Representative Phil Kline



Representative Kenneth Francisco

SUBCOMMITTEE REPORT

Agency: Kansas Technology Enterprise Corporation

Bill No. 558

Bill Sec. 13

Analyst: West

Analysis Pg. No. 195

Budget Pg. No. 392

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,212,046	\$ 1,111,640	\$ --
Other Assistance	<u>5,726,236</u>	<u>4,985,108</u>	<u>--</u>
TOTAL	<u>\$ 6,938,282</u>	<u>\$ 6,096,748</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 651,899	\$ 617,093	\$ --
Other Assistance	<u>394,620</u>	<u>394,620</u>	<u>--</u>
TOTAL	<u>\$ 1,046,519</u>	<u>\$ 1,011,713</u>	<u>\$ --</u>
Economic Development Initiatives Fund:			
State Operations	\$ 560,147	\$ 494,547	\$ --
Other Assistance	<u>5,331,616</u>	<u>4,590,488</u>	<u>--</u>
TOTAL	<u>\$ 5,891,763</u>	<u>\$ 5,085,035</u>	<u>\$ --</u>
FTE Positions	11.0	11.0	--

Agency Request/Governor's Recommendation

The Kansas Technology Enterprise Corporation (KTEC) estimates FY 1990 expenditures to be \$6,938,282, including \$1,046,519 from the State General Fund and \$5,891,763 from the Economic Development Initiatives Fund (EDIF). The Governor recommends FY 1990 expenditures of \$6,096,748 including \$1,011,713 from the State General Fund and \$5,085,035 from the EDIF.

1. **State Operations.** The FY 1990 estimate for state operations is \$1,212,046, and is financed by \$651,899 from the State General Fund and \$560,147 from the EDIF. The current year estimate reflects a decrease of \$3,172 in State General Fund financed salary expenditures and an increase of an equal amount in EDIF financed operating expenses from the budget approved by the 1989 Legislature. The agency's estimate of FTE positions is an increase of 5.0 from the number reported to the 1989 Legislature. The increase is associated with a shift of the operations of the Agriculture Value Added Processing Center to KTEC (3.0 positions) and 2.0 positions which were included in the Corporation's appeals to the 1989 Legislature but not specifically identified as new positions.

The Governor recommends an FY 1990 state operations budget of \$1,111,640, reflecting decreases of \$34,806 from the State General Fund and \$65,600 from the EDIF from the agency's estimate. Revisions from the agency's estimate include reductions in salaries (\$16,420), printing and advertising (\$38,200), travel (\$40,400), and capital outlay (\$5,386). The Governor concurs with the agency's estimate of FTE positions in the current year.

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Attachment 6

2. **Other Assistance.** The FY 1990 estimate for other assistance totals \$5,726,236, the amount authorized by the 1989 Legislature, including reappropriations from the EDIF of \$1,204,282. The Governor recommends FY 1990 other assistance payments of \$4,985,108, a reduction of \$741,128 from the agency's estimate. The recommendation reflects a reduction of \$398,128 in funding available for Small Business Innovation Research (SBIR) grants and elimination of funding for industry liaison grants (\$343,000).

3. **Seed Capital Investments.** In addition to the expenditures noted above, KTEC proposes to invest \$440,000 from the EDIF in the Ad Astra seed capital fund, the amount authorized by the 1989 Legislature. The Governor concurs with KTEC's estimate.

Senate Subcommittee Recommendation

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

1. Delete the expenditure limitation decreases recommended by the Governor in order to allow KTEC's Board of Directors to determine which programs should absorb the Governor's recommended budget cuts.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee, with the following adjustment:

1. The Committee notes that, based on updated information from the agency, the Corporation's current year expenditures are anticipated to be \$1,610,974 greater than recommended by the Governor. The Committee recommends that these expenditures be reflected in the current year and notes that this would reduce the amount of funding available for reappropriation to FY 1991.

Senate Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 100,406	\$ 1,212,046	\$ --
Other Assistance	<u>1,510,568</u>	<u>6,495,676</u>	<u>--</u>
TOTAL	<u>\$ 1,610,974</u>	<u>\$ 7,707,722</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 34,806	\$ 651,899	\$ --
Other Assistance	<u>--</u>	<u>394,620</u>	<u>--</u>
TOTAL	<u>\$ 34,806</u>	<u>\$ 1,046,519</u>	<u>\$ --</u>
Economic Development Initiatives Fund:			
State Operations	\$ 65,600	\$ 560,147	\$ --
Other Assistance	<u>1,510,568</u>	<u>6,101,056</u>	<u>--</u>
TOTAL	<u>\$ 1,576,168</u>	<u>\$ 6,661,203</u>	<u>\$ --</u>
FTE Positions	--	11.0	--

House Subcommittee Recommendation

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

1. The Subcommittee notes with concern the wide variation in estimated expenditures for the current year between the agency's initial budget submission and the information finally provided to the Senate. The Subcommittee would observe that such variations in expenditure estimates as well as a general lack of detail provided in the agency's initial budget request make it difficult for the Governor, the Legislature, and the legislative staff to obtain the information required to make informed decisions on funding for the agency. The Subcommittee would suggest to KTEC and its Board of Directors that greater attention be paid to the preparation of future budgets to be presented to the state with a particular emphasis on state budgeting and accounting procedures.

