

Approved 5-11-90
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntin at
Chairperson

9:10 a.m./~~p.m.~~ on April 17, 1990 in room 514-S of the Capitol.

All members were present except: Representatives Heinemann and Kline (both excused)

Committee staff present: Ellen Piekalkiewicz, Debra Duncan, Paul West, Laura Howard, Julian Efird, Diane Duffy, Leah Robinson, Russ Mills, Alan Conroy, Carolyn Rampey, and Kathy Porter, Kansas Legislative Research Dept. Jim Wilson, Revisor of Statutes Sharon Schwartz, Administrative Aide Sue Krische, Committee Secretary

Conferees appearing before the committee:

Chairman Buntin distributed copies of the Governor's Budget Amendments (Attachment 1) and asked the subcommittees to review those items pertaining to their budgets. The meeting was recessed until 10:30 a.m.

Chairman Buntin reconvened the meeting at 10:35 a.m. He advised that on Monday, April 23, the Committee will meet at 1:30 p.m. for hearings on a number of bills still on the calendar. The Omnibus bill should be received from the Senate on Thursday, April 26, and will be considered in Committee, at which time adjustments could be made to the House position.

Governor's Budget Amendments (GBA)

Board of Tax Appeals--The Subcommittee advised that \$105,932 for relocation expenses has been added to the budget and the Committee approved the addition of \$6,685 for a computer printer.

Department of Revenue--Item 565-10-1 - The Commercial Drivers' License Program was taken care of in the Omnibus bill.

Items 565-10-2 and 565-10-3 - The Committee concurred with these items.

Homestead Property Tax Refund--Residential Circuit Breaker - The Committee concurred with the \$2 million from the State General Fund for FY90, but did not approve the \$1 million EDIF for FY90. The Subcommittee earlier this session took \$6.5 million out of the residential circuit breaker and now recommends lapsing \$8,787,000 in FY90 which would total the Governor's FY90 figure from the State General Fund of \$15,287,000.

Department of Transportation--The Committee concurred with all three amendments to the KDOT budget.

Kansas State University--Storage Shed Replacement - The Committee approved \$18,000 to replace this building destroyed by a tornado.

Regents Institutions--The Committee has previously made a decision on the General Fees Fund and so did not act on this item.

Board of Barber Examiners--The Committee did not approve this budget amendment for the Omnibus bill.

Insurance Department--The Committee handled the implementation of HB 3027 and HB 2610 during Omnibus deliberations yesterday, funding two-thirds of \$34,732 for one position.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,

room 514-S, Statehouse, at 9:10 a.m./~~p.m.~~ on April 17, 1990

Department of Education--All the items under the Department of Education have been handled during Omnibus deliberations. The Committee is remaining with its position on Special Education and Transportation Aid.

Board of Agriculture--The Committee concurred with all three items pertaining to the Board of Agriculture.

Department of Wildlife and Parks--The Committee concurred with all five items--710-1, 710-2, 710-3, 710-4, and 710-5.

Department of Health and Environment--The Committee concurred with item 264-3 regarding health care facilities licensure, including the addition of 15 FTE positions and \$728,667 from federal funds. In response to a question, Representative Lowther stated he believes the number of added positions was determined by the available federal funds. Representative Goossen expressed concern that the increased nursing home inspections funded in this program will translate to increased demands in the SRS budget for nursing home expenditures from the State General Fund. He does not feel the OBRA requirements warrant 15 new positions. Representative Goossen made a motion to delete the 15 new inspectors. Representative Moomaw seconded. The motion carried.

Items 264-5 and 264-6 - The Committee concurred with these items which, in each case, is a change in source of funds.

Item 264-4 - Regarding AIDS Education and Risk Reduction, Representative Lowther stated this loss of federal funds is the result of Kansas not implementing the AIDS program soon enough to comply with federal guidelines. Representative Wisdom moved that a decision on this item be deferred until the subcommittee receives further information on the program. Representative Chronister seconded. Motion carried. Following a recess, the Subcommittee reported that a rearrangement of funds in this program is necessary to conform with Federal intent. An additional \$209,776 State General Fund is necessary to continue the funding for four positions. The Committee approved this item for inclusion in the Omnibus bill.

Item 264-11 - This item regarding Immunization funding was handled in Conference Committee.

The meeting was recessed at 11:50 a.m.

Afternoon Session

Chairman Buntin reconvened the meeting at 1:35 p.m. and the Committee resumed consideration of the Governor's Budget Amendments (see Attachment 1).

Kansas Water Office--Items 709-2 and 709-3 were approved by the Committee previously. In addition, the Committee added \$5,000 State General Fund to the Water Office budget needed to access the U.S. Geological Survey.

Department of Administration--The Committee concurred with item 173-1 creating a no-limit "Children and Families Fund."

Kansas Corporation Commission--The moving expenses in Item 143-1 were handled by the Committee previously.

Board of Indigents' Defense Services--In Item 328-1, the Committee approved the addition of \$243,000 specifying that \$57,000 is to be used to fund two positions at the Wichita Public Defenders

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations

room 514-S, Statehouse, at 9:10 a.m./~~p.m.~~ on April 17, 1990

office. The Subcommittee noted that the Legislature is already \$106,000 above the Governor's budget, so the \$243,000 now approved brings the increase to \$350,000 per the Governor's budget amendment.

Department of Social and Rehabilitation Services--The Committee approved GBA Items 628-23, 628-37, 628-11, 628-12 and 628-20.

Regarding Item 507-1 pertaining to Parsons' certification, Representative Vancrum advised that for FY90 the Legislature is \$538,000 over the Governor's budget and for FY91, the conference committee is apparently \$474,000 over the Governor. The Subcommittee recommends adopting the Governor's position in this GBA on Parsons and adopting the original Governor's budget recommendation on KNI and Winfield. In response to a question, Representative Vancrum stated the agency's GBA request to the Governor was \$210,295 for FY90 and \$848,965 for FY91, which is substantially below the amount appropriated in the bill now on the Governor's desk. The effect of adopting the Governor's position on the mental retardation hospitals will be budget reductions in the Omnibus bill for these institutions. Representative Gatlin made a motion not to accept the subcommittee report to adopt the Governor's GBA position on Parsons and the Governor's original budget recommendation on KNI and Winfield. Representative Brady seconded. Motion carried.

Item 628-15 - The Committee concurred with this item on mental health reform.

Item 507-2 - The Committee did not approve this item adding \$100,000 State General Fund for Osawatomie salaries and wages.

Item 628-35 - The Committee did not approve the addition of \$467,528 for Administrative Services Communications, but approved putting \$467,528 State General Fund for FY91 into foster care caseloads.

Items 628-32, 628-14, and 628-22 - The Committee approved these items.

Items 628-10 and 628-13 - The Committee approved these items which are in the Senate version of the SRS bill.

Item 628-4 - The Committee approved this item.

Item 628-18 and 319-1 - The Committee concurred with these items.

Item 628-33 - The Committee approved this item which is in the Senate version of the SRS bill in a slightly lower amount.

Items 628-9, 628-6, 628-5, and 628-28 - The Committee approved these items.

Item 628-26 agrees with the Senate version of the SRS bill and the Committee approved these figures.

Item 628-27 - Federal Foster Care Funds - The Committee was advised that the \$560,143 in federal funds are not available for FY90, so State General Funds for foster care will have to remain in place. The Committee concurs with the Governor for FY91 in which \$542,642 in federal funds can be used to replace State General Funds per this GBA.

Department of Commerce--Item 300-2 shifts the funding source for the KIT Program Coordinator to the EDIF. Representative

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
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Mead moved not to approve GBA 300-2. Representative Lowther seconded. Representative Chronister made a substitute motion that the agency shift funding internally to pay the KIT Program Coordinator so that the money does not come out of the EDIF. Representative Fuller seconded. Motion carried.

Item 300-3 - Adjustment of Partnership Funds - The Committee concurred with the Governor in FY90, but did not concur in FY91, electing to stay with the Conference Committee position of \$1.25 million for partnership projects.

Item 300-4 - The Committee concurred, as the recommendation in this item has already been done.

The Committee was recessed until 3:30 p.m. for a short break.

Department of Corrections--Items 521-9, 521-2, 696-1, 313-1, 525-1, 521-6, 521-7, 521-5, 521-4, 521-8, 521-10, and 521-3--The Committee approved all these items, of which a number were simply funding shifts.

State Treasurer--Adjustments to the Ad Valorum Tax Reduction Fund demand transfer and the County-City Revenue Sharing Fund demand transfer need no action, as these are already reflected in the Revenue numbers.

Adjutant General--Items 034-1, 034-2 and 034-3 - The Committee concurred on these items.

State Fire Marshal--The Committee concurred on this item.

Commission on Veterans' Affairs--The Committee concurred with the Governor on this item.

Chairman Buntin concluded consideration of the Governor's Budget Amendments and turned to final consideration of "Items for Omnibus" (see Attachment 1 to the minutes of April 16, 1990).

STATE FIRE MARSHAL--Item A - The Committee approved the transfer of an attorney from the Attorney General's Department to the State Fire Marshal and approved the addition of \$1,500 State General Fund to the Fire Marshal's budget for travel.

Item B was taken care of in consideration of the Governor's budget amendments.

KANSAS BUREAU OF INVESTIGATION--Representative Solbach expressed concern that a DNA testing lab at the KBI may encourage excessive use of this technology which is still imperfect. He asked the Conference Committee to review a report they have been given on this technology.

STATE CONSERVATION COMMISSION--Representative Turnquist advised that the Conservation Commission needs \$3,300 additional funding for rent, due to a new lease. The Committee approved \$3,300 for rent in FY90.

ADJUTANT GENERAL--Representative Hoy advised that the Adjutant General can get a 4-to-1 federal match for \$20,000 maximum funding for the Emergency Response--Community Right-to-Know Act. He recommended approval of \$20,000 as a line item for this purpose with the proviso that the money could not be spent unless they receive the federal match. Representative Hoy will look into this further and bring it up on final consideration of the Omnibus bill when it is received from the Senate.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
room 514-S, Statehouse, at 9:10 a.m. ~~p.m.~~ on April 17, 1990.

