

Approved 3-5-90  
Date

MINUTES OF THE ~~SENATE~~ COMMITTEE ON ~~WAYS AND MEANS~~

The meeting was called to order by ~~SENATOR AUGUST "GUS" BOGINA~~  
Chairperson at

~~11:10~~ a.m./~~p.m.~~ on ~~FEBRUARY 13~~, 19~~90~~ in room ~~123-S~~ of the Capitol.

All members were present except:

Senators Johnston and Hayden, who were excused

Committee staff present:

Research Department: Diane Duffy, Leah Robinson  
Revisor: Norm Furse, Gordon Self  
Committee Staff: Judy Bromich, Administrative Assistant  
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

### SB 451 - Appropriations for FY 91 for various state agencies

Senator Kerr reviewed the FY 1990 and the FY 1991 Subcommittee Report regarding the Legislature and related agencies (Attachment 1). Discussion was held regarding the role of the new position of Information Resource Manager.

Senator Kerr reviewed the FY 1990 and the FY 1991 Subcommittee Report regarding the Governor's Department (Attachment 2). In answer to a question, Michael O'Keefe, Director of the Budget, explained that the Governor has requested an appropriation to pay membership in the Western Governor's Association because its interests and those of Kansas (oil, gas, exports, natural resources and agriculture) are more closely aligned than those of the Midwest Governor's Association. In answer to a question, Ed Ahrens, Kansas Legislative Research Department, stated that the shrinkage rate applied to the Governor's office was 8.7% in FY 1990 and 11.9% in FY 1991.

Senator Winter reviewed the FY 1991 Subcommittee Report regarding Lieutenant Governor (Attachment 3).

Senator Doyen reviewed the FY 1990 and the FY 1991 Subcommittee Report regarding the Attorney General (Attachment 4). He offered an explanation of the Kansas vs. Colorado water litigation case, and said that it will go to trial July 16.

Senator Winter reviewed the FY 1990 Subcommittee Report regarding the Secretary of State (Attachment 5). It was moved by Senator Winter and seconded by Senator Feleciano, that recommendation number 1 of the Subcommittee Report be amended to include a request that Senate Ways and Means introduce legislation that will allow the Secretary of State to charge a maximum of \$10 for these fees to allow the Secretary greater flexibility to set rates which correspond to the costs of providing the services. The motion carried.

Senator Winter reviewed the FY 1991 Subcommittee Report regarding the Secretary of State (Attachment 5). It was moved by Senator Winter and seconded by Senator Feleciano that recommendation number 3 be amended to indicate that it is the opinion of the Secretary of State that this change will result in some net savings to the State General Fund. The motion carried.

Senator Feleciano reviewed the FY 1990 and the FY 1991 Subcommittee Report regarding the State Treasurer (Attachment 6). The Committee concurred that funding for longevity should be uniform. Staff was instructed to research longevity for unclassified personnel.

Senator Kerr reviewed the FY 1991 Subcommittee Report regarding the

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

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS  
123-S 11:10 XX FEBRUARY 13 90  
room \_\_\_\_\_, Statehouse, at \_\_\_\_\_ a.m./p.m. on \_\_\_\_\_, 19\_\_.

Department of Insurance (Attachment 7).

Senator Bogina instructed the Committee to reconsider the Attorney General's budget, noting that the Governor had approved a \$1,960 appropriation for FY 1990 for longevity for unclassified employees and a \$6,160 appropriation for longevity for unclassified employees for FY 1991. He said that Legislative intent was that only classified employees receive longevity. Senator Winter moved and Senator Kerr seconded the deletion of \$1,960 for longevity pay for unclassified employees in FY 1990 and \$6,160 for longevity pay for unclassified employees in FY 1991 from the Attorney General's budget. The motion carried.

Senator Feleciano moved and Senator Doyen seconded the adoption of the Subcommittee report as amended. The motion carried.

It was moved by Senator Feleciano and seconded by Senator Kerr that SB 451 as amended be recommended favorable for passage. The motion carried on a roll call vote.

It was moved by Senator Gaines, seconded by Senator Allen that minutes of January 25, January 31, and February 1 be approved. The motion carried.

The meeting was adjourned.



**SUBCOMMITTEE REPORT**

**Agency:** Legislature and Related Agencies

**Bill No.** 451

**Bill Sec.** 2-5

**Analyst:** Ahrens

**Analysis Pg. No.** 101-109

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Amended Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations--All Funds			
Interstate Cooperation			
Commission	\$ 194,134	\$ 194,260	\$ --
Legislative Coordinating			
Council:			
Council Expenses and			
Administrative Services	338,756	341,567	--
Legislative Research			
Department	1,708,255	1,719,816	--
Revisor of Statutes	1,857,821	1,867,728	--
Educational Planning			
Committee	40,221	40,379	--
Legislature	8,864,006	8,936,249	--
Division of Post Audit	1,398,175	1,413,497	--
TOTAL	<u>\$ 14,401,368</u>	<u>\$ 14,513,496</u>	<u>\$ --</u>
State Operations:			
State General Fund	<u>\$ 14,321,776</u>	<u>\$ 14,433,904</u>	<u>\$ --</u>
FTE Positions	117.7	117.7	--