Wanda Fuller

Representative Wanda Fuller
Subcommittee Chairperson

Phil Kline

Representative Phil Kline

Ken Francisco

Representative Ken Francisco

SUBCOMMITTEE REPORT

Agency: Kansas Technology
Enterprise Corporation

Bill No. 450

Bill Sec. 8

Analyst: West

Analysis Pg. No. 195

Budget Pg. No. 392

<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	\$ 1,123,967	\$ 854,843	\$ --
Other Assistance	<u>9,658,033</u>	<u>4,051,000</u>	<u>1,150,000</u>
TOTAL	<u>\$ 10,782,000</u>	<u>\$ 4,905,843</u>	<u>\$ 1,150,000</u>
State General Fund:			
State Operations	\$ 881,000	\$ 246,073	\$ --
Other Assistance	<u>619,000</u>	<u>--</u>	<u>--</u>
TOTAL	<u>\$ 1,500,000</u>	<u>\$ 246,073</u>	<u>\$ --</u>
Economic Development Initiatives Fund:			
State Operations	\$ 242,967	\$ 608,770	\$ --
Other Assistance	<u>9,039,033</u>	<u>4,051,000</u>	<u>1,150,000</u>
TOTAL	<u>\$ 9,282,000</u>	<u>\$ 4,659,770</u>	<u>\$ 1,150,000</u>
FTE Positions	11.0	11.0	--

Agency Request/Governor's Recommendation

The Corporation requests an FY 1991 budget of \$10,782,000, including \$1,500,000 from the State General Fund and \$9,658,033 from the EDIF. The Governor recommends an FY 1991 budget of \$4,905,843, including \$246,073 from the State General Fund and \$4,659,770 from the EDIF. Of the \$4,659,770 recommended to be financed from the EDIF, \$1,600,736 would come from reappropriated FY 1990 funds. New EDIF financing of \$3,059,034 would be transferred to the agency between March and June, 1991. Effective in the current year, the Governor recommends that the State General Fund appropriation for the agency be consolidated into a single line item.

1. **State Operations.** The Corporation requests an FY 1991 state operations budget of \$1,123,967, a decrease of \$88,079 from the current year estimate. State operations expenditures for KTEC and the Kansas Agriculture Value Added Processing Center (KVAC) are requested to be financed by \$881,000 from the State General Fund and \$242,967 from the EDIF, an increase of \$229,101 in State General Fund expenditures and a decrease of \$317,180 in EDIF expenditures from the current year estimate. The Governor recommends \$854,843 for state operations in FY 1991, a decrease of \$256,797 from the current year recommendation. The FY 1991 recommendation would be financed by \$246,073 from the State General Fund and \$608,770 from the EDIF. Effective in FY 1991, the Governor recommends that KTEC be subject to a position limitation.

2. **Other Assistance.** The Corporation requests \$9,658,033 for several assistance programs in FY 1991, an increase of \$3,931,797 from the current year

estimate. The request includes \$4,262,000, including \$619,000 from the State General Fund and \$3,643,000 from the EDIF, to support the Centers of Excellence. In addition, EDIF funding totaling \$5,396,033 is requested for Research Matching Grants (\$2,716,000), Research Equipment Grants (\$400,000), KTEC special projects (\$148,000), Training Equipment grants (\$250,000), the Industry Liaison program (\$300,000), KVAC assistance grants (\$582,033), and \$1,000,000 for a KVAC special project designed to attract a regional Agricultural Commercialization Center to the state. The FY 1991 request reflects increases in financing from the State General Fund of \$224,380 and from the EDIF of \$3,707,417 compared to the current year estimate. Of the amount requested from the EDIF, \$1,466,000 is associated with approved Research Matching Grants which would be reappropriated from the current year. The Governor recommends \$4,051,000 from the EDIF for other assistance programs in FY 1991. Recommended programs include \$2,450,000 for grants to the Centers of Excellence, \$50,000 for the SBIR grant program, \$85,000 for grants through the KVAC, and \$1,466,000 in reappropriated FY 1990 funds for the Research Matching Grant program.

3. **Seed Capital Investments.** In addition to the expenditures noted above, KTEC requests \$500,000 from the EDIF in FY 1991 for a new program to invest in small startup companies to assist in the development of product prototypes and business plans. The Governor recommends no funding for seed capital investments in FY 1991.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's FY 1991 recommendation, with the following adjustments:

1. Add \$1,000,000 from the EDIF for support of the Centers of Excellence.
2. Add \$150,000 from the EDIF for support of the Kansas Agriculture Value Added Processing Center (KVAC).
3. Authorize the reappropriation of any current year savings and their expenditure in FY 1991.
4. In order to assure that adequate funds will be available to finance the operations of KTEC and KVAC in the first nine months of the fiscal year, authorize EDIF transfers of \$100,000 each month for the months of October through February, or as soon thereafter as funds are available. Other EDIF transfers for the Corporation should be made at the rate of \$1,000,000 each month for March, April, and May with the balance (\$709,034) transferred in June, or as soon thereafter as funds are available.
5. In order to allow the Corporation the maximum flexibility, reformat the appropriations bill to have two line items for EDIF expenditures -- one for KVAC (including official hospitality) and one for operations, grants, and assistance (including official hospitality).