WICHITA STATE UNIVERSITY--Representative Fuller advised that private funds in the amount of \$104,000 have been raised in Wichita for establishment of a patent library at Wichita State University. She advised that \$30,206 State General Fund would be needed to staff the library position. Chairman Bunten noted the bill establishing the patent library is in Appropriations and there are a number of communities that want the library.

FORT HAYS STATE UNIVERSITY--Representative Teagarden pointed out that Fort Hays has been unfairly penalized by the use of their 1989 shrinkage rate, which was abnormally high, in figuring current shrinkage. Representative Teagarden suggested adding \$90,000 back into Fort Hays' budget to reduce their shrinkage rate. Chairman Bunten requested that Representative Teagarden defer this matter now and bring it up in Conference Committee.

EMPORIA STATE UNIVERSITY--Representative Vancrum noted that Emporia State is \$15,000 lower as a result of Conference Committee decisions and this is in addition to the \$270,000 loss in their budget under the new formula. The Subcommittee recommended the addition of \$135,350 to the Emporia State base budget to make up half the shortfall.

Representative Chronister asked staff to draft a memorandum showing status of the universities as a result of Conference Committee decisions. These matters will be considered in Committee again in final deliberations on the Omnibus bill.

The next meeting will be Monday, April 23, at 1:30 p.m. The meeting was adjourned at 4:30 p.m.

STATE OF KANSAS



DIVISION OF THE BUDGET

MIKE HAYDEN,
Governor
MICHAEL F. O'KEEFE
Director of the Budget

Room 152-E
State Capitol Building
Topeka, Kansas 66612-1575
(913) 296-2436

April 16, 1990

The Honorable Gus Bogina, Chairperson
Committee on Ways and Means
Senate Chamber
Third Floor, Statehouse

and

The Honorable Bill Buntten, Chairperson
Committee on Appropriations
House of Representatives
Third Floor, Statehouse

Gentlemen:

The Governor recommends the attached changes to his budget recommendations. The changes, shown below, include approximately \$1.1 million in FY 1990 and \$3.7 million in FY 1991 in increased demand transfers resulting from the April 4 revised revenue estimate.

	<u>State General Fund</u>	<u>All Funds</u>
FY 1990	\$(11,362,369)	\$(4,046,933)
FY 1991	18,105,542	30,037,855

HA
4-17-90
Attachment 1

Amendments to the Governor's Budget Report

		FY 1990	FY 1990	FY 1991	FY 1991	
		<u>State General Fund</u>	<u>All Funds</u>	<u>State General Fund</u>	<u>All Funds</u>	
562	2	Board of Tax Appeals	\$0	\$0	\$105,932	\$105,932
Department of Revenue						
565	1	Commercial Drivers License Program	0	(217,620)	0	0
565	2	Retirement Costs	100,000	100,000	0	0
565	4	Temporary Salaries	0	0	100,000	100,000
565	20	Residential Circuit Breaker	(15,287,000)	(14,287,000)	0	(3,555,000)
Department of Transportation						
276	1	Sales Tax Demand Transfer	360,000	0	749,000	0
276	2	Comprehensive Highway Program Expenses	0	932,900	0	160,492
276	4	Motor Carrier Tax Demand Transfer	81,000	81,000	0	0
367		Kansas State University Storage Shed	0	30,000	0	0
561		Regents General Fees	317,096	0	(1,106,533)	0
100		Board of Barber Examiners	0	0	0	14,351
Insurance Department						
331	1	HB 3027	0	0	34,732	34,732
331	2	HB 2610	0	0	34,732	34,732
Department of Education						
652	5	Federal Drug Abuse Fund	0	0	0	1,935,248
652	8	School District Income Tax Rebate	673,693	673,693	2,900,000	2,900,000
652	4	Special Education and Transportation	583,449	583,449	4,979,496	4,979,496
652	6	Parent Education Program	0	0	44,516	44,516
652	7	Outcomes Based Education	0	0	44,516	44,516
Board of Agriculture						
046	2	Dairy Fee Fund	0	0	(74,045)	0
046	3	Federal Programs	0	0	0	98,108
046	4	Water Resources	0	0	0	52,476
Wildlife and Parks						
710	1	Lovewell Tornado Damage	0	127,000	0	0
710	2	Cheyenne Bottoms Waterfowl Area	0	1,627,000	0	0
710	3	Ford County Lake Renovation	0	95,325	0	0
710	4	El Dorado Habitat Center	0	0	0	37,500
710	5	Management Analysis	3,570	3,570	44,872	44,872
Health and Environment						
264	3	Health Care Facilities Licensure	0	0	(161,516)	853,118
264	4	AIDS Education and Risk Reduction	0	1,415	209,776	15,995
264	11	Immunization Contingency Funding	0	0	150,000	150,000
Water Office						
709	2	Rental Costs	0	0	22,054	22,054
709	3	Court-ordered Position	15,795	16,573	54,329	54,329
143		KCC Moving Expenses	0	108,297	0	0
328	1	Indigents' Defense Services	0	0	350,000	350,000

Amendments to the Governor's Budget Report

		FY 1990	FY 1990	FY 1991	FY 1991
		<u>State General Fund</u>	<u>All Funds</u>	<u>State General Fund</u>	<u>All Funds</u>
628	Social and Rehabilitation Services				
628 23	Foster Care Lawsuit	0	0	300,000	300,000
628 37	Medical Assistance Mandates	0	0	7,508,838	16,040,973
628 11	Medicaid Management Info System Contract	690,640	2,166,262	0	0
628 12	Drug Formulary Funding	921,249	2,083,333	0	0
628 20	Hospital Utilization Review Contract	194,456	667,547	(58,260)	(200,000)
507 1	Parsons Certification	210,295	210,295	391,402	391,402
628 15	Mental Health Reform	0	0	1,027,443	1,317,000
507 2	Osawatomie Salaries and Wages	100,000	100,000	0	0
628 35	Communications	0	0	467,528	887,149
628 32	Youth Services Federal Grants	0	285,484	0	0
628 14	HCBS Homecare Federal Funding	0	829,929	0	0
628 22	Community Services Block Grant	0	164,000	0	0
628 10	Hospital Rate Review Settlement	155,130	293,473	140,886	266,527
628 4	Medical Administration Technical Adjustment	83,424	0	87,162	0
628 13	Blind Vending Stand Capital Outlay	0	6,080	0	67,500
628 18	Disability Determination Capital Outlay	0	45,160	0	27,924
319 1	Youth Center Topeka Education Contract	0	0	205,730	205,730
628 33	AFDC State Only	506,350	506,350	0	0
628 9	KAECSES Certificate of Participation	0	1,405,213	0	1,405,213
628 5	Federal Crime Victims Grant	0	143,500	0	143,500
628 28	Developmental Disability Grant Funds	0	206,868	0	0
628 26	KanWork Program Savings	(809,667)	(1,876,116)	0	0
628 27	Federal Foster Care Funds	(560,143)	0	(542,642)	0
300 3	Commerce Partnership Program	0	(1,514,000)	0	500,000
	Corrections				
521 2	Inmate Medical Contract	262,313	262,313	0	0
521 5	Federal Drug Abuse Expenditures	0	767	0	6,716
521 4	Game Bird Capital Project Correction	45,801	45,801	0	0
521 3	Adult Basic Education Federal Funds Program	0	0	0	16,000
	State Treasurer - Demand Transfers				
670 1	Local Ad Valorem Tax Reduction Fund	(20,000)	(20,000)	129,000	129,000
670 2	City-County Revenue Sharing Fund	0	0	(30,000)	(30,000)
	Adjutant General				
034 1	Firefighters Holiday Pay	0	96,006	0	35,442
034 2	Firefighter Salaries	0	31,315	0	30,312
034 3	Emergency Preparedness Deputy Director	3,939	7,877	0	0
234 1	State Fire Marshal - Indirect Cost Recovery	6,241	0	(3,406)	0
694 1	Commission on Veterans Affairs Capital Project	0	(69,992)	0	20,000
	Total	(\$11,362,369)	(\$4,046,933)	\$18,105,542	\$30,037,855

Governor's Amended Budget Recommendations

State General Fund <i>(data in millions)</i>	<u>FY 1990</u>	<u>FY 1991</u>
Beginning Balance	\$371.4	\$239.4
Plus: Original Revenue Estimate	\$2,298.1	\$2,337.4
April 4 Consensus Revisions	(15.1)	5.9
Total Revenues	\$2,283.0	\$2,343.4
Minus: Recommended Expenditures	\$2,420.0	\$2,458.7
February Amendment	6.3	(7.5)
April Amendment	(11.4)	18.1
Total Expenditures	\$2,414.9	\$2,469.3
Ending Balance	\$239.4	\$113.5
As Percent of Expenditures	9.9%	4.6%
Summary Data		
<i>Revenues Change</i>	<i>2.5%</i>	<i>2.6%</i>
<i>Expenditures Change</i>	<i>11.8%</i>	<i>2.2%</i>

All Funds <i>(data in millions)</i>		
Recommended Expenditures	\$4,905.4	\$5,044.7
February Amendment	(11.6)	(9.4)
April Amendment	(4.0)	30.0
Total Expenditures	\$4,889.7	\$5,065.4

Board of Tax Appeals**562-2: Relocation Expenses**

The Governor recommends \$105,932 for additional rent and construction costs in FY 1991 related to the Board's move from the 10th floor of the Docking Building to the 4th floor. The Board will be allowed approximately 11,000 square feet of space, an increase of \$50,593 in rent over the FY 1991 Governor's recommendation of \$84,157 for 6,870 square feet. The recommendation also includes a total of \$55,339, with construction and remodeling costs of \$37,749, computer telecommunications costs of \$11,700, and \$5,890 for other services based on a cost estimate by the Division of Information Systems and Communications.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 105,932
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 105,932

Department of Revenue**565-10-1: Commercial Driver's License Program**

The Department of Revenue requested \$976,000 from the Division of Vehicles Operating Fund in FY 1990 for software development for the Commercial Driver's License Program. When this amount was requested, the software development was out on bid. After the Governor's recommendation, the contract was awarded for \$758,380. The Governor reduces the FY 1990 budget recommendation for the Operations Division by \$217,620 from the Division of Vehicles Operating Fund to reflect the savings realized.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
Vehicle Operating Fund	<u>(217,620)</u>	<u>--</u>
All Funds	\$ (217,620)	\$ --

565-10-2: Retirement Costs

The Governor recommends \$100,000 from the State General Fund for FY 1990 for salaries and wages because the Department of Revenue will have difficulty in meeting payroll obligations through the end of the fiscal year as a result of the magnitude of projected retirements. As of April 5, 1990, the Department has paid approximately \$70,000 in retirement benefits and anticipates another \$130,000.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 100,000	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 100,000	\$ --

565-10-3: Temporary Salaries

The Governor recommends for FY 1991 salaries and wages of \$100,000 from the State General Fund to fund additional temporary employees during the tax season. The FY 1991 Governor's current recommendation includes \$677,394 for temporary employees.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 100,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 100,000

Homestead Property Tax Refund**565-20-1: Residential Circuit Breaker**

The Governor's recommendation for FY 1990 was \$17.29 million, including additional funding of \$7.29 million from the State General Fund that was provided through current year budget cuts. The \$7.29 million was included in SB 442, the FY 1990 emergency supplemental bill, which was signed by the Governor on February 10, 1990. The FY 1991 Governor's recommendation was \$9.55 million from the Economic Development Initiatives Fund.