**FY 1990 Agency Requests/Governor's Recommendation/  
Subcommittee Recommendation**

Legislative Branch agencies submitted revised FY 1990 budgets which total \$14,214,457. These budgets are entirely financed from the General Fund except for \$78,581 of special revenue financing for contracted financial-compliance audits under the Division of Post Audit. The budget requests are \$802,520 less than appropriated funds, including reappropriations. Account balances are used to finance FY 1991 expenditures. By law, budgets for these agencies, except for that of the Interstate Cooperation Commission, are submitted upon approval of the Legislative Coordinating Council. One supplemental appropriation of \$16,882 is requested to provide partial financing of a new position of Information Resource Manager added to the budget of the Legislative Coordinating Council, Division of Legislative Administration Services, to assist in legislative computerization. A research assistant position in the Legislative Research Department and a clerical position in the Division of Post Audit are eliminated, and the Revisor of Statutes' budget finances two positions less than were approved by the 1989 Legislature.

The Governor concurs with the agencies' revised requests except for a reduction of \$53,526 for fringe benefits, virtually all of which is attributable to revisions of health insurance rates which occurred after agency budgets were submitted.

*SWAM  
February 13, 1990  
Attachment 1*

The Subcommittee concurs with the recommendations of the Governor.

#### FY 1991 Agency Requests/Governor's Recommendations

The combined FY 1991 budget requests for agencies of the Legislative Branch total \$14,401,368 (a 1.3 percent increase) of which \$14,321,776 (also a 1.3 percent increase) would be financed from the General Fund. The FTE position total for these agencies is 117.7. The only further change in the position count from the changes incorporated into the FY 1990 revised budgets is one additional attorney position for the Revisor of Statutes which brings the FTE total to 27, as compared to the 28 originally authorized for FY 1990 by the 1989 Legislature. As directed by the LCC, legislative agency requests do not contain any amounts for changes to the state pay plan but do include costs of step increases for those employees who are paid in accordance with the pay plan. The Director of Legislative Administrative Services stated before the Subcommittee that the salary to be paid the new Information Resource Manager would likely exceed the amount budgeted. The budget request, however, has not been amended.

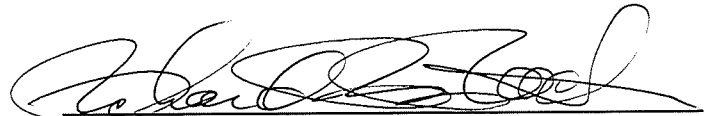
The Governor's recommendation concurs with the requested FY 1991 budgets except for reductions based on revised health insurance rates and for additions based on recommended changes to the state pay plan. In Budget Amendment No. 1, the Governor corrected his budget report recommendation by reducing salary expenditures in the amount of \$96,677. The original recommendation duplicated expenditures for step movement under the state pay plan. As amended, the recommended budget provides for 2.5 percent step movement plus a 1.5 percent general increase for employees paid in accordance with the pay plan, a 4.0 percent average increase for regular and temporary employees of the Legislature, and a \$1 per diem increase for legislators (1.5 percent). As so adjusted, the Governor's expenditure recommendations total \$14,513,496, a net addition of \$112,128 to the agencies' requests.

#### FY 1991 Subcommittee Recommendations

The Subcommittee concurs with the Governor's amended recommendations.



\_\_\_\_\_  
Senator Dave Kerr  
Subcommittee Chairperson



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Senator Richard Rock

**SUBCOMMITTEE REPORT**

Agency: Governor's Department

Bill No. 451

Bill Sec. 6

Analyst: Ahrens

Analysis Pg. No. 111

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State General Fund: Operating Expenditures	\$ 1,415,274	\$ 1,448,231	\$ --
FTE Positions	31.0	31.0	--

**Agency Request/Governor's Recommendation**

**FY 1990.** The agency request for FY 1990 totals \$1,426,342 which includes financing for 31.0 FTE positions. A supplemental appropriation of \$30,000 is requested to pay for membership in the Western Governor's Association. The Governor's recommendation concurs with the agency estimate except that salaries and wages expenditures are reduced by \$6,514, representing revised health insurance rates.

**FY 1991.** The agency request for FY 1991 totals \$1,415,274, a decrease of 1.5 percent from the FY 1990 agency estimate. The request continues the FY 1990 total of 31.0 FTE positions. The Governor's FY 1991 recommendation is \$32,958 above the requested amount and represents addition of a 4 percent merit salary pool and reductions due to revised health insurance rates.