Senate Committee Recommendation

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

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1. Based on updated information from the agency, the Committee notes that only \$50,001 of the \$1,600,736 recommended by the Governor for reappropriation to FY 1991 will actually be available to reappropriate.
2. Add \$1,606,870 from the EDIF to support KTEC and its programs. In conjunction with the above recommendations this should provide a total FY 1991 budget of \$6,074,000, the same as initially approved for FY 1990.
3. In order to assure that adequate funds will be available to finance the operations of KTEC and KVAC in the first nine months of the fiscal year, authorize EDIF transfers of \$300,000 each month for the months of July through February, or as soon thereafter as funds are available. Other EDIF transfers for the Corporation should be made at the rate of \$1,000,000 each month for March, April, and May with the balance (\$415,904) transferred in June, or as soon thereafter as funds are available.

Senate Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Senate Rec. FY 91</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 22,950	\$ 877,793	\$ --
Other Assistance	<u>1,145,207</u>	<u>5,196,207</u>	<u>--</u>
Total	<u>\$ 1,168,157</u>	<u>\$ 6,074,000</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ (37,978)	\$ 208,095	\$ --
Other Assistance	<u>--</u>	<u>--</u>	<u>--</u>
Total	<u>\$ (37,978)</u>	<u>\$ 208,095</u>	<u>\$ --</u>
Economic Development Initiatives Fund:			
State Operations	\$ 60,928	\$ 669,698	\$ --
Other Assistance	<u>1,145,207</u>	<u>5,196,207</u>	<u>--</u>
Total	<u>\$ 1,206,135</u>	<u>\$ 5,865,905</u>	<u>\$ --</u>
FTE Positions	--	11.0	--

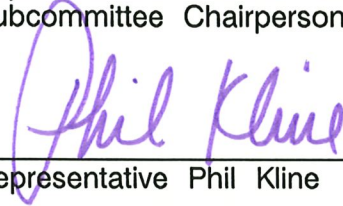
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House Subcommittee Recommendation

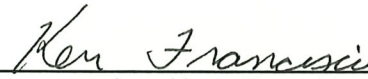
The House Subcommittee concurs with the recommendation of the Senate.



Representative Wanda Fuller
Subcommittee Chairperson



Representative Phil Kline



Representative Ken Francisco

SUBCOMMITTEE REPORT

Agency: Kansas, Inc.

Bill No. 558

Bill Sec. 37

Analyst: West

Analysis Pg. No. 192

Budget Pg. No. 370

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds	\$ 496,909	\$ 494,193	\$ 2,716
State General Fund	297,939	296,129	1,810
Economic Development Initiatives Fund	50,000	50,000	--
FTE Positions	4.0	4.0	--

Agency Request/Governor's Recommendation

The FY 1990 budget estimate for Kansas, Inc. is \$496,909, including \$297,939 from the State General Fund and \$50,000 from the Economic Development Initiatives Fund (EDIF). The current year estimate reflects an increase of \$1 from donations from the budget approved by the 1989 Legislature. The agency requests a State General Fund supplemental appropriation of \$859 to finance revised estimates of salary expenses. The requested supplemental appropriation would be offset by the lapse of an equal amount from the agency's other operating expenditures line item. Kansas, Inc. reports that revisions in the estimated expenditures for several items have been made in order to more accurately reflect anticipated expenses in the current year. Major revisions include increases in conference expenses (\$5,675), communication expenses (\$1,980), and contractual research (\$1,500), and decreases in travel (\$7,497) and capital outlay (\$3,000). Net other changes increase total expenditures by \$2,841.

The Governor recommends an FY 1990 budget for Kansas, Inc. of \$494,193, including \$296,129 from the State General Fund. The FY 1990 recommendation reflects decreases from the agency's estimate of \$1,894 in travel expenses and \$822 in salary expenses. The Governor's recommendation also includes \$148,973 in private sector donations. The Governor recommends a State General Fund supplemental appropriation of \$314 to finance the revised salary estimate.

Senate Subcommittee Recommendation

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

1. As a technical adjustment, add a supplemental State General Fund appropriation for salaries and wages of \$314 as per the Governor's recommendation.
2. Restore \$2,716 including \$1,810 from the State General Fund for other operating expenses, based on the agency's latest projection of current-year expenditures.

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Attachment 7

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
All Funds	\$ 2,716	\$ 496,909	\$ --
State General Fund	1,810	297,939	--
Economic Development Initiatives Fund	--	50,000	--
FTE Positions	--	4.0	--

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Senate.