Tax season 1990 Residential Circuit Breaker Program refund claims can be filed through October 15, 1990. As of March 23, 1990, 4,289 claims have been filed and \$558,912 has been paid in refunds. The FY 1990 refund claims have been averaging \$130 per refund.

The Governor recommends a total of \$10 million for the program for both years. Based upon current trends, he recommends \$3.0 million for FY 1990 and \$6.0 million for FY 1991. FY 1990 financing is \$2.0 million from the State General Fund and \$1.0 from the Economic Development Initiatives Fund. FY 1991 funding is from the Economic Development Initiatives Fund.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$(15,287,000)	\$ --
All Other Funds	<u>1,000,000</u>	<u>(3,555,000)</u>
All Funds	\$(14,287,000)	\$(3,555,000)

Department of Transportation**276-1: Adjustments to Sales Tax Transfer**

The consensus revenue estimates made April 4, 1990, revised the sales tax revenue estimates for FY 1990 and FY 1991. That revision impacts the sales tax transfer made to the State Highway Fund. Beginning in FY 1990, the transfer is a flat 10 percent of the sales tax collections and is made quarterly to the Highway Fund.

The revenue estimates for FY 1990 increased the sales tax projections from \$728,000,000 to \$733,000,000. That change requires an adjustment of the sales tax transfer from \$63,129,000 to \$63,489,000 in FY 1990. In

addition, the revenue estimates for FY 1991 for sales taxes were increased from \$751,500,000 to \$760,000,000 which results in an estimated transfer to the Highway Fund of \$75,149,000, an increase of \$749,000 over the November estimates of \$74,400,000.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 360,000	\$ 749,000
All Other Funds	<u>(360,000)</u>	<u>(749,000)</u>
All Funds	\$ --	\$ --

276-2: Comprehensive Highway Program

The Governor recommends additional funding of \$932,900 for overtime pay and travel for the Construction Subprogram of the Department in FY 1990. The recommendation would provide \$743,900 for approximately 10 hours of overtime pay for 500 employees for eight weeks at the hourly rate of \$16.62, including fringe benefits, and \$189,000 for additional travel expenditures. The travel recommendation provides for 15 percent of 500 positions to be in travel status for 40 days at \$56 per day.

For FY 1991, the Governor recommends additional funding from the State Highway Fund of \$160,492 for increased overtime pay, temporary staff and travel for the Construction Subprogram of the Department of Transportation. The recommendation includes additional funding of \$927,556 for temporary positions, \$1,406,000 for overtime pay, and \$386,114 for travel expenses. Those increased amounts are offset by savings of \$2,559,178 identified in the construction inspection contract. The amended budget would allow the agency to proceed on the Comprehensive Highway Program at a faster pace than had previously been projected.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>932,900</u>	<u>160,492</u>
All Funds	\$ 932,900	\$ 160,492

276-4: Motor Carrier Tax Revised Estimates

The consensus revenue estimates made April 4, 1990, revised the motor carrier property tax revenue estimates for FY 1990. The revision increases the transfer made to the State Highway Fund in FY 1990 by \$81,000. The Governor amends the budget recommendation to reflect that revision.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 81,000	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 81,000	\$ --

Kansas State University**367-1: Storage Shed Replacement**

The Governor's budget is amended to include replacement of a storage shed located on land leased from Hesston College which was destroyed during the recent tornado in Hesston. The shed, a 40-foot by 80-foot quonset type facility, was located on land leased by the Agricultural Experiment Station as part of the Harvey County Experimental Field. The University requests authority to replace the shed with a new 40-foot by 80-foot standard wood frame structure over the existing slab. The estimated cost of the building is \$30,000 to be paid entirely from restricted use funds.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>30,000</u>	<u>--</u>
All Funds	\$ 30,000	\$ --

Regents Institutions**561-1: General Fees Fund Revision**

The Regents institutions have revised the general fees funds estimates for FY 1990 and FY 1991 based on actual spring 1990 enrollments. The systemwide estimates have resulted in an increase in general fee revenue of \$1,106,533 for FY 1990 and FY 1991. All institutions have additional fee revenues except Wichita State. The Governor recommends that each institution's budget be revised to use the additional revenues in FY 1991 to offset State General Fund expenditures. In addition, the Governor recommends a State General Fund supplemental appropriation for Wichita State University of \$317,096 in FY 1990. The adjustments by institution are as follows:

	FY 1991		
	Original		
	<u>Rec.</u>	<u>Revised</u>	<u>Difference</u>
University of Kansas	\$45,328,228	\$46,109,883	\$ 781,655
Emporia State	5,534,934	5,738,231	203,297
Fort Hays State	4,698,901	4,730,477	31,576
Pittsburg State	6,380,477	6,411,746	31,269
KUMC	6,138,974	6,162,612	23,638
KCOT	386,394	421,492	35,098

For FY 1990 the Governor recommends that the general fee fund expenditure limitation for Wichita State University be decreased from \$16,022,747 to \$15,705,651.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 317,096	\$(1,106,533)
All Other Funds	<u>(317,096)</u>	<u>1,106,533</u>
All Funds	\$ --	\$ --

Board of Barber Examiners**100-1: Expenditure Limitation Increase**

The Board of Barber Examiners requests an increase of \$14,351 in the expenditure limitation recommended by the Governor for FY 1991 as a result of the passage of 1990 HB 2466, which increases available revenue to the Board. The original expenditure recommendation was \$83,253, and this budget amendment increases the recommendation to \$97,604. The budget amendment for salaries and wages conforms with the original recommendation of 2.0 FTE positions. However, the staffing pattern now is requested at 1.0 FTE Administrative Officer and 1.0 FTE Inspector. The original recommendation was for 1.0 FTE Administrative Officer, a 0.5 FTE Inspector and a 0.5 FTE Office Assistant I.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>14,351</u>
All Funds	\$ --	\$ 14,351

Insurance Department**331-1: Implementation of HB 3027**

The Governor recommends an additional \$34,732 from the State General Fund in FY 1991 to provide for the development of statistical plans to be used by accident and health insurers in recording and reporting their premium, loss and expense experience. This function is mandated by HB 3027, which has passed both houses of the Legislature. Such information will be utilized by the Department in determining whether rates are reasonable in relation to the benefits being provided. The recommendation is for one FTE Policy Examiner Trainee and related operating expenses.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 34,732
All Other Funds	--	<u>--</u>
All Funds	\$ --	\$ 34,732

331-2: Implementation of HB 2610

The Governor amends his budget to add \$34,732 from the State General Fund in FY 1991 for resources to assist employees in organizing and maintaining health benefit plans and in acquiring health insurance pursuant to HB 2610. This bill, as passed by both houses, allows two or more employers, with no more than 25 employees, to form employer health benefit plans for the purpose of providing health insurance to eligible employees and their dependents. The recommendation also includes resources for the issuance of certificates to employers qualifying for the tax credit as provided by HB 2610. The recommendation is for one FTE Policy Examiner Trainee and related operating expenses.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 34,732
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 34,732

Department of Education

652-5: Increase for the Federal Drug Abuse Fund

The Department of Education is requesting an increase of \$1,935,248 in the Federal Drug Abuse Education Fund expenditure limitation in FY 1991. The original recommendation of \$1,939,963 was based on the amount of federal funds that were believed to be available for FY 1991. Based on revised information, the Governor's recommendations are amended to include a total estimate for available funds of \$3,875,211.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>1,935,248</u>
All Funds	\$ --	\$ 1,935,248

652-8: Increase for School District Income Tax Rebate

Based on the consensus revenue estimate of April 4, 1990, the school district income tax rebate estimate needs to be revised for FY 1990 and FY 1991. The consensus estimate for individual income tax was increased by \$5.0 million in FY 1990 and \$3.0 million in FY 1991. Based on this information, the estimate for the SDIT rebate is increased by \$673,693 in FY 1990 (\$166.6 million to \$167.3 million) and by \$2.9 million in FY 1991 (\$184.5 million to \$187.4 million). No revision is necessary to the appropriation bill as the SDIT rebate is a "no limit" expenditure.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 673,693	\$ 2,900,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 673,693	\$ 2,900,000

652-4: Increase in Special Education and Transportation Aid

The original Governor's budget recommendation for special education and transportation aid for FY 1991 was based on a five percent increase above the current year amount. The revised current year estimates are an increase of \$826,909 for transportation aid and a decrease of \$243,460 in special education aid from the Governor's recommendation. In order to fund a five percent increase for FY 1991 in these programs above the FY 1990 revised amount, it would require \$46,796,705 for transportation aid and \$119,326,791 for special education aid. This is an increase of \$795,705 and \$4,183,791, respectively, above the original recommendation.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 583,449	\$ 4,979,496
All Other Funds	--	--
All Funds	\$ 583,449	\$ 4,979,496