**Senate Subcommittee Recommendations**

The Subcommittee concurs with the Governor's recommendations for FY 1990 and FY 1991 and recommends a technical adjustment to the appropriation language contained in Section 6 of S.B. 451 to continue the prior legislative practice of permitting a certain amount of expenditures for contingencies without limitation at the discretion of the Governor. Such expenditures would be limited to \$70,846, the amount by which appropriated resources exceed estimated expenditures.



\_\_\_\_\_  
Senator Dave Kerr



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Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Lieutenant Governor

Bill No. 451

Bill Sec. 7

Analyst: Ahrens

Analysis Pg. No. 110

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State General Fund: State Operations	\$ 107,406	\$ 107,721	\$ --
FTE Positions	3.0	3.0	--

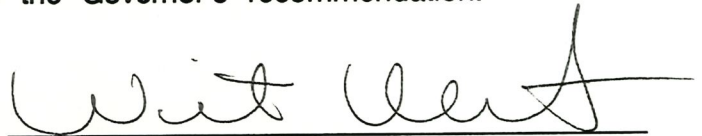
**Agency Request/Governor's Recommendation**

The agency budget request for FY 1991 is \$107,406, a decrease of \$5,653 from the FY 1990 revised agency estimate.

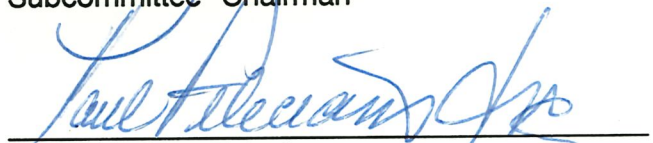
The Governor concurs with the agency request except for the addition of \$315 for salaries and wages, a net change resulting from lower health insurance rates and an increase in the merit pool from 2.5 percent to 4.0 percent. The appropriation recommended by the Governor provides a contingency amount of \$26,525 which is not included in the recommended expenditure total.

**Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation.



Senator Wint Winter, Jr.  
Subcommittee Chairman



Senator Paul Feleciano

## SUBCOMMITTEE REPORT

Agency: Attorney General

Bill No. 558

Bill Sec. 4

Analyst: Rampey

Analysis Pg. No. 113

Budget Pg. No. 86

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 4,086,334	\$ 4,741,749	\$ 35,000
Aid to Local Units	1,164,795	1,565,903	--
Other Assistance	1,753,116	1,352,008	--
Total	<u>\$ 7,004,245</u>	<u>\$ 7,659,660</u>	<u>\$ 35,000</u>
State General Fund:			
State Operations	\$ 3,405,896	\$ 4,063,718	\$ 35,000
FTE Positions	70.0	70.0	--

### Agency Request/Governor's Recommendation

Expenditures for the Office of the Attorney General are estimated to be \$7,004,245 in FY 1990. Of that amount, \$3,405,896 for operations is funded from the State General Fund. The amount includes \$399,711 that is requested as a supplemental appropriation for water rights litigation involving the case Kansas v. Colorado. Total expenditures for that case are estimated to be \$1,463,756 in FY 1990. The FY 1990 budget includes funding for the Crime Victims Compensation Board, which was placed under the jurisdiction of the Attorney General by the 1989 Legislature.

The Governor recommends expenditures of \$7,659,660 in FY 1990, an increase of \$655,415 over the agency's request. Expenditures from the State General Fund recommended by the Governor total \$4,063,718, an increase of \$657,822 over the Attorney General's request. The increase is due to the addition of \$699,711 from the State General Fund (offset by some reductions in other areas) for water rights litigation that was not included in the budget as submitted. The increase is comprised of \$300,000 in available funds that the agency had planned to carry forward into FY 1991 and \$399,711 requested as a supplemental appropriation.

### Senate Subcommittee Recommendation

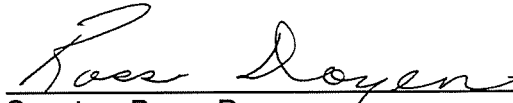
The Subcommittee concurs with the recommendations of the Governor, with the following exception:

1. Transfer an additional \$35,000 from the State General Fund to the Attorney General's Antitrust Special Revenue Fund, for a total transfer in FY 1990 of \$189,503. Provide also for the transfer of \$189,503 back to the State General Fund in the event that money owed the state is recouped from antitrust activities. Total expenditures from the


*SWAM  
February 13, 1990  
Attachment 4*



Antitrust Special Revenue Fund in FY 1990 would be \$214,093. The Subcommittee's recommended increase relates to litigation over alleged price fixing of natural gas.