 Representative Wanda Fuller
 Subcommittee Chairperson


 Representative Phil Kline


 Representative Ken Francisco

SUBCOMMITTEE REPORT

Agency: Kansas, Inc.

Bill No. 450

Bill Sec. 7

Analyst: West

Analysis Pg. No. 192

Budget Pg. No. 370

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds	\$ 446,909	\$ 426,909	\$ 2,500
State General Fund	297,939	284,256	1,667
FTE Positions	4.0	4.0	--

Agency Request/Governor's Recommendation

Kansas, Inc. requests an FY 1991 budget of \$446,909, including \$297,939 from the State General Fund. Total expenditures are requested to decrease by \$50,000, reflecting increases of \$3,538 for salaries and wages, and \$1,756 for travel expenses, and a decrease of \$56,021 in contractual research. Net other changes increase total expenditures by \$727. The agency reports that the State General Fund request would be matched by \$148,970 from private sources.

The Governor recommends an FY 1991 budget of \$426,384, including \$284,256 from the State General Fund, a decrease of \$67,809 from the current-year recommendation. Major revisions from the current-year recommendation include an increase of \$9,407 in salary expenses and a decrease of \$74,801 in contractual research. Net other changes decrease total expenditures by \$2,415. The Governor's recommendation also includes \$142,128 in private sector donations.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's FY 1991 recommendation, with the following adjustment:

1. Add \$2,500, including \$1,667 from the State General Fund, for capital outlay associated with the acquisition of a local area network system.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>Senate Adjustments</u>	<u>Senate Rec. FY 91</u>	<u>House Subcommittee Adjustments</u>
All Funds	\$ 2,500	\$ 429,409	\$ --
State General Fund	1,667	285,923	--
FTE Positions	--	4.0	--

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Senate.



Representative Wanda Fuller
Subcommittee Chairperson



Representative Phil Kline



Representative Ken Francisco

KANSAS NASW

National Association of Social Workers, Inc.
Chapter Office
817 West Sixth Street
Topeka, Kansas 66603

Telephone: 913-354-4804

March 14, 1990

Rep. John Solbach
284 West
State Capitol
Topeka, KS 66612

Dear Rep. Solbach:

On behalf of the Board of Directors for the Kansas Chapter of the National Association of Social Workers, I am writing **in SUPPORT of HB3002**. We are the professional organization which represents approximately 1500 professional social workers across the state, and are concerned about the implications of the Behavioral Sciences Regulatory Board being dissolved for lack of adequate finances.

It is our understanding from Dr. Marvin Kaiser - the President of the BSRB Board - that without an increase in their fees, the BSRB would cease to function within three years, and without a raise in allowed fees for application (test fees), they will be unable to give licensing tests as of Jan, 1991; this would be the end of license issuance. This is unacceptable.

As the professional organization we have been working actively within the legislature's Public Health and Welfare Committees to ensure the high standards for the profession's licensing requirements are maintained within our state. Part of the assurance for high standards is the ongoing work of an independent regulatory body. Independence of that body is mandatory to enable fair and unencumbered decisions of the ethical and professional work that licensees perform for Kansans. With a regulatory body which is NOT independent, ethical and "conflict of interest" questions automatically arise, and standards of monitoring the professionals are in question. The professional community would absolutely oppose a "state connected" regulatory body which is a real possibility if BSRB closes its doors.

Why are high standards important for the licensing of professional social workers in Kansas? The issue is somewhat complicated, but they are the same reasons that the standards for the medical community (Doctors, nurses, etc.), and the legal profession are. I doubt anyone would consider allowing a doctor to practice medicine without having passed a rigorous educational and licensing procedure for fear of allowing a "quack" to practice bad medicine within the state, or allowing an attorney to practice without the same rigorous screening. The reasoning is that the citizens of Kansas deserve protection from perhaps life threatening bad medical practice, and ill equipped lawyers. The same is true of social work.

HA
3-23-90
Attachment 8

KANSAS NASW

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Social Work licensing requirements demand a solid educational base which includes hours of supervised field practice, courses in ethics and values, course work in family dynamics, individual growth and development, and "Systems Theory" which is a comprehensive way to look at a problem/client/family/ etc. to name a few. An accredited program of social work, at both the Baccalaureate and Masters levels, must meet **national standards** for these courses and the full required curriculum. Social Work is not something that "anyone" can do, and not all "social work programs" meet the national standard. Those programs that do not, are not accredited - they are not first rate.

High standards protect the public from unqualified persons doing social work. In the SRS setting social workers make family assessments, and decisions based on those assessments, as to whether a home is safe for a child, or if the child needs to be removed; they develop a plan of action to let a child and his/her family live as high a standard of life as possible through intervention and assistance. In other settings, social workers deal in the mental health of citizens through the LSCSW licensing level. The therapeutic process is medicine for the mind. These are not things that should be put into the hands of inadequately prepared persons. Social workers are also present in schools, correctional institutions, medical facilities, and just about every setting that involves people. Standards is an issue which effects every Kansan in one way or another.