652-6: Parent Education Program

The Governor recommends an additional \$44,516 from the State General Fund in FY 1991 for the implementation of a parent education program pursuant to Senate Sub. for HB 2218. The bill, which has been signed by the Governor, requires the State Board of Education to establish standards for reviewing, evaluating, and approving parent education programs and grant applications. The request is for one FTE Education Program Specialist and related operating expenses.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 44,516
All Other Funds	--	--
All Funds	\$ --	\$ 44,516

652-7: Implementation of SCR 1629

The Department of Education requests an additional \$44,516 from the State General Fund in FY 1991 for the implementation of an outcomes-based accountability system for the accreditation of schools pursuant to Senate Concurrent Resolution 1629. When reviewing matters related to development of the outcomes-based accreditation system, the State Board will establish accountability indicators, such as an increase in academic course enrollments, an increase in post-secondary education enrollments and improvement in the satisfaction of post-secondary education course requirements, an increase in the percentage of students taking the SAT and the ACT and improvement in scores, an improvement in the mastery of communication mathematics and science skills, and improvement in academic achievement test results. The recommendation is for one FTE Education Program Specialist and related operating expenses.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 44,516
All Other Funds	--	--
All Funds	\$ --	\$ 44,516

Board of Agriculture**046-2: Increased Dairy Fee Fund Receipts**

The Board of Agriculture recommended three bills concerning the state dairy laws, which were all enacted by the 1990 Kansas Legislature and signed by the Governor. One of these bills, SB 421, amended the fee structure of the Dairy Fee Fund. These changes will generate an estimated \$74,045 in additional receipts.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ (74,045)
All Other Funds	<u>--</u>	<u>74,045</u>
All Funds	\$ --	\$ --

046-3: Additional Federal Funds

The Governor's budget recommendations are amended to accept and expend \$98,108 in additional federal funds in FY 1991. Of this amount, \$24,125 is from the Pesticide Use and Endangered Species Federal Fund and \$73,983 is from the Pesticide Use and Groundwater Protection Federal Fund. The Board was informed in February that the additional funds would be available. The Board states that these funds are available only if the Board increases its current efforts in these two areas.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>98,108</u>
All Funds	\$ --	\$ 98,108

046-4: New Civil Engineer III Position

The Governor recommends the addition of \$52,476 for a Civil Engineer III in FY 1991 financed from additional fee fund receipts resulting from the passage of SB 569 and SB 570. The two bills established a fee structure for certain services currently being performed by the Division of Water Resources free of charge. The additional fees will be deposited in the Water Certification Fee Fund. The new charges will generate an estimated \$62,700 in receipts.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>52,476</u>
All Funds	\$ --	\$ 52,476

Department of Wildlife and Parks**710-1: Tornado Damage to Lovewell State Park**

On March 13, 1990, a tornado damaged state facilities at Lovewell State Park. The Department of Wildlife and Parks requests \$185,000 in state general funds to repair the damage. The agency estimates the damage to be \$127,000 to the Park headquarters, \$30,000 damage to vehicles, and \$28,000 damage to trees, shore riprap, park benches, and other miscellaneous items. The Governor amends his budget to recommend that unexpended funds approved for various FY 1990 capital improvement projects be shifted to cover this expense.

The Dam and Beach Repair-Crawford State Park State General Fund project is reduced by \$35,000. A new fund "Dam and Beach Repair Crawford State Park Wildlife Fee Fund" is established at an appropriation limit of \$35,000. The

State General Fund account "Replace Sewer Main-Cheney State Park" is reduced by \$92,000. A new fund "Replace Sewer Main-Cheney State Park-Federal Land and Water Conservation Fund" is created with an appropriation limit of \$92,000. The State General Fund account "FY 1988 Capital Improvements" is reduced by \$53,000. The State General Fund account "Shelters Pomona and El Dorado State Parks" is reduced by \$5,000. A new State General Fund account "Lovewell State Park Storm Damage Repair" is established with an appropriation limit of \$185,000.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund		
Dam and Beach Repair-Crawford State Park	\$ (35,000)	\$ --
Replace Sewer Main-Cheney State Park	(92,000)	--
FY 1988 Capital Improvements	(53,000)	--
Shelters-Pomona and El Dorado State Parks	(5,000)	--
Lovewell State Park Storm Repair	185,000	--
All Other Funds		
Dam and Beach Repair-Crawford Lake-Wildlife Fee Fund	35,000	--
Replace Sewer Main Cheney State Park-Federal Land and Water Conservation Fund	<u>92,000</u>	<u>--</u>
All Funds	\$ 127,000	\$ --

710-2: Federal Matching Funds for Cheyenne Bottoms

The Governor recommends that the Department of Wildlife and Parks be granted authority to accept and expend \$1,627,000 in federal matching funds for the renovation of Cheyenne Bottoms Waterfowl Area. The Department of Wildlife and Parks was appropriated a total of \$1,640,000 in FY 1990 to conduct an engineering study of Cheyenne Bottoms and to begin reconstruction of the bottoms. Of the \$1,640,000, \$1,570,000 was from the State General Fund and \$70,000 was from the Wildlife Fee Fund. The U.S. Congress had approved funds to match the state's commitment to Cheyenne Bottoms, but the final amount of the grant or the conditions of the grant were not determined until the end of March.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>1,627,000</u>	<u>--</u>
All Funds	\$1,627,000	\$ --

710-3: Ford County Lake Renovation

The Governor recommends that the Department of Wildlife and Parks be granted authority to accept and expend \$95,325 in additional federal funds for renovation of Ford County Lake in FY 1990. The Governor recommended and the 1989 Legislature approved \$60,000 from the Wildlife Fee Funds and \$150,000 in Federal Clean Lakes Funds for FY 1990. The Governor also recommended \$180,000 from the Wildlife Fee Fund for further renovation in FY 1991.

The Department was recently informed by the Department of Health and Environment that an additional \$95,325 from the Federal Clean Lakes Fund would be available for Ford County Lake. The Department requests that the expenditure limitation on the federal fund of \$150,000 be increased to \$245,325 to permit the expenditure of the additional \$95,325. The funds are needed to remove sediment from the lake and riprap the shoreline. Sediment deposits have adversely affected the water quality.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>95,325</u>	<u>--</u>
All Funds	\$ 95,325	\$ --

710-4: El Dorado Habitat Center

The Governor recommends \$37,500 from the Wildlife Fee Fund for the El Dorado Habitat Center. The Habitat Center was recommended by the Governor and approved by the Legislature for FY 1990. The program is a cooperative effort between the Department, the Department of Corrections, and Kansas State University to promote development of wildlife habitat. As part of the program, the Department of Wildlife and Parks agreed to pay one-half of the salaries for a Corrections Officer II and a Forest Nurseryman. The Department, however, inadvertently failed to include funding for these two positions in its budget request for FY 1991.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>37,500</u>
All Funds	\$ --	\$ 37,500

710-5: New Management Analyst IV

The Governor recommends \$3,570 in FY 1990 and \$44,872 in FY 1991 from the State General Fund to finance a Management Analyst IV position. The position would be under the direct supervision of the Executive Director and would assist the agency in planning, organizing, and implementing various management and systems analyses. Primary duties would include assisting in the budget development process, the development of an integrated computer system, and in preparation of various special management reports. The Department requests the position be added as of May 18, 1990.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 3,570	\$ 44,872
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 3,570	\$ 44,872

Department of Health and Environment**264-3: Health Care Facilities Licensure**

The Health Care Facilities Licensure program includes activities connected with the evaluation and licensure of nursing homes, mental retardation intermediate care facilities (IDFs/MR) and child care facilities. The Governor's revised budget for FY 1990 and his recommended FY 1991 budget made adjustments to the Health Facilities Licensure budget based on a reduced cost estimate for the federal portion of the contract submitted by the Department of Social and Rehabilitation Services. This recommendation, as reflected in inflated shrinkage for the program, produced an FY 1991 reduction of \$353,181 from the current level of activity. The agency has recently received information from the Health Care Finance Administration indicating that state match rates for Medicaid licensure activities will be reduced to ten percent when the new regulations take effect.

Because of revised contract costs, the Governor recommends an increase in the Title XIX fund, Medicare and Facility Review fees totalling \$285,967. The recommendation will result in no new State General Fund match being required in the SRS budget because of the change in the match formula included in the implementation of OBRA.

The Governor also recommends 15.0 FTE positions and \$728,667 from federal funds for new positions in the Health Facilities Licensure program for needs associated with new requirements contained in the Omnibus Budget Reconciliation Act of 1987 (OBRA). This increase would be partially offset by reductions in State General Fund expenditures of \$228,730, for a net expenditure increase of \$499,937. The federal act specifies a number of changes in nursing home operations and inspections. The Health Care Finance Administration estimates that these changes will result in increased time requirements of 60 percent compared to the current survey methodology.

Health Facilities Licensure surveys are funded through a combination of Medicaid, Medicare, fees and state general funds. The increases requested under OBRA will result in more expenditures from federal Medicaid and Medicare funds. All Medicare survey costs for the program are billed directly to the federal government and receipted to the agency. Medicaid survey funding is channeled through the state Medicaid agency (the Department of Social and Rehabilitation Services). This funding includes a State General Fund match that has totalled 25 percent. Under revised Health Care Finance Administration guidelines, the match rate for surveys in FY 1991 will be reduced to 10 percent. This reduction to the match rate offsets the State General Fund impact of the agency's request and will produce savings in FY 1991 of \$228,730 compared to the current budgeted amount for the smaller program. The amount of the savings would decrease in future years as the match rate increases by five percent each year until the old 25 percent rate is re-established.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ (161,516)
All Other Funds	<u>--</u>	<u>1,014,634</u>
All Funds	\$ --	\$ 853,118

264-5: Federal EPA Increase in the Bureau of Water

The actual grant award for the EPA 205(g) Construction Grant Program Administration Fund was greater than expected. The Governor recommends that the expenditure limitation on this fund be increased by \$294,127 for total expenditures from the fund of \$577,078. Other federal funds would be reduced and the net increase in expenditures would be zero dollars. The EPA 106 Water Pollution Control Fund would be reduced \$80,674, the Water Supply Fund - Federal would be reduced \$121,907, the Underground Injection Control Program would be reduced \$16,341 and the National Groundwater strategy fund would be reduced \$75,205. These funds will be utilized in the Bureau of Water. The changes arise from unexpected federal activity since preparation of the Governor's budget.