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



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Senator Nancy Parrish

## SUBCOMMITTEE REPORT

**Agency:** Attorney General

**Bill No.** 451

**Bill Sec.** 8

**Analyst:** Rampey

**Analysis Pg. No.** 113

**Budget Pg. No.** 86

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,969,971	\$ 3,579,351	\$ 92,975
Aid to Local Units	1,015,000	1,015,000	--
Other Assistance	<u>2,302,436</u>	<u>1,949,777</u>	--
TOTAL	<u>\$ 7,287,407</u>	<u>\$ 6,544,128</u>	<u>\$ 92,975</u>
State General Fund:			
State Operations	\$ 3,395,277	\$ 3,189,336	\$ (60,999)
FTE Positions	73.0	70.5	1.0

### Agency Request/Governor's Recommendation

**FY 1991.** Total expenditures in FY 1991 are estimated to be \$7,287,407, of which \$3,395,277 would be from the State General Fund. The request includes \$541,325 from the State General Fund for expenses associated with water rights litigation, which is expected to go to trial in July. The agency is requesting three new positions, of which two would be funded from the State General Fund and the third from special revenue funds that finance the operations of the Crime Victims Compensation Board. Overall, the operating expenses for FY 1991 are expected to be less than for FY 1990 because expenditures for water rights litigation are expected to be lower and the FY 1990 budget includes two atypical expenditures: a \$61,000 amount for special prosecutors in criminal cases and a \$90,000 expenditure for an Indian cemetery.

The Governor recommends expenditures of \$6,544,128, a reduction of \$743,279 from the agency's request. Recommended expenditures from the State General Fund total \$3,189,336, a reduction of \$205,941. The Governor approves the addition of one new position (an Assistant Attorney General I) funded from the State General Fund but reduces the number of part-time law clerks by 0.5 FTE, for a net increase of 0.5 FTE positions.


### Senate Subcommittee Adjustments

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

1. Increase operating expenditures from the Crime Victims Compensation Fund by \$42,225 (from \$141,737 to \$183,962). The increase consists of the addition of 1.0 FTE new position (an investigator, whose salary and related expenses total \$30,353), \$8,041 in overall operating expenditures, and \$3,831 for a new personal computer and related equipment. Information presented to the Subcommittee indicates that the Crime Victims Compensation Board is receiving and processing

more claims than was estimated and, in order to keep up with its workload, needs additional staff and equipment. (To date, in FY 1990, 536 claims have been filed, a 75 percent increase over the total number of claims filed in FY 1989 of 306.) The increases recommended by the Subcommittee would be funded from the Crime Victims Compensation Fund.

2. Add a proviso to the Crime Victims Compensation Fund to allow expenditures for claims regardless of the fiscal year in which the claim was awarded. (The proviso would address situations such as the awarding of a claim in June but the voucher cannot be processed until July.)
3. Delete \$60,999 from the State General Fund for antitrust litigation, for a total State General Fund expenditure of \$62,222. In addition, authorize the expenditure from the Antitrust Special Revenue Fund of \$111,749 the state is expected to receive as the result of antitrust action against Panasonic. The effect of the Subcommittee's recommendation would be to authorize total expenditures of \$177,591 for antitrust operating expenditures in FY 1991, of which \$62,222 would be from the State General Fund and \$115,369 would be from special revenue funds. The Subcommittee's recommendation would also provide for the transfer back to the State General Fund of \$62,222 when that amount of money is recouped from antitrust activities.
4. Approve the transfer of the Attorney General's Committee on Crime Prevention Fee Fund from the budget of the Kansas Bureau of Investigation (KBI) to the Attorney General's budget. Staff support for the Attorney General's Committee on Crime Prevention is provided by the Attorney General's main office, not by the KBI.
5. Amend 1989 S.B. 358, which concerns attorneys appointed by the Attorney General. The Subcommittee recommends that the bill be amended to direct the Attorney General to appoint an Assistant Attorney General for the State Fire Marshal whose salary would be paid from the State Fire Marshal's budget. (Presently, the Attorney General pays the salary of an employee who is assigned to the State Fire Marshal's Office.) Should S.B. 358 pass as recommended by the Subcommittee, it would be necessary to delete 1.0 FTE position and \$33,444 in salary and benefits from the budget of the Attorney General and add that amount to the budget of the State Fire Marshal.
6. Make technical changes to S.B. 451 to correct the agency's position limitation and to change the name of the "Attorney General's Antitrust Litigation Fund" to "Antitrust Litigation."

  
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Senator Ross Doyen  
Subcommittee Chairperson

  
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Senator Nancy Parrish

**SUBCOMMITTEE REPORT**

Agency: Secretary of State

Bill No. 558

Bill Sec. 5

Analyst: Mah

Analysis Pg. No. 123

Budget Pg. No. 504

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund:			
Noncensus	\$ 1,545,311	\$ 1,531,621	\$ --
Census	150,000	149,347	--
Uniform Commercial Code			
Fee Fund	454,127	451,204	--
Other Special Funds	<u>396,626</u>	<u>394,517</u>	--
TOTAL	<u>\$ 2,546,064</u>	<u>\$ 2,526,689</u>	<u>\$ 0</u>
 FTE Positions	 61.0	 61.0	 --

**Agency Request/Governor's Recommendation**

The agency's current year estimate totals \$2,546,064 for operating expenditures. Census expenditures total \$150,000 and noncensus expenditures total \$2,396,064. Adjustments for noncensus expenditures from the authorized budget include reductions of \$136,880 for salaries and wages and \$55,107 for other operating expenditures. Estimated financing from the State General Fund requires a supplemental appropriation of \$39,191 for costs associated with printing copies of the Kansas Administrative Regulations (K.A.R.) books. The agency estimates a reduction of \$375,573 for expenditures from the Uniform Commercial Code (UCC) Fee Fund because of diminished UCC activity. The diminished activity has limited available resources and the agency will be recommending increases in UCC fee rates to the 1990 Legislature.