At a time when the state's social services to Kansans is coming under close scrutiny (the class action suit in litigation at this time), and the quality of services performed and the conditions under which they are performed are receiving high media coverage (please see attached article from the Kansas City Star), this seems to be the worst possible time to even consider lowering these standards in any way.

IN SUMMARY: High standards for the social work professional is of utmost importance to ensure quality services are being performed for constituents, and the maintenance of an independent regulatory body is an integral part of those standards. The Social Work Coalition, with members from almost every social work area of practice, joins NASW in this position, and the Kansas Council on Social Work Education is in the process of joining. The professional community is united on this issue, and will be active in the both the legislative process and the regulatory hearings connected with determining these fees.

8-2

KANSAS NASW

National Association of Social Workers, Inc.

Chapter Office

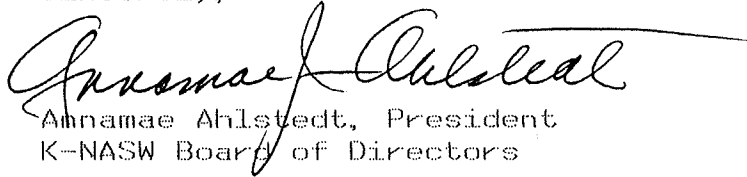
817 West Sixth Street

Topeka, Kansas 66603

Telephone: 913-354-4804

I hope this letter is informative and helpful for you and anyone you share it with. Please do not hesitate to contact me at (316)686-0512, or our Executive Director Gigi Felix at the NASW office with any questions, or for further information you may need. Thank you for your careful consideration of this matter.

Sincerely,



Annamae Ahlstedt, President
K-NASW Board of Directors

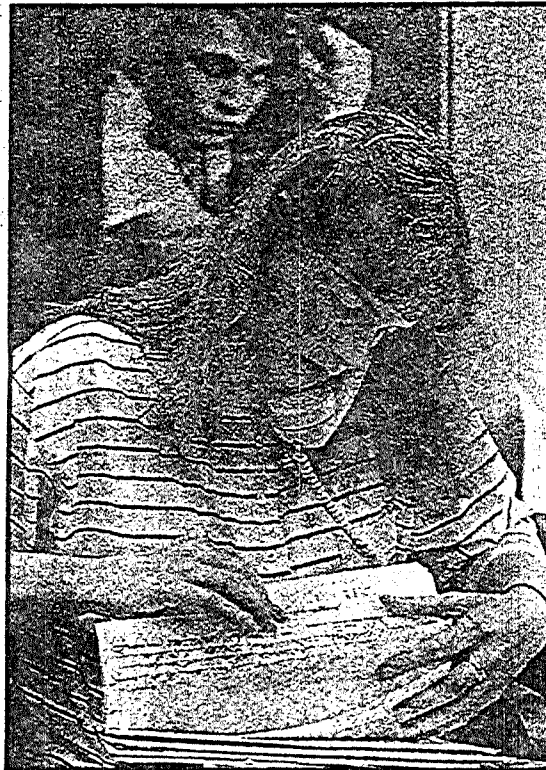
cc: K-NASW Board of Directors
Ann Weick, Dean KU School of Social Welfare &
Chair, Social Work Coalition
Kansas Council on Social Work Education

THE KANSAS CITY STAR

METROPOLITAN EDITION ★ ★

MONDAY, March 12, 1990

Caseload cripples system



JEAN SHIFRIN/The Star

Much of social worker Kristi Rinke's time is spent juggling calls and handling paperwork.

Youths suffer because Kansas social workers have too much to do.

By STEVE KRASKE
Topeka Correspondent

TOPEKA — Kristi Rinke felt like a pinball again. At noon on a recent Tuesday, the social worker for the Kansas Department of Social and Rehabilitation Services was bouncing from telephone calls to medical forms, from scheduling family visits to worrying about court reports.

And Tuesday was supposed to be slow. "I could be here until midnight and not get everything done," she said.

Rinke's frustration is shared by hundreds of state social workers, the children they serve and the American Civil Liberties Union, which sued the state last month over the quality of its foster-care system.

The ACLU contended that state social workers have been rendered virtually ineffective. The culprit: caseloads that sometimes top 100 and days spent charging from one crisis to another.

"The inevitable result of such high caseloads is that workers . . . are unable to provide children with the social work and services required by law," the ACLU suit alleged.

The result for children under the agency's care is

See **CASELOADS, A-8**, Col. 4

Caseloads called too high

Continued from A-1

an abundance of problems, current and former social workers say. Some children are left in group homes too long. Others are assigned to inappropriate programs. Still others complain about not talking to their social workers as often as they would like.

Although "crisis" cases get prompt attention, routine cases sometimes get lost.

"A lot of times, my kids have a problem they want to talk to me about, but they can't reach me," said Rinke, who lives in Lawrence and works in the Topeka office. "That's the part I regret, that I can't be there for everybody."

Social workers investigate charges of abuse and neglect, place youths in foster homes and reunite troubled families.

The crush of cases is taking a toll. Social workers are quitting in what are probably record numbers. Turnover last year reached 25 percent, compared with 15 percent in Iowa and 12 percent in Missouri.