264-6: Environmental Remediation

Several federal funds have experienced fluctuations in receipts during the current fiscal year. The Department of Health and Environment requests adjustments in various federal funds to include an increase in the EPA Pre-National Priorities List Existing Sites Fund from \$500,000 to \$569,720, and decreases in the Underground Storage Tank Federal Fund of \$15,284 and in the EPA Core Support Fund of \$54,436. The shifts result in no increase expenditure limitation increase, and will allow agency operations to continue at the level recommended by the Governor.

264-4: AIDS Education and Risk Reduction

The federal grant award for AIDS Education and Risk Reduction includes FY 1990 funding of \$1,415 more than recommended in the *FY 1991 Governor's Report on the Budget*, and the Governor recommends that the expenditure limitation for that fund be increased. Also, it is recommended that planned expenditures in the fund be shifted to reflect the federal grant agreement. For FY 1991, the Governor amends his budget recommendations to support the AIDS federally-funded program. The State General Fund total is \$209,776 and includes salaries and wages for several positions and other operating expenditures. This is necessary to meet federal requirements for expenditures of funds from the grant.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 209,776
All Other Funds	<u>1,415</u>	<u>(193,781)</u>
All Funds	\$ 1,415	\$ 15,995

264-11: Immunization Funding

The agency states that measles outbreaks in the state have placed stress on vaccine funding and supplies. The Governor recommends that additional funding of \$150,000 be approved to meet the needs of the program in the budget year. The recommendation represents only a contingency in case these funds are needed.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 150,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 150,000

Kansas Water Office

709-2: Rental Costs

The Water Office negotiated a new rental agreement for FY 1991 that included a move within the Mills Building. The move will increase square footage available from 4,903 sq. ft. to 6,569.5 sq. ft. The rental rate was also increased from \$6.50 to \$8.33. In all, the move will result in additional rent expenditures of \$23,055 in FY 1991, compared to the Governor's original recommendation. Of that amount, \$1,001 is requested for the new position mandated by the Kansas Supreme Court in its ruling on reinstatement of personnel.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 22,054
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 22,054

709-3: Supreme Court-Ordered New Position

In *Darling, et al. v. Kansas Water Office* the Kansas Supreme Court held KSA 74-2614a unconstitutional and ordered reinstatement of any employee who was dismissed under the statute and who wished to return to the agency. One employee chose this option. The Governor recommends funding of \$15,795 from the State General Fund in FY 1990 and \$54,329 in FY 1991 to finance the return of this employee. In FY 1990, the agency also requests \$778 from the Conversion of Materials and Equipment Fund to finance purchase of new equipment for the employee.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 15,795	\$ 54,329
All Other Funds	<u>778</u>	<u>--</u>
All Funds	\$ 16,573	\$ 54,329

Department of Administration

173-1: Office of Children and Families

On October 23, 1989, by Executive Order 89-119, the Governor created the Office of Children and Families within the Department of Administration and charged it with the responsibility of providing technical assistance in the development of child care services, collecting and disseminating information relating to Kansas families, studying all matters relating to child welfare, providing child care resource referral information to employers and employees, and making an annual report to the Governor regarding the status of child care services and the prospect for their expansion.

On January 23, 1990, an agreement was signed by which the Department of Social and Rehabilitation Services, the Department of Health and Environment, and the Department of Human Resources agreed to pay specified amounts totaling \$47,000 from existing funds to a central clearing fund to finance the operations of the Office of Children and Families. At the request of the Department of Administration, the Governor amends his budget recommendations to add a fund entitled "Children and Families Fund" with a "no limit" appropriation both for FY 1990 and FY 1991 to make authorization for expenditures for the Office of Children and Families. The expenditures related to this item are not reflected in the totals because they are non-reportable under the off-budget of the Department.

Kansas Corporation Commission

143-1: Moving Expenses

The budget request submitted by the Kansas Corporation Commission did not contain expenditures for moving costs the agency will incur when it moves its offices from the Docking State Office Building to the location near 17th and Wanamaker Road in Topeka. The agency was unsure what the moving costs would be at the time that the budget was submitted. Hence, the Governor's budget recommendations currently do not contain expenditures for moving costs for the Commission.

The Governor amends his FY 1990 budget to recommend \$108,297 in special revenue fund expenditures to provide for the relocation of the Offices of the Kansas Corporation Commission. This recommendation provides for the basic costs for moving, including the tear-down and set-up of Herman Miller furniture and telecommunication costs of \$300/work station for 185 work stations.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>108,297</u>	<u>--</u>
All Funds	\$ 108,297	\$ --

Board of Indigents' Defense Services

328-1: Assigned Counsel Payments

The Governor recommends \$350,000 from the State General Fund for assigned counsel services for the Board of Indigents' Defense Services. The Board cites that in two consecutive years there has been more than a 20 percent increase in the number of claims from attorneys.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$. --	\$ 350,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 350,000

Department of Social and Rehabilitation Services

628-23: Foster Care Lawsuit

The Governor recommends \$300,000 from the State General Fund to defend the Department against a class action lawsuit alleging a violation of the civil rights of all children placed in SRS custody in failing to comply with federal mandates set forth in the Federal Child Protective Service Act and Child Foster Care Act. These funds would allow the Department to take 250 depositions (240 in-state and 10 out-of-state), obtain 500 hours of outside legal counsel, obtain the services of experts, hire law clerks, and an additional Office Assistant. The funds would be appropriated as a separate line item to ensure that, if the agency does not need the entire \$300,000 in FY 1991, the funds would not be used for other purposes.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 300,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 300,000

628-37: Medical Assistance Federal Mandates

The Governor recommends \$16,040,973, of which \$7,508,838 is from the State General Fund, to fund increased reimbursement rates and enhanced services required by the Omnibus Budget Reconciliation Act (OBRA) of 1989. These federal mandates include increased reimbursement rates for obstetrical and pediatric services; increased coverage for the Early Periodic Screening, Detection, and Treatment (EPSDT) program for children; increased reimbursement for federally-funded health centers; coverage of Medicare Part A premiums for working disabled persons; exclusion of income producing property for determining Medicaid eligibility for the aged, blind, and disabled; and exclusion of the mandatory filing unit provision.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 7,508,838
All Other Funds	<u>--</u>	<u>8,532,135</u>
All Funds	\$ --	\$16,040,973

628-11: MMIS Contract

The Governor amends his FY 1990 budget recommendations to add \$2,166,262, of which \$690,640 is from the State General Fund in FY 1990 to fund the estimated costs of the Medicaid Management Information Systems (MMIS) contract with EDS Federal. The agency has a contractual obligation that requires funding. No additional funding is recommended in FY 1991 for the MMIS contract.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 690,640	\$ --
All Other Funds	<u>1,475,622</u>	<u>--</u>
All Funds	\$2,166,262	\$ --

628-12: Drug Formulary Funding

The Governor amends his budget to add \$2,083,333, of which \$921,249 is from the State General Fund, in FY 1990 to allow the agency to fund reductions in the pharmacy program that were to be implemented this fiscal year. The Department proposed to non-cover or assign a State Maximum Allowable Cost (SMAC) to several classes of drugs. The Department would require greater lead time to achieve the savings originally proposed.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 921,249	\$ --
All Other Funds	<u>1,162,084</u>	<u>--</u>
All Funds	\$2,083,333	\$ --

628-20: Hospital Utilization Review Contract

The Governor amends his budget recommendations to include \$667,547, of which \$194,456 is from the State General Fund, to fund the contract for Hospital Utilization Review with the Kansas Foundation for Medical Care in FY 1990. Federal regulations require utilization review of inpatient hospital stays to ensure that all days spent in the hospital are medically necessary. Each admission and each day during the inpatient stay are reviewed to determine medical necessity. The cases in hospitals in the urban areas are reviewed by on-site contract staff and the cases in smaller and more rural hospitals are reviewed over the telephone. Payment is avoided or recouped if the admission is determined to be inappropriate.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 194,456	\$ (58,260)
All Other Funds	<u>473,091</u>	<u>(141,740)</u>
All Funds	\$ 667,547	\$ (200,000)

507-1: Parsons Certification

The Governor recommends the addition of \$210,295 in FY 1990 to address staffing and capital outlay needs for Parsons State Hospital and Training Center from the State General Fund. For FY 1991, the addition of \$391,402 from the State General Fund and 19.0 FTE positions (3.0 Custodial Workers, 15.0 Mental Retardation Technicians I, and 1.0 Social Services Administrator III as an ombudsman) are recommended.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 210,295	\$ 391,402
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 210,295	\$ 391,402

628-15: Mental Health Reform

The Governor recommends \$1,317,000, of which \$1,027,443 is from the State General Fund in FY 1991 to implement the first phase of mental health reform. The request is consistent with the recommendations of the

Governor's Task Force on Mental Health Reform and represents funding for first phase implementation of the Mental Health Reform Act being considered by the 1990 Legislature.

In addition to mental health reform, funding of the request would serve the dual purpose of addressing accreditation and certification concerns at Osawatomi State Hospital. Both the Joint Commission on Accreditation of Healthcare Organizations and the Health Care Financing Administration have expressed concerns with nursing and direct care staffing levels. Temporary positions would provide the hospital with acceptable staffing levels until clients could be placed in the community, a 22-bed unit could be closed, and its permanent staff re-distributed throughout the hospital.