The Governor's current year recommendation totals \$2,526,689 for operating expenditures. Census expenditures total \$149,347 (a reduction of \$653 from the agency estimate) and noncensus expenditures total \$2,377,342 (a reduction of \$18,722 from the agency's estimate). Noncensus expenditures for salaries and wages are reduced by \$13,722 and all other operating expenses by \$5,000. The Governor recommends a supplemental appropriation of \$34,191 for costs associated with printing the K.A.R. books. The Governor supports the agency's request for increases in UCC fee rates.

**Senate Subcommittee Recommendation**

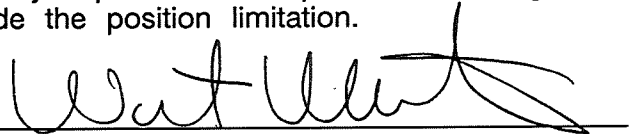
The Senate Subcommittee concurs with the Governor's recommendation with the following additions:

1. The Subcommittee notes that the Governor supports the agency's request to raise receipts for the Uniform Commercial Code Fund through an increase in fee rates. The Subcommittee strongly recommends the introduction and passage of legislation that would allow the Secretary of State to increase, in FY 1990, the Uniform Commercial Code filing and search fee charges to a maximum of \$10.

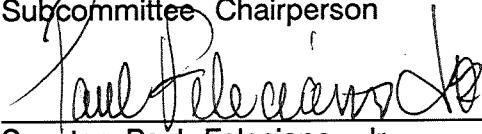
*SWAM  
February 13, 1990  
Attachment 5*

The Subcommittee recognizes that the receipts in this Fund have diminished in recent years and strongly encourages the Legislature to give such legislation its immediate attention because of concerns raised by the agency that costs for providing the services are greater than the amount of receipts currently being received. The current maximum fee rates are \$3-5 for filing and \$5 per debtor name search. Legislation to allow the Secretary of State to charge a maximum of \$10 for these fees will allow the Secretary greater flexibility to set rates which correspond to the costs of providing the services.

2. Although the agency requests that the Governor's \$5,000 reduction from the State General Fund for stationery and office supplies be restored, the Subcommittee does not recommend increasing the Governor's supplemental appropriation by that amount because immediate passage of legislation to raise the Uniform Commercial Fee rates in the current year, as strongly endorsed by the Subcommittee, will provide the agency with additional resources.
  
3. The Subcommittee recommends that a proviso be added to S.B. 558 which would place the Kansas state census employees outside of the agency's approved position limitation level. With the assumption that employees for the state census would not be needed on a permanent basis, the 1987 Legislature established that any employees for the Kansas state census be in addition to the position limitation of the agency for any appropriation acts of the 1986 or 1987 regular legislative sessions. The 1988 Legislature passed a proviso to continue this policy for FY 1989. The issue was not addressed by the 1989 Legislature. The Governor's recommendation reduced the agency's noncensus employees by 2.0 FTE positions and included 2.0 FTE positions requested by the agency for the state census activities. The Subcommittee's recommendation would maintain the agency's current level of 61.0 FTE noncensus employee positions and provide for hiring of state census employees outside the position limitation.



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Senator Wint Winter, Jr.  
Subcommittee Chairperson



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Senator Paul Feleciano, Jr.

**SUBCOMMITTEE REPORT**

**Agency:** Secretary of State

**Bill No.** 451

**Bill Sec.** 9

**Analyst:** Mah

**Analysis Pg. No.** 123

**Budget Pg. No.** 504

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund			
Noncensus	\$ 1,773,863	\$ 1,565,202	\$ --
Census	88,400	76,370	--
Uniform Commercial Code			
Fee Fund	620,685	524,054	--
Other Special Funds	<u>383,511</u>	<u>384,242</u>	--
TOTAL	<u>\$ 2,866,459</u>	<u>\$ 2,549,868</u>	<u>\$ 0</u>
FTE Positions	61.0	61.0	--

**Agency Request/Governor's Recommendation**

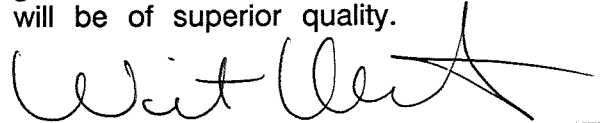
The agency's FY 1991 request totals \$2,866,459 for all operating expenditures. Census expenditures of \$88,400 are requested from the State General Fund, a reduction of \$61,600 from the current year estimate. The request for noncensus expenditures is \$2,778,059, an increase of \$381,995 from the current year estimate. Estimated financing is \$1,773,863 from the State General Fund, \$620,685 from the UCC Fee Fund, and \$383,511 from other special revenue funds. Major revisions from the current year request include increases of \$196,110 for salaries and wages, \$18,470 for communications, \$88,606 for printing, and \$72,000 for fees--professional services. Net other changes increase expenditures over the current year by \$6,809. The agency's FY 1991 request assumes passage of legislation to increase UCC fee rates.