Those who remain face trying work conditions that provide little satisfaction. Although the total number of cases coming into the system has leveled out in recent years, social workers continue to handle workloads far in excess of national standards.

For example, Social and Rehabilitation Services officials estimate that youth services workers in Kansas' large cities handle 70 cases each. The Child Welfare League of America recommends those caseloads not exceed 30.

Department officials acknowledge that the state needs more social workers to ease the strain on the staff.

"The adequate job is being done at the expense of the worker," said Jan Waide, director of the department's Children in Need of Care program.

Waide said pressure on social workers was growing because of the influx of drugs into Kansas City, Wichita and Topeka. The drugs have made for more severely troubled families and forced social workers to visit more dangerous homes.

Help may not be on the way. Department officials do not expect more money to be available next year to hire social workers, even though a task force

In a 1989 Kansas State University survey of 429 current and former state social workers:

- 59 percent considered their caseloads unmanageable.
- 70 percent said they were bogged down by paperwork.
- 35 percent said they were well trained when they began.

formed by Gov. Mike Hayden concluded in 1988 that 100 more were needed.

In the last five years, the number of social workers in the department's Youth Services division, which employs the most social workers, has increased by only 20, to 344. The number of cases during that same period has fluctuated between about 36,000 and almost 39,000.

The University of Kansas is trying to help. A committee is reviewing ways that the department can use social workers more effectively. But Ann Weick, dean of the KU School of Social Welfare, said the department would need more money.

"SRS has been underfunded," she said. "I think it's going to require a recommitment by the state and the Legislature."

As usual, Rinke ran out of time Tuesday. She took work home. Telephone calls substituted for one-on-one visits. Her "to do" list remained unfinished.

Several of those tasks involved completing paperwork that would:

- Transfer a 13-year-old Pittsburg boy from a crowded group home to a new center. The boy had waited for two weeks.

- Move a 16-year-old Topeka boy who had been in a detention center to a youth center for juvenile offenders. A mix-up between SRS, the center and the courts has caused a six-week delay.

- Buy clothes for a 13-year-old Topeka boy. The youth, assigned to a Kansas City, Kan., shelter, had worn only two pairs of jeans and a few shirts over the past two months.

Rinke, 26, graduated from KU with a bachelor's degree in social work. On her first day at the agency, she found 15 cases on her desk. She now balances 70 cases.

Rinke's only training was provided by co-workers, who guided her through her first weeks. The job wasn't what she expected.

"I thought I'd spend so much more time with my clients and families," she said.

Rinke was startled by the paper-

work, which consumes 80 percent of her time, she said. The key to keeping some semblance of control is organization, she said. Though she insists she likes her job, there are problems.

Not knowing what the next day will bring is part of it. A telephone call can send Rinke across the state to pick up a youth who has fled from a group home. Such an emergency forces her to drop other tasks until she returns.

"I do get really stressed on Sunday nights because a lot happens over the weekends," she said. "I'll admit my stomach starts turning."

Rinke's former supervisor, Donna DeDonder, transferred to another position in the social services department in December after work pressures caught up with her. She was frustrated by growing caseloads and a lack of facilities for troubled youths.

"I was to the point where I was having headaches and not feeling well," DeDonder said.

Others were embittered by an unrelenting sense that the system had failed its youths.

Nancy Meinhardt, who worked for the department in Topeka for nearly three years until 1988, complained that decisions were based on financial constraints and not the children's needs.

"The kids understood the difference," Meinhardt said. "The kid feels you're passing the buck, that you don't really care for him."

Vettra Ford worked with juvenile offenders in Topeka in 1988 and 1989. She recalled her caseload topping 120.

"The way it was set up, I felt like I was on a treadmill where I would never see daylight," she said. "You're so overwhelmed."

Eventually, social workers quit caring, Ford said.

"It happened with everybody. It's a sense of powerlessness," she said. "You find yourself dissolving in tears. You find yourself sitting at your desk, just crazy. It happens to anybody who cares."

Proposed Minimum
Statutory Maximum
Increases

HOUSE BILL No. 3002

By Committee on Appropriations

2-14

9 AN ACT concerning the behavioral sciences regulatory board; re-
10 relating to maximum fees for examinations, applications, renewals
11 and reinstatements administered by the board; amending K.S.A.
12 74-5311 and K.S.A. 1989 Supp. 65-5808, 65-6314, 74-5310, 74-
13 5319, 74-5339, 74-5349, 74-5365 and 74-5367 and repealing the
14 existing sections.
15

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

17 Section 1. K.S.A. 1989 Supp. 65-5808 is hereby amended to read
18 as follows: 65-5808. (a) The board shall fix by rules and regulations
19 the following fees:

Professional Counselors

- 20 (1) For application for registration, not more than ~~\$75 \$250,~~ \$ 100
- 21 (2) for examination, not more than ~~\$100 \$250,~~ 150
- 22 (3) for renewal of a registration, not more than ~~\$75 \$250,~~ 100
- 23 (4) for reinstatement of a registration, not more than ~~\$75 \$250,~~ 100
- 24 (5) for replacement of a registration, not more than \$20;
- 25 (6) for application for endorsement in a specialty, not more than
26 ~~\$100 \$250;~~ and 100
- 27 (7) for biennial renewal for endorsement in a specialty, not more
28 than ~~\$100 \$250;~~ 100

29 (b) Fees paid to the board are not refundable.