(Department of Social and Rehabilitation Services)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 727,443
All Other Funds	<u>--</u>	<u>289,557</u>
All Funds	\$ --	\$ 1,017,000

(Osawatomi State Hospital)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 300,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 300,000

507-2: Osawatomi Salaries and Wages

The Governor recommends \$100,000 from the State General Fund for Osawatomi State Hospital to guarantee adequate staffing levels for the remainder of the fiscal year. This amount represents two months' funding of the temporary staff. A survey by the Joint Commission on Accreditation of Healthcare Organizations is scheduled for May of 1990, and a survey by the Health Care Financing Administration is scheduled for June of 1990.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 100,000	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 100,000	\$ --

628-35: Administrative Services Communications

The Governor recommends \$887,149 of which \$467,528 is from the State General Fund, for communications in the Administrative Services budget. The agency asserts that voice communications and the number of other devices (including KAECSSES and KIPPS terminals) connected will need to be severely reduced if additional funding is not provided. This will, in turn, negatively impact office productivity and client service.

These funds were reduced in the Governor's recommendation because of a funding shortfall in the Medical Assistance Budget created by the federal mandate to continue and expand services for pregnant women, infants and

children up to age six in families whose income is less than 133 percent of the federal poverty level. This would provide the same level of funding as that recommended in FY 1990, which would more accurately reflect the savings associated with the CENPAY system going off-line (about \$200,000 was budgeted for communication costs associated with the CENPAY system in FY 1987 and FY 1988).

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 467,528
All Other Funds	<u>--</u>	<u>419,621</u>
All Funds	\$ --	\$ 887,149

628-32: Youth Services Federal Grants

The Governor recommends authority be granted to expend \$285,484 in additional federal and state funds in the Youth Services Grants and Projects program in FY 1990. The Children's Justice Assistance Fund, which should total \$181,586, was inadvertently omitted from the agency's request for FY 1990. These funds are being used to establish a core curriculum project for Youth Services Social Workers throughout the state. The agency has received additional Juvenile Justice and Delinquency Prevention Funds, totalling \$76,749. These funds are used to provide grants to cities and counties to remove juveniles from adult jails. Because of increased receipts to the Family and Children's Trust Fund, the agency requests authority to expend an additional \$27,149 from this fund in FY 1990.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>285,484</u>	<u>--</u>
All Funds	\$ 285,484	\$ --

628-14: HCBS Homecare Federal Funding

The Governor recommends that authority be granted to spend \$829,929 in additional federal funding for the Home and Community Based Services (HCBS) Homecare program. The agency requests the expenditure limitation on salaries and wages on the Social Service Clearing Fund be increased by \$829,929 to allow the expenditure of federal Medicaid funds that can be generated by the available state general funds.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>829,929</u>	<u>--</u>
All Funds	\$ 829,929	\$ --

628-22: Community Services Block Grant Increase

The Governor recommends that the expenditure limitation on the Community Services Block Grant be increased by \$164,000 in FY 1990 because of the availability of increased federal funding. Grants are awarded to community action program agencies to provide supplies and services to counteract conditions of starvation and malnutrition among the poor, to coordinate and

establish linkages among providers of services to low income individuals and to encourage private sector participation in efforts to decrease poverty in the community. This program is 100 percent federally funded.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>164,000</u>	<u>--</u>
All Funds	\$ 164,000	\$ --

628-10: Hospital Rate Review Settlement

The Governor recommends the addition of \$293,473, of which \$155,130 is from the State General Fund in FY 1990, and \$266,527, of which \$140,886 is from the State General Fund in FY 1991, to pay an outstanding rate review increase to HCA Wesley Medical Center for the period July 1, 1988, to June 30, 1989. This rate settlement was not included in the group settlement of \$1,264,512 already funded by the Governor because of a delay in completing the appeal and negotiation process for this hospital. Because the remainder of the rate appeals has been settled, the agency is obligated to pay Wesley Medical Center.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 155,130	\$ 140,886
All Other Funds	<u>138,343</u>	<u>125,641</u>
All Funds	\$ 293,473	\$ 266,527

628-4: Technical Correction to the Medical Administration Budget

The budget for salaries in the Medical Administration subprogram in the Department of Social and Rehabilitation Services contains an incorrect state funding match to generate the funds necessary to finance the recommended budget in both FY 1990 and FY 1991. Adding \$83,424 from the State General Fund and decreasing all other funds by \$83,424 in FY 1990 and by adding \$87,162 from the State General Fund and reducing all other funds by \$87,162 in FY 1991 would correctly fund the affected positions.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 83,424	\$ 87,162
All Other Funds	<u>(83,424)</u>	<u>(87,162)</u>
All Funds	\$ --	\$ --

628-13: Blind Vending Stands Capital Outlay

The Governor recommends the addition of \$6,080 in FY 1990 and \$67,500 in FY 1991 from federal and fee funds. Capital outlay purchases in the Blind Enterprise Program are funded 20 percent from blind vending stand assessment funds and 80 percent from federal vocational rehabilitation funds.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>6,080</u>	<u>67,500</u>
All Funds	\$ 6,080	\$ 67,500

628-18: Disability Determination and Referral Services Capital Outlay

The Governor recommends \$45,160 in FY 1990 and \$27,924 in FY 1991 in federal funds to purchase capital outlay for Disability Determination and Referral Services. Approval was received by the Department last fall to purchase additional computer equipment as part of an effort by the Social Security Administration to upgrade automatic systems and reduce the need for added staff.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>45,160</u>	<u>27,924</u>
All Funds	\$ 45,160	\$ 27,924

319-1: Education Contract

The Governor adds \$205,730 from the State General Fund for FY 1991 to fund the Youth Center at Topeka's contract with the Greenbush School District to provide educational services to youth center residents. The agency indicates it needs the additional \$205,730 to fund the education contract fully. These additional funds would provide for the base contract amount of \$1,486,571, recommended for FY 1990, and for a 3.3 percent increase in funding for teachers' salaries.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 205,730
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 205,730

628-33: AFDC State Only

The Governor recommends \$506,350 in FY 1990 from the State General Fund for payments to persons within the Aid to Families with Dependent Children caseload for whom no federal matching funds are available. The Department notes that these people would be covered under the General Assistance program (such as step-parents or relatives of the needy children).

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 506,350	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 506,350	\$ --

628-9: KAECSES Certificate of Participation

The Governor's budget recommendations are amended to allow the Department of Social and Rehabilitation Services the authority to expend \$1,405,213 in federal funds in both FY 1990 and FY 1991 for certificate of participation payments for the Kansas Automated Eligibility Child Support Enforcement System (KAECSES). A certificate of participation was used to obtain the funds necessary to purchase the hardware, with the state funds being spent up front. The federal funds are being provided over a five-year period, based on the depreciated value of the equipment.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>1,405,213</u>	<u>1,405,213</u>
All Funds	\$1,405,213	\$ 1,405,213

628-6: Indirect Cost Recovery for the State Fire Marshal

The Governor recommends a proviso be added to the Social Service Clearing Fund in both FY 1990 and FY 1991 that states, "Provided, That, any interagency transfer to the Department of Health and Environment pursuant to the Inspection of Care and Utilization Review contracts shall be in addition to any expenditure limitation imposed on this fund." It is further recommended that the expenditure limitation on the Social Service Clearing Fund be reduced by \$2,659,616 in FY 1990 and \$2,516,215 in FY 1991. This would allow the payment of indirect costs, not previously billed to the federal government for the inspection of hospitals and nursing homes, to the State Fire Marshal.

The Department of Social and Rehabilitation Services, as the state Medicaid agency, bills the federal government to recover these costs. The federal government will reimburse the Department, which will then send these funds to the Department of Health and Environment, which sub-contracts with the State Fire Marshal for fire safety inspections. The Department of Health and Environment will then pass these funds on to the State Fire Marshal.

628-5: Federal Victims of Crime Assistance Grant

The Governor recommends an increase in the expenditure limitation on the Federal Victims of Crime Assistance Grant Fund contained in the *FY 1991 Governor's Report on the Budget* by \$143,500, from \$398,000 to \$541,500 in both FY 1990 and FY 1991. The Department has received notification of the award of additional grant funds to provide direct services to victims of personal crimes and the award of a discretionary grant for \$40,500 to provide services to Native Americans who are victims of spousal abuse, child abuse and sexual assault.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>143,500</u>	<u>143,500</u>
All Funds	\$ 143,500	\$ 143,500

628-28: Federal Developmental Disability Grant Funds

The Governor recommends authority to expend \$206,868 in additional federal Developmental Disability grant funds in FY 1990. Many of these funds are used to upgrade the physical facilities of community mental retardation centers to help reduce the waiting lists. If the expenditure limitation is not increased in FY 1990, the agency will have a large carry-forward balance into FY 1991 and will have to request that the expenditure limitation be increased in FY 1991.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>206,868</u>	<u>--</u>
All Funds	\$ 206,868	\$ --

628-26: KanWork Program Savings

The Governor recommends a reduction of \$1,876,116, of which \$809,667 is from the State General Fund in FY 1990, to reflect the delay in the expansion of the KanWork program in seven additional counties from April 1 to July 1, 1990.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ (809,667)	\$ --
All Other Funds	<u>(1,066,449)</u>	<u>--</u>
All Funds	\$(1,876,116)	\$ --

628-27: Federal Foster Care Funds

The Governor recommends the reduction of \$560,143 from the State General Fund and an increase of \$560,143 in all other funds in FY 1990 as well as a reduction of \$542,642 from the State General Fund and an increase of \$542,642 in all other funds in FY 1991 to reflect the availability of additional federal Foster Care funding.