The Governor's FY 1991 recommendation totals \$2,549,868 for all operating expenditures, an increase of \$23,179 from the Governor's current year recommendation. Census expenditures of \$76,370 are recommended from the State General Fund, for a reduction of \$72,977 from the current year recommendation. The recommendation for noncensus expenditures is \$2,473,498, an increase of \$96,156 from the current year recommendation. The Governor also recommends that the agency be allowed to utilize, above the FY 1991 recommendation, \$8,690 of FY 1990 State General Fund money which is reappropriated without limit. Revisions to the agency's operation expenditures from the Governor's current year recommendation include an increase of \$116,806 for salaries and wages and a reduction of \$20,650 for other operating expenses. Although the Governor supports the agency's request for a UCC fee rate increase, the Governor's FY 1991 recommendation is based on current fee rates and does not assume that the Legislature will approve a fee rate increase.

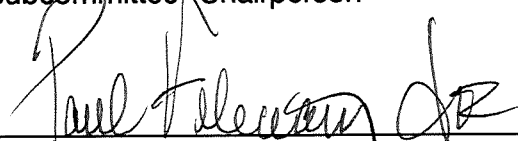
**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's expenditure recommendations and also recommends the following:

1. The Subcommittee recommends that a proviso be added to S.B. 451 which would place the Kansas state census employees outside of the agency's approved position limitation level as recommended by the Subcommittee for FY 1990.
2. The Subcommittee recommends the introduction and passage of legislation to amend K.S.A. 75-3071. The recommendation is to provide for an increase in the agency's Imprest Fund from \$4,000 to \$10,000. The Fund was established to provide the agency with a means for distributing necessary refunds. The account is used for refunds that are usually \$5 or less. It is the understanding of the Subcommittee that receipts in the Fund need to be increased because outstanding checks significantly exceed the Fund's receipts. The Subcommittee's recommendation addresses a concern made by a representative of Legislative Post Audit during a recent review of the agency's receipts. The Subcommittee notes that Post Audit plans to address and recommend such action in a future written report of the agency. With the passage of the legislation, the amount of required funds (\$6,000) will be transferred from the State General Fund by the Division of Accounts and Reports to this Fund. The \$6,000 to be transferred will be in addition to the agency's FY 1991 budget.
3. The Subcommittee recommends the deletion of the Legal Publication Fee Fund from S.B. 451 pending the introduction and passage of necessary legislation to establish such a Fund. The agency requested the establishment of the Fund for receipts and expenditures associated with the printing and distribution of the Kansas Administrative Regulations books. Current law provides that receipts from the sale of the books be credited to the State General Fund. The Subcommittee recommends the introduction and passage of legislation which would expand the existing State Register Fee Fund to allow for receipts and expenditures associated with the printing and distribution of the Session Laws of Kansas and the Kansas Administrative Regulations books.
4. The Subcommittee congratulates and extends its best wishes to the Secretary of State on his appointment by the Governor as Kansas Chairman for the national Christopher Columbus Quincentenary Jubilee Commission. The Subcommittee is confident that, in spite of existing fiscal restraints which inhibit the Subcommittee from providing the Secretary with the requested funding for such activities, the Secretary's performance in fulfilling his duties will be of superior quality.



Senator Wint Winter, Jr.  
Subcommittee Chairperson



Senator Paul Feleciano, Jr.

**SUBCOMMITTEE REPORT**

**Agency:** State Treasurer

**Bill No.** --

**Bill Sec.** --

**Analyst:** Duffy

**Analysis Pg. No.** 138

**Budget Pg. No.** 568

<u>Expenditure Summary</u>	<u>Agency Reg. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,961,185	\$ 1,915,172	\$ --
Aid to Local Units	70,887,205	70,676,205	--
Debt Service	665,067	665,067	--
Total	<u>\$ 73,513,457</u>	<u>\$ 73,256,444</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 1,941,385	\$ 1,880,372	\$ --
Aid to Local Units	62,158,484	61,947,484	--
Total	<u>\$ 64,099,869</u>	<u>\$ 63,827,856</u>	<u>\$ --</u>
FTE Positions	52.0	52.0	--

**Agency Estimate/Governor's Recommendation**

The revised FY 1990 expenditure estimate for state operations totals \$1,961,185 (excluding debt services of \$665,067). The revised estimate includes expenditures of \$41,329 above the amount estimated by the 1989 Legislature. The FY 1990 revised estimate includes funding of \$1,941,385 from the State General Fund, of which \$1,339,542 is for salaries and wages (the same amount that was approved by the 1989 Legislature) and \$621,643 is for other operating expenditures ( an increase of \$41,329 over the amount estimated for expenditures by the 1989 Legislature.) The additional amount is financed from the reappropriated balance and requires no further legislative action. In addition to the State General Fund, the agency estimates expenditures of \$19,800 for state operations from the Unclaimed Property Contract Fund, as approved by the 1989 Legislature. The agency estimates an agencywide turnover rate of 1.8 percent (\$24,361) for FY 1990.