30 Sec. 2. K.S.A. 1989 Supp. 65-6314 is hereby amended to read
31 as follows: 65-6314. The following license and examination fees shall
32 be established by the board by rules and regulations in accordance
33 with the following limitations:

Social Workers

- 34 (a) Renewal fee for a license as a social work associate shall be
35 not more than ~~\$75 \$250.~~ \$ 100
- 36 (b) Application or renewal fee for a license as a baccalaureate
37 social worker shall be not more than ~~\$75 \$250.~~ 100
- 38 (c) Application or renewal fee for a license as master social worker
39 shall be not more than ~~\$75 \$250.~~ 100
- 40 (d) Application or renewal fee for a license in a social work spe-
41 cialty shall be not more than ~~\$75 \$250.~~ 100
- 42 (e) Examination fee for a license as a baccalaureate social worker,
43 for a license as a master social worker or for a license in a social

Attachment 9
3-23-90
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150

work specialty shall be not more than ~~\$75 \$250~~. If an applicant fails an examination, such applicant may be admitted to subsequent examinations upon payment of an additional fee prescribed by the board of not more than ~~\$75 \$250~~.

150

(f) Replacement fee for reissuance of a license certificate due to loss or name change shall be not more than \$20.

(g) Temporary license fee for a baccalaureate social worker, master social worker or a social work specialty shall be not more than \$50.

Sec. 3. K.S.A. 1989 Supp. 74-5310 is hereby amended to read as follows: 74-5310. (a) The board shall issue a license as a psychologist to any person who pays a fee prescribed by the board, not in excess of ~~\$100 \$250~~, which shall not be refunded, who either satisfies the board as to such person's training and experience after a thorough review of such person's credentials or who passes a satisfactory examination in psychology. Any person paying the fee must also submit evidence verified by oath and satisfactory to the board that such person: (1) Is at least 21 years of age; (2) is of good moral character; (3) has received the doctor's degree based on a program of studies in content primarily psychological from an educational institution having a graduate program with standards consistent with those of the state universities of Kansas, or the substantial equivalent of such program in both subject matter and extent of training; and (4) has had at least two years of supervised experience, a significant portion of which shall have been spent in rendering psychological services satisfying the board's approved standards for the psychological service concerned.

Ph.D. Psychologists

\$150

(b) The board shall adopt rules and regulations establishing the criteria which an educational institution shall satisfy in meeting the requirements established under item (3) of subsection (a). The board may send a questionnaire developed by the board to any educational institution for which the board does not have sufficient information to determine whether the educational institution meets the requirements of item (3) subsection (a) and rules and regulations adopted under this section. The questionnaire providing the necessary information shall be completed and returned to the board in order for the educational institution to be considered for approval. The board may contract with investigative agencies, commissions or consultants to assist the board in obtaining information about educational institutions. In entering such contracts the authority to approve educational institutions shall remain solely with the board.

Sec. 4. K.S.A. 74-5311 is hereby amended to read as follows: 74-5311. Examinations for applicants under this act shall be held by

eb

1 the board from time to time but not less than once each year. The
 2 board shall adopt rules and regulations governing the subject, scope,
 3 and form of the examinations or shall contract with a national testing
 4 service to provide an examination approved by the board. The board
 5 shall prescribe an initial examination fee not to exceed ~~\$200~~ \$250. \$ 250
 6 If an applicant fails the first examination, such applicant may be
 7 admitted to any subsequent examination upon payment of an addi-
 8 tional fee prescribed by the board not to exceed ~~\$200~~ \$250. \$ 250 The
 9 examination fees prescribed by the board under this section shall
 10 be fixed by rules and regulations of the board.

11 Sec. 5. K.S.A. 1989 Supp. 74-5319 is hereby amended to read
 12 as follows: 74-5319. Upon receipt of such application blank, a licensee
 13 shall fill out, sign and forward the application to the board, together
 14 with a renewal fee fixed by rules and regulations of the board of
 15 not to exceed ~~\$200~~ ~~\$250~~ 200. Upon receipt of such application and fee,
 16 the board shall issue a renewal license for the period commencing
 17 on the date on which the license is issued and expiring on June 30
 18 of the next even-numbered year. Initial licenses shall thus be for
 19 the current biennium of registration.