In FY 1991 the Department expects to receive \$542,642 more in federal IV-B Child Welfare Assistance funds than those recommended in the *FY 1991 Governor's Report on the Budget*. While these funds cannot be used for Foster Care because of a contractual agreement with the federal government, they can be used to reduce the amount from the State General Fund needed to fund the salaries of the Youth Services Field Staff.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ (560,143)	\$ (542,642)
All Other Funds	<u>560,143</u>	<u>542,642</u>
All Funds	\$ --	\$ --

Department of Commerce**300-2: Shift of Financing Source for KIT Program Coordinator**

The Governor recommends Economic Development Initiatives Fund financing of \$19,270 in FY 1990 and \$36,906 in FY 1991 to replace federal dollars lost because of federal program reductions and changes in the state program emphasis. In the FY 1991 budget request, the Department of Commerce included an estimated base amount of \$36,906 from federal JTPA sources (from the Department of Education through Human Resources) to finance the position of Job Training Coordinator. This financing source has been provided for this position as the coordinator has distributed KIT funds and coordinated the distribution of county JTPA funds. However, because of the large influx of EDIF monies, the agency has been unable to continue coordinating project

assignment of county JTPA monies. The change results because JTPA monies are assigned to projects by the counties, not the Department of Commerce. The Department does have project assignment authority over the EDIF monies, and as large amounts of money are available, less coordination is needed.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
JTPA	(19,270)	(37,337)
EDIF	<u>19,270</u>	<u>37,337</u>
All Funds	\$ --	\$ --

300-3: Adjustment of Partnership Funds (EDIF)

The Governor recommends for FY 1990 that the financing available for partnership program projects be reduced from \$2,314,000 to \$800,000, a reduction of \$1,514,000. This amount would allow the agency to finance two projects it has commitments to and allow some flexibility to finance an additional small project yet this year. The two projects are Valley Center at a cost of \$206,000 and Coffeyville at a cost of \$344,739, for a total of \$550,739. It is recommended that the agency be given the authority to reappropriate any funds unspent at year end for use on partnership projects in FY 1991. Also for FY 1991, the Governor recommends that the amount available for partnership projects be increased by \$500,000 for a total of \$1.0 million.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>(1,514,000)</u>	<u>500,000</u>
All Funds	\$(1,514,000)	\$ 500,000

300-4: Revised Lottery and Racing Revenue Estimates

The Governor recommends that the FY 1990 anticipated sales for the Kansas Lottery be reduced to \$65 million from the earlier estimate of \$70 million. The reduction results from year-to-date experience. The Governor also recommends that the anticipated revenue for the Kansas Racing Commission be increased. For FY 1990, the Governor recommends that the revenue estimate be increased by \$887,204 in FY 1991 and \$1,655,887 in FY 1991. These revised amounts reflect the higher than anticipated receipts from the race track facilities.

Department of Corrections

521-9: Malpractice Insurance

The Governor recommends a proviso to provide for expenditures for malpractice insurance in an amount not to exceed \$5,000 per medical employee. This language is requested for the State Penitentiary and the State Industrial Reformatory. This language has been a standard proviso when medical personnel were state employees.

1-27

521-2: Inmate Medical Contract

The Governor recommends \$772,203 for inmate medical care. An amount of \$84,890 would be shifted from the operating expenditures account at the Forbes Correctional Facility and \$425,000 from the salaries and wages account at the Norton Correctional Facility. This leaves an unappropriated balance of \$262,313 to be funded from the State General Fund. Funds are available from the Forbes account as a result of not recommending \$22,419 for claims at the Topeka Correctional Complex and the State Penitentiary and shifting those resources to fund this request and from additional savings identified in the Forbes budget. The salary and wage savings at Norton reflect savings from delays in filling new positions that were filled only as completion of the renovation project and occupancy of the facility required. Presently, all but five of the authorized positions are filled. The savings in the Forbes budget is due to fewer inmates being supported at this facility.

(Forbes Correctional Facility)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ (84,890)	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (84,890)	\$ --

(Norton Correction Facility)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ (425,000)	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (425,000)	\$ --

(Department of Corrections)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 772,203	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 772,203	\$ --

696-1: Reallocation of Funds for Topeka Correctional Complex

The Governor recommends the reallocation of \$101,922 from the State General Fund account operating expenditures for the Forbes Correctional Facility to the salaries and wage account for the State Reception and Diagnostic Center in FY 1990. The Department requests these reallocations to avoid a layoff of 21.5 FTE positions for two months or the entire staff for 4-5 days in FY 1990.

(Forbes Correctional Facility)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ (101,922)	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (101,922)	\$ --

(State Reception and Diagnostic Center)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 101,922	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 101,922	\$ --

313-1: Marginal Population Adjustment

The Governor recommends \$184,000, the shift of \$84,000 from the operating expenditures account at the Forbes Correctional Facility and \$100,000 from the salary and wage account at the State Industrial Reformatory to the other operating expenditures account at the State Industrial Reformatory. Savings from the Forbes account reflect the lower average daily population housed at this facility and, consequently, the lower support costs. Savings at the State Industrial Reformatory are attributable to slower than anticipated filling of vacant positions, a downturn in the number of qualified applications and the postponement of other personnel decisions awaiting finalization of budget reductions.

(Forbes Correctional Facility)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ (84,000)	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (84,000)	\$ --

(State Industrial Reformatory)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 84,000	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 84,000	\$ --

525-1: Vehicle for Inmate Transportation Program

The Governor recommends a reallocation of state general funds of \$85,000 to the operating expenditures account of the State Penitentiary in FY 1991 from the operating expenditures for Topeka Correctional Facility-West account to purchase a 42 passenger bus. The 42 passenger bus presently in service was purchased in October, 1986 and has recorded over 118,000 miles. Maintenance has increased resulting in several extended periods of

downtime. Breakdowns have occurred enroute to other facilities each of the last four times the vehicle has been used and recently has led to inmates being housed temporarily at a local jail until repairs could be made.

(Topeka Correctional Facility-West)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ (85,000)
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ (85,000)

(Kansas State Penitentiary)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ 85,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 85,000

521-6: County Jail Payment

The Governor recommends the reallocation of \$37,375 in FY 1990 and \$57,375 in FY 1991 from the operating expenditures for the Forbes Correctional Facility and the operating expenditures for the Topeka Correctional Facility-West accounts, respectively, to the Department of Corrections. These amounts would be reallocated to the community services-other operating expenditures account for payment of the cost to house parole violators at the local level.

Under the provisions of KSA 75-5217, the Department of Corrections is authorized to utilize county jails to house parole violators until a parole revocation hearing is held. The Department is authorized to pay the per diem jail operating cost for time spent in the local jail. The Department estimates a total shortfall in this area of \$73,375 in FYs 1990 and 1991 but anticipates shifting travel and subsistence savings of \$36,000 in FY 1990 and \$16,000 in FY 1991 from the parole services subprogram to make up the difference.

(Forbes Correctional Facility)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ (37,375)	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (37,375)	\$ --

(Topeka Correctional Facility-West)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ (57,375)
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ (57,375)

(Department of Corrections)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 37,375	\$ 57,375
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ 37,375	\$ 57,375

521-7: Claim

The Governor recommends the reallocation of \$30,048 in FY 1990 from the operating expenditures for the Forbes Correctional Facility account to pay an inmate claim at the Honor Camps. The claim is for personal injuries suffered by an inmate while housed at the El Dorado Honor Camp. The Department of Corrections indicates because of the size of the claim and the budget reductions for the current fiscal year, the claim cannot be paid without diverting funds from areas essential to basic facility operations.

(Forbes Correctional Facility)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ (30,048)	\$ --
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ (30,048)	\$ --

(Department of Corrections)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 30,048	\$ --
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ 30,048	\$ --

521-5: Federal Drug Abuse Expenditures

The Governor recommends a shift from the operating expenditures for the Forbes Correctional Facility account of \$4,125 and an increase in the expenditure limitation of \$767 for the Drug Abuse Fund--Federal in FY 1990 and a shift from the Topeka Correctional Facility--West account of \$2,195 and an increase in the expenditure limitation of \$6,716 for the Drug Abuse Fund--Federal in FY 1991 to fund a currently authorized position in the Department's budget. This position is split funded: 75 percent federal fund and 25 percent State General Fund. This request restores funds deducted because of shrinkage. The Department reports the position is filled and the Department will be unable to meet the Governor's recommendation without resorting to a furlough, a layoff, or the termination of the employee.

(Forbes Correctional Facility)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ (4,125)	\$ --
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ (4,125)	\$ --

(Topeka Correctional Facility-West)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ (2,195)
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ (2,195)

(Department of Corrections)

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 4,125	\$ 2,195
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 4,125	\$ 2,195

521-4: Game Bird Capital Improvement Project

The Game Bird capital improvement project was first approved in FY 1988. Funds for this project have been reappropriated each year until FY 1990 when the Governor's budget recommendation lapsed the State General Fund reappropriation of \$45,801. This lapse was proposed in the Department of Corrections budget submission. The Governor concurred with the Department's request to lapse the reappropriated balance and insert lapse language in House Bill 2607. The Department of Corrections reports an error was made in the budget submission that indicated funds for this project should be lapsed. The Department reports only \$14,528 remains unobligated and it is anticipated that this amount will be obligated this fiscal year. The Governor's budget recommendations are amended to allow the Department to expend the \$45,801 in FY 1990.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 45,801	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 45,801	\$ --

521-8: Technical Adjustment for Hillsdale Lake Improvement

The Governor recommends a technical adjustment to Substitute for House Bill 2624. The Department requested a reappropriation of \$107,142 from the inmate emergency capacity expansion program account to the operating expenditures for the Osawatomie Correctional Facility in the fall budget submission. This reappropriation left \$207,909 in the emergency account for improvements to Hillsdale Lake. The Department reports that only \$5,000 of that amount has been encumbered which will result in the balance of \$202,909 becoming a limited reappropriation that the Department will be unable to expend in FY 1991 without State Finance Council action. The Department desires that the unexpended balance be added to the present reappropriation for Osawatomie so that improvements at the Hillsdale Lake can be expedited.

521-10: Honor Camps--Expenditure Shift

The Governor recommends a shift of \$7,500 from the Honor Camps salary and wage account to the other operating expenditures account in FY 1990. The Honor Camps are experiencing higher than anticipated expenditures for

inmate related expenses, principally in the areas of clothing and supplies, and repairs to physical facilities and equipment. The Honor Camps have identified savings in the salary and wage account to cover this projected shortfall.