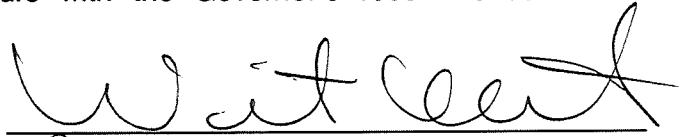
The Governor recommends \$1,915,172 for state operations (excluding debt service of \$665,067) in FY 1990, a decrease of \$46,013 from the amount estimated by the agency for FY 1990. The Governor's recommendation includes \$1,880,372 from the State General Fund and \$34,800 from the Unclaimed Property Contract Fund. The Governor's FY 1990 recommendation includes an agencywide turnover rate of 3.1 percent (\$42,546).

*SWAM  
February 13, 1990  
Attachment 6*

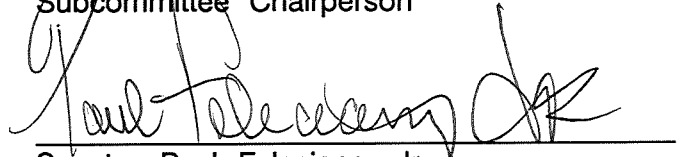


**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation.



Senator Wint Winter  
Subcommittee Chairperson



Senator Paul Feleciano, Jr.

**SUBCOMMITTEE REPORT**

**Agency:** State Treasurer

**Bill No.** 451

**Bill Sec.** 10

**Analyst:** Duffy

**Analysis Pg. No.** 138

**Budget Pg. No.** 568

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,987,383	\$ 1,853,588	\$ 37,522
Aid to Local Units	75,181,075	74,475,075	--
Debt Service	690,869	690,869	--
Total	<u>\$ 77,859,327</u>	<u>\$ 77,019,532</u>	<u>\$ 37,522</u>
State General Fund:			
State Operations	\$ 1,965,663	\$ 1,796,088	\$ 37,522
Aid to Local Units	66,135,000	65,429,000	--
Total	<u>\$ 68,100,663</u>	<u>\$ 67,225,088</u>	<u>\$ 37,522</u>
FTE Positions	52.0	52.0	--

**Agency Request/Governor's Recommendation**

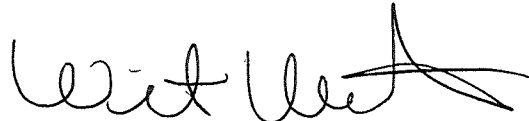
The agency requests FY 1991 expenditures for state operations of \$1,987,383 (excluding debt service of \$690,869), an increase of 1.3 percent over the agency's FY 1990 revised estimate. The FY 1991 request includes \$1,965,663 from the State General Fund and \$21,720 from the Unclaimed Property Contract Fund. The FY 1991 request for salaries and wages totals \$1,397,724 and would support 52.0 FTE positions, the same number of positions approved for the current year. The FY 1991 salary and wage request includes an agencywide turnover rate of 2.0 percent (\$29,044). The FY 1991 request for other operating expenditures totals \$589,659, which is \$31,984 less than the agency's FY 1990 estimate.

The Governor recommends \$1,853,588 for state operations (excluding debt service of \$690,869) in FY 1991, \$133,795 less than the amount requested by the agency. The Governor's recommendation for state operations reflects a decrease of 3.2 percent or \$61,584 from the Governor's FY 1990 recommendation. The FY 1991 Governor's recommendation includes \$1,796,088 from the State General Fund and \$57,500 from the Unclaimed Property Contract Fund. The Governor's recommendation for salaries and wages in FY 1991 totals \$1,335,161, a reduction of \$62,563 from the agency's FY 1991 request. The Governor's FY 1991 salary and wage recommendation includes a 4.5 percent turnover rate (\$63,052). The Governor recommends \$518,427 for other operating expenditures in FY 1991, a decrease of \$71,232 from the agency's FY 1991 request. The State General Fund appropriation language as recommended by the Governor provides a contingency amount of \$61,013 which is not included in the recommended expenditures.