20 Sec. 6. K.S.A. 1989 Supp. 74-5339 is hereby amended to read
 21 as follows: 74-5339. After one year from the date of a revocation of
 22 a license, an application for reinstatement may be made to the board,
 23 and it may order such reinstatement. The board shall prescribe by
 24 rules and regulations a reinstatement fee of not to exceed ~~\$200~~ ~~\$250~~ 200.
 25

26 Sec. 7. K.S.A. 1989 Supp. 74-5349 is hereby amended to read
 27 as follows: 74-5349. (a) In accordance with the provisions of this
 28 section, the board may establish specialties within the practice of
 29 psychology and provide for the endorsement of certified psychologists
 30 in such specialties. The board shall adopt rules and regulations ap-
 31 plicable to the endorsement of specialties which:

32 (1) Establish categories of specialties within the practice of psy-
 33 chology which are consistent with specialties recognized by the
 34 profession of psychology;

35 (2) establish education, training and qualifications necessary for
 36 endorsement for each category of specialty established by the board
 37 at a level adequate to assure the competent performance by certified
 38 psychologists of the specialty such person is authorized to perform;
 39 and

40 (3) define each category of specialty established under this section
 41 and establish limitations and restrictions on each category, as ap-
 42 propriate. The definition of each category of specialty established
 43 under this paragraph (a)(3) shall be consistent with the education,
 training and qualifications required to obtain an endorsement in that

9-3

1 category of specialty and shall be consistent with the protection of
2 the public health and safety.

3 (b) The board may fix by rule and regulation an application fee
4 for endorsement in a specialty and shall fix a biennial renewal fee
5 for endorsement in a specialty. The application fee and biennial
6 renewal fee shall not exceed ~~\$100 \$250~~. Any such fee shall be in
7 addition to other fees collected by the board under the certification
8 of psychologists act.

\$ 150

9 (c) A certified psychologist holding an endorsement from the
10 board in a specialty within the practice of psychology may represent
11 to the public that such person is endorsed in such specialty. It shall
12 be unlawful for any person not endorsed in a specialty within the
13 practice of psychology to intentionally represent to the public that
14 such person is endorsed in such specialty.

15 (d) This section shall be part of and supplemental to the certi-
16 fication of psychologists act of the state of Kansas.

17 Sec. 8. K.S.A. 1989 Supp. 74-5365 is hereby amended to read
18 as follows: 74-5365. The application and renewal fee for registration
19 under this act shall be fixed by the board by rules and regulations
20 in an amount not to exceed ~~\$100 \$250~~.

Registered Masters Level Psychologists
(Keep current fees]

\$ 100

21 Sec. 9. K.S.A. 1989 Supp. 74-5367 is hereby amended to read
22 as follows: 74-5367. (a) The board may issue a temporary permit to
23 practice as a registered masters level psychologist to any person who
24 pays a fee prescribed by the board under this section, which shall
25 not be refunded, and who: (1) Meets all the requirements for reg-
26 istration under this act as a registered masters level psychologist,
27 but whose application for registration is pending; or (2) meets all
28 the requirements for registration under this act as a registered mas-
29 ters level psychologist except the requirement of postgraduate su-
30 pervised work experience or current employment, or both.

31 (b) A temporary permit issued by the board under clause (1) of
32 subsection (a) shall expire at such time as final action on the appli-
33 cation is completed, but all such temporary permits shall expire one
34 year after the date of issuance of the permit. A temporary permit
35 issued by the board under clause (2) of subsection (a) shall expire
36 six months after the date of issuance and may be renewed for one
37 additional six-month period if the board finds that satisfactory prog-
38 ress toward the supervised experience requirement is being met.

39 (c) The board shall fix by rules and regulations fees for application
40 and renewal of each type of temporary permit under this section.
41 The application and renewal fee shall not exceed ~~\$100 \$250~~ except
42 that the fee for application for and renewal of the two-year temporary
43 permit under clause (1) of subsection (a) shall not exceed ~~\$200 \$500~~.

\$ 100

\$ 200

9-4

1 (d) The application for a temporary permit may be denied or a
2 temporary permit which has been issued may be suspended or re-
3 voked on the same grounds as provided for suspension or revocation
4 of a registration under K.S.A. ~~1987~~ 1989 Supp. 74-5369 and amend-
5 ments thereto.

6 Sec. 10. K.S.A. 74-5311 and K.S.A. 1989 Supp. 65-5808, 65-
7 6314, 74-5310, 74-5319, 74-5339, 74-5349, 74-5365 and 74-5367 are
8 hereby repealed.

9 Sec. 11. This act shall take effect and be in force from and after
10 its publication in the Kansas register.

||

9-5

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

March 12, 1990

TO: Representative John Solbach
FROM: Laura Howard
RE: Behavioral Sciences Regulatory Board

Attached is a bill balloon developed in consultation with Mary Ann Gaboi. The balloon represents the minimum statutory maximum fees which she believes is necessary at this time. As you will note, the proposed increases will resolve some of the problems experienced by the Board due to increases in examination costs.

You will also note that the balloon proposes that no changes be made to current statutory maximums for Registered Masters Level Psychologists. In the case of Professional Counselors, some of the proposed changes on the balloon would also revert back to the current statutory maximum.

Basically, the bill balloon would provide a \$25 statutory maximum increase for social worker applications and renewals, and a \$75 increase in social worker examination fees. For Ph.D. psychologists, the bill balloon provides for a \$50 increase in license and application fees.

If you have further questions, please give me a call.

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3-23-90
Attachment 10