

Approved 2-21-91  
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by George Teagarden at  
Chairperson

1:30 a.m./p.m. on February 15, 1991 in room 514-S of the Capitol.

All members were present except: Representative Helgerson (excused)

Committee staff present: Ellen Piekalkiewicz, Legislative Research Department  
Debra Duncan, Legislative Research Department  
Jim Wilson, Revisor of Statutes  
Susan Miller, Administrative Aide  
Sue Krische, Committee Secretary

Conferees appearing before the committee:

The Committee took up consideration of subcommittee reports on the fee agencies.

**HB 2047** - Appropriations for FY92, occupational and health professions licensing agencies and financial regulatory agencies.

#### BOARD OF HEARING AID EXAMINERS

Representative Garry Boston reviewed the FY91 and FY92 subcommittee reports (Attachment 1). Representative Gatlin moved adoption of the FY91 and FY92 subcommittee reports on the Board of Hearing Aid Examiners. Representative Wisdom seconded. Motion carried.

#### BOARD OF TECHNICAL PROFESSIONS

Representative Kent Glasscock reviewed the subcommittee reports for FY91 and FY92 (Attachment 2). Representative Gregory submitted a minority report for FY92. The majority report recommended restoring \$3,231 for in-state travel to avoid a reduction from six to four board meetings per year. The majority's recommended increases of \$5,294 for printing and \$2,323 for communications were contingent on the passage of legislation regulating the practice of the technical professions. Representative Kline suggested the increase in receipts to the Board in FY91 might be due to the recent inclusion of land surveyors for licensure under the Board of Technical Professions. Representative Chronister moved adoption of the FY91 subcommittee report and the FY92 majority subcommittee report on the Board of Technical Professions. Representative Goossen seconded. Representative Gregory offered a substitute motion to adopt the FY91 subcommittee report and the FY92 minority subcommittee report on the Board of Technical Professions. Representative Solbach seconded. Following discussion, Representative Solbach withdrew his second with the consent of Representative Gregory, who made the substitute motion. Representative Wisdom seconded the substitute motion. The substitute motion carried.

#### BOARD OF EXAMINERS IN OPTOMETRY

Representative Sandy Praeger reviewed the subcommittee reports for FY91 and FY92 (Attachment 3). Representative Gregory moved adoption of the FY91 and FY92 subcommittee reports on the Board of Optometry Examiners. Representative Solbach seconded. Motion carried.

#### BOARD OF PHARMACY

Representative Rand Rock reviewed the FY91 and FY92 subcommittee reports (Attachment 4). Representative Gregory submitted a minority report for FY92. A member noted in support of the majority report for FY92 that adequate funding of the impaired practitioners program and of fees for disciplinary proceedings is important in preserving public safety. Representative Solbach questioned if the pharmacists should be included under the Board of Healing Arts to perhaps avoid unnecessary duplication of expenses. It was noted in light of the declining ending balance of the fee fund that most of the license fees and permanent fees are not at their statutory maximum at the present time. Representative Gatlin moved adoption of the subcommittee report for FY91 and the majority subcommittee report for FY92 on the State Board of Pharmacy. Representative Chronister seconded. Representative Gregory made a substitute motion to adopt the minority report for FY92. Representative Wisdom seconded. Substitute motion failed. On Representative Gatlin's original motion, the motion carried.

The meeting was recessed at 9:00 a.m. and Chairman Teagarden announced the Committee would reconvene on adjournment of the House.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations  
room 514-S, Statehouse, at 1:30 a.m./p.m. on February 15, 1991

Vice-Chairman Wisdom reconvened the meeting at 10:00 a.m. for continuation of subcommittee reports on HB 2047.

STATE DEPARTMENT OF CREDIT UNIONS

Representative Carol Dawson reviewed the FY91 and FY92 subcommittee reports (Attachment 5). Representative Mead moved adoption of the FY91 and FY92 subcommittee reports for the Department of Credit Unions. Representative Solbach seconded. Motion carried.

BANK COMMISSIONER

Representative Judith Macy reviewed the FY91 and FY92 subcommittee reports for the Bank Commissioner in which the subcommittee concurred with the Governor in both fiscal years (Attachment 6). Representative