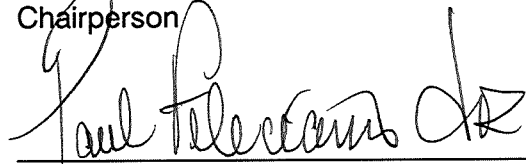
**Senate Subcommittee Recommendation**

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

1. Add \$37,522 from the State General Fund for salaries and wages. The Subcommittee's recommendation would fully fund the existing 52.0 FTE positions (\$17,700) and would adjust the agencywide turnover rate from 4.5 percent to 3.1 percent (19,822). The agency requested a 2 percent turnover rate for FY 1991, which would have required an appropriation of \$15,574 in addition to the Subcommittee's recommendation. The State Treasurer experienced an actual turnover rate of 3.1 percent in FY 1989 and 3.1 percent is the recommended rate for FY 1990. The Subcommittee believes that the Governor's recommendation for the salary and wage budget is insufficient. Without the additional funding a State General Fund supplemental appropriation for salaries and wages would be necessary next session.
2. There maybe a transition in the Office of State Treasurer in FY 1991 and the possibility exists that additional costs would be incurred. If a transition occurs, the Subcommittee believes that the FY 1991 budget should be reviewed next session for additional transition costs when cost estimates would be more certain. The Subcommittee urges the State Treasurer and incoming State Treasurer to accomplish the transition without additional resources.
3. The Subcommittee understands that the Governor's recommendation with respect to longevity payments for unclassified employees within the offices of elected officers is inconsistent. Longevity for unclassified employees of the State Treasurer's Office was not requested or recommended. The Subcommittee believes that the policy should be consistent and if funding is included for eligible unclassified employees of other elected officers, then unclassified employees of the State Treasurer's Office should also receive longevity. Funding for longevity in FY 1990 would be \$3,800 and FY 1991 totals \$3,360.



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Senator Wint Winter  
Chairperson



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Senator Paul Feleciano, Jr.

**SUBCOMMITTEE REPORT**

Agency: Department of Insurance      Bill No. 451      Bill Sec. 11  
 Analyst: Rothe      Analysis Pg. No. 131      Budget Pg. No. 328

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 12,062,752	\$ 11,982,199	\$ 2,490
Local Aid	3,325,000	3,325,000	--
Other Assistance	44,601,261	44,601,261	--
TOTAL	<u>\$ 59,989,013</u>	<u>\$ 59,908,460</u>	<u>\$ 2,490</u>
State General Fund:			
State Operations	\$ 4,792,149	\$ 4,711,495	\$ 2,490
Other Assistance	4,000,000	4,000,000	--
TOTAL	<u>\$ 8,792,149</u>	<u>\$ 8,711,495</u>	<u>\$ 2,490</u>
FTE Positions	154.2	153.2	--

**Agency Request/Governor's Recommendation**

For FY 1991, the Department estimates expenditures of \$59,989,013, an increase of \$5,236,720 above the revised current year estimate. The request includes \$8,792,149 from the State General Fund, an increase of \$280,392. The State General Fund would finance 121.7 FTE positions for FY 1991, an increase of 1.0 FTE life insurance consumer representative (\$32,709 for salary and benefits).

The Governor's FY 1991 recommendation of \$59,908,460 is a reduction of \$80,553 from the agency's request. The Governor recommends \$64,325 for a 1.5 percent general salary adjustment and a reduction of \$77,407 due to salary benefit adjustments and the deletion of the requested new position. Other reductions include \$46,049 from contractual services, \$1,440 from supplies, and \$19,982 from capital outlay.

**Senate Subcommittee Recommendations**

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

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

1. The Subcommittee recommends that unlimited reappropriation authority from the State General Fund be continued for FY 1991.
2. Delete \$10,000 from the State General Fund from actuarial fees. The Subcommittee learned that it was not the Governor's intent to increase the department's request from \$40,000 to \$50,000 for FY 1991.

*SWAM  
 February 13, 1990  
 Attachment 7*

3. Add \$12,490 from the State General Fund to restore the agency's FY 1991 request of \$22,309 for printing brochures. The department estimates FY 1990 expenditures of \$19,192. Actual FY 1989 expenditures were \$9,819. Average annual expenditures were \$19,850 between FY 1985 through FY 1988. Reduced FY 1989 expenditures resulted in a decreased inventory of brochures.
  
4. The Subcommittee reviewed a June 30, 1989 report by the Legislative Division of Post Audit. The report noted that the Insurance Department does not monitor the total incurred liability of the Workers' Compensation Fund, although generally accepted accounting principles require that such information be disclosed. The report recommended that the department develop a methodology for monitoring the total liability of the plan as of a given point in time. The department responded that because the Fund is not required to maintain a reserve for future year claims, no benefit would be derived in estimating total liabilities other than disclosing such a figure in the state's financial reports as required by generally accepted accounting principles. The Department also estimates that it would cost \$40,000 per year to employ an actuary to compute the fund's total liabilities. The Subcommittee does not recommend such additional expenditures at this time because it is not clear that any financial advantage would accrue to the state. If the Insurance Department can obtain information that would indicate a financial benefit would result from identification of future liabilities of the Fund, the issue can be revisited.



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Senator Dave Kerr  
Subcommittee Chairperson



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Senator Richard Rock