521-3: Establish Federal Fund Accounts

The Governor recommends establishment of a "no limit" federal fund account in FY 1991 entitled "Adult Basic Education Program-Federal Fund". This account will allow for the expenditure of \$16,000 in federal funds for support of the adult basic education program at the State Penitentiary. In addition, the Department requests the establishment of a "no limit" account entitled "Chapter II-Federal Fund" and to rename a Title I account to "Chapter I-Federal Fund". Funds in these accounts are to be expended at the State Industrial Reformatory.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>16,000</u>
All Funds	\$ --	\$ 16,000

State Treasurer

670-1: Local Ad Valorem Tax Reduction Fund Demand Transfer Increase

Transfers are made from the State General Fund to the Local Ad Valorem Tax Reduction Fund twice a year, once in July and once in January. The first FY 1990 transfer is based upon 4.329 percent of calendar year 1988 sales and use tax collections and the second transfer is based upon 4.5 percent of calendar year 1989 sales and use tax collections. Adjustments in the demand transfer are necessary because the consensus revenue estimating group, when it met on April 4, 1990, approved a revision in the retail sales and compensating use tax receipt estimates for FY 1990 and FY 1991 and because actual calendar year 1989 data are now available.

It is estimated that the Ad Valorem Tax Reduction Fund transfer for FY 1990 will be \$35,326,000, a reduction of \$20,000 below the \$35,346,000 included in the *FY 1991 Governor's Report on the Budget*. For FY 1991, it is estimated that the Ad Valorem Tax Reduction Fund demand transfer will total \$37,177,000, an increase of \$129,000 above the \$37,048,000 included in the *FY 1991 Governor's Report on the Budget*.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ (20,000)	\$ 129,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (20,000)	\$ 129,000

670-2: County-City Revenue Sharing Fund Demand Transfer

The County-City Revenue Sharing Fund demand transfer for FY 1991 is based upon calendar year 1989 sales and use tax receipts and totals 3.5 percent of those receipts. Because the estimate for the County-City Revenue

Sharing Fund demand transfer, as included in the *FY 1991 Governor's Report on the Budget*, was prepared prior to the close of calendar year 1989, the demand transfer estimate included in the budget for FY 1990 was based upon estimated receipts rather than actual receipts. Therefore, the Governor's budget is amended to reflect the estimated transfer based upon actual calendar year 1989 receipts.

Calendar year 1989 receipts totaled \$810,021,000, as compared to an estimate of \$810,898,000. Based upon actual receipts, the County-City Revenue Sharing Fund transfer in July will total \$28,351,000, a reduction of \$30,000 below the estimated \$28,381,000 included in the *FY 1991 Governor's Report on the Budget*.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ (30,000)
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ (30,000)

Adjutant General

034-1: Holiday Pay for Firefighters

The Governor's budget recommendations are amended to increase the expenditure limitation on the Military Fees Fund in FY 1990 by \$96,006, for a total of \$4,024,136, to provide the payment of holiday credit and holiday compensation to the firefighters for fiscal years 1987 through 1990. To provide adequate compensation in FY 1991, the Governor recommends that the expenditure limitation on the Military Fees Fund be increased by \$35,442, for a total of \$4,147,093. The Adjutant General has indicated that he has received approval from the National Guard Bureau for increased expenditure authority.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
Military Fees Fund	<u>96,006</u>	<u>35,442</u>
All Funds	\$ 96,006	\$ 35,442

034-2: Physical Plant Operations Program - Firefighter Salaries

The Adjutant General's Department indicates that salary reductions of \$31,315 in FY 1990 and \$30,312 in FY 1991 for shrinkage will adversely affect the mission of the 190th Air Refueling Group by resulting in a shortage of funding for salaries of firefighters. Salaries in this subprogram are funded entirely from the Military Fees Fund, which is the revolving fund that receives federal monies from the National Guard Bureau for reimbursement of expenditures made in accordance with state and federal agreements. The Governor recommends that the expenditure limitation for the Military Fees Fund be increased by \$31,315 in FY 1990 and by \$30,312 in FY 1991 to provide adequate funding for salaries.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>31,315</u>	<u>30,312</u>
All Funds	\$ 31,315	\$ 30,312

034-3: Emergency Preparedness Deputy Director Salary

The Governor recommends additional state and federal dollars to compensate for the retirement costs of the Deputy Director and to allow the hire of a new Deputy Director. The Department reports that upon retirement of the Deputy Director, it had to pay accrued sick leave and annual leave amounting to \$15,887. In order to accomplish this, the Governor's FY 1990 budget is amended to add a total of \$7,877 (\$3,939 State General Fund, \$3,938 federal monies).

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 3,939	\$ --
All Other Funds	<u>3,938</u>	<u>--</u>
All Funds	\$ 7,877	\$ --

State Fire Marshal

234-1: Federal Indirect Cost Recovery Estimates

The Governor's recommended budget for the State Fire Marshal includes expenditure of \$25,000 from indirect cost recovery funds in FY 1990 and \$25,262 in FY 1991 for salaries and wages. The agency was notified that the estimate of federal receipts needed to be revised. The new estimates are \$18,759 for FY 1990 and \$28,668 for FY 1991. The Governor's budget is amended in FY 1990 to increase State General Fund expenditures for salaries and wages by \$6,241, and reduce the expenditure from federal indirect cost recovery monies by the same amount. For FY 1991, the budget is amended to reduce the State General Fund expenditure for salaries and wages by \$3,406, and increase the expenditure from the federal indirect cost recovery monies by the same amount.

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ 6,241	\$ (3,406)
All Other Funds	<u>(6,241)</u>	<u>3,406</u>
All Funds	\$ --	\$ --

Commission on Veterans Affairs

694-1: Electrical Service at the Soldiers' Home

The Governor amends the budget recommendation to add \$20,000 from the State Institutions Building Fund for FY 1991 to provide electrical service entrances to the power plant, three domicilaries, and 62 cottages at the Kansas Soldiers' Home. This request results from an agreement with Centel Electric-Kansas to assume responsibility for the power distribution system

at the Soldiers' Home. Centel Electric-Kansas would install new updated electrical distribution system; the Soldiers' Home is required to provide a secure point of attachment to the electrical distribution system provided by Centel.

The agency requests the lapse of \$69,992 of the appropriation from the State Institutions Building Fund to replace electrical boards. The Veterans Commission had requested and the 1987 Legislature had approved \$60,000 for FY 1988 from the State Institutions Building Fund to replace the electrical board at the Soldiers' Home. This was based on the fact that the existing board was installed in the 1930s and was partially non-functional. The lowest bid received on the project, however, was \$95,189. The agency requested that an additional \$37,000 be added to the project from the State Institutions Building Fund for a total of \$97,000 for FY 1990. The 1989 Legislature agreed. Subsequent to this event, Centel Electric-Kansas agreed that it could provide the internal distribution system for the Soldiers' Home. The modification project, however, had already been let to contract. A buy-out of the contract was required. The status of the account is:

Initial Appropriation	\$60,000
Additional Appropriation	<u>37,000</u>
Total Available	\$97,000
Amount Expended	\$ 852
Contract Buy-Out	22,968
Payment to Contractor for Restocking Charges	<u>3,188</u>
Amount Available for Lapse	\$69,992

	<u>FY 1990</u>	<u>FY 1991</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>(69,992)</u>	<u>20,000</u>
All Funds	\$ (69,992)	\$ 20,000

Sincerely,



Michael F. O'Keefe
Director of the Budget

Economic Development Initiatives Fund
Governor's Recommendations

	FY 1990	FY 1991
	<u>Amended</u>	<u>Amended</u>
Anticipated Revenues		
Lottery	\$11,700,000	18,900,000
Racing	2,741,670	4,092,899
Interest	229,206	177,051
Carry Forward Balance	<u>921,097</u>	<u>836,936</u>
Total Available Resources	\$15,591,973	\$24,006,887

Transfers and Expenditures

* NATURAL RESOURCE PROJECTS		
Hilldale State Park	\$1,580,556	\$0
Jetmore-Multipurpose	451,250	0
Environmental Remediation	2,750,000	0
Superfund	100,000	0
Recreation Access Program	0	1,250,000
State Water Plan	<u>0</u>	<u>2,000,000</u>
Subtotal Natural Resources	4,881,806	3,250,000
* KANSAS TECHNOLOGY ENTERPRISE CORPORATION		
Research Matching Grants	834,000	1,466,000
Business Innovative Research Grants	50,000	50,000
Research Equipment	930,529	0
Training Equipment	179,517	0
Centers of Excellence	2,096,944	2,450,000
Seed Capital Investments	440,000	0
Special Projects	502,264	0
Value Added Processing Center	278,280	296,793
White Wheat Project	35,000	35,000
Operations	<u>178,501</u>	<u>361,977</u>
Subtotal KTEC	5,525,035	4,659,770
COMMERCE		
Small Business Development Centers	100,000	275,000
Certified Development Companies	100,000	425,000
Kansas Industrial Training (KIT)	1,425,000	2,750,000
KIT - Operations	19,270	37,337
Trade Show Promotion	100,000	150,000
Kansas Partnership Program	800,000	1,000,000
Undesignated OOE	0	0
Rural Development - OOE	62,912	0
Main Street Program	75,000	75,000
Tourism Promotion	232,863	910,000
Eisenhower Centennial Promotion	62,500	0
Industrial Marketing	0	425,000
Kansas Partnership - OOE	14,560	7,630
Export Finance - Capitalization	750,000	0
Export Finance - OOE	26,500	0
Film Commission	<u>31,000</u>	<u>35,000</u>
Subtotal Commerce	3,799,605	6,089,967
AGRICULTURE MARKET PROMOTION	180,000	180,000
KAN WORK (SRS)	50,000	0
STATE FAIR	100,000	100,000
KANSAS, INC	50,000	0
* PUBLIC BROADCASTING	205,000	0
SCHOOL FOR VISUALLY HANDICAPPED	0	75,000
ARTS COMMISSION		
Arts Programming Grants	450,000	450,000
HISTORICAL SOCIETY		
Folk Arts Programming	0	20,000
WICHITA STATE UNIVERSITY	100,000	0
COMMERCIAL CIRCUIT BREAKER	1,611,000	0
RESIDENTIAL CIRCUIT BREAKER	<u>1,000,000</u>	<u>6,000,000</u>
Total Appropriations	\$17,952,446	\$20,824,737
* <i>Reappropriations in Agency Budgets</i>	3,197,409	1,600,736
Ending Balance	\$836,936	\$4,782,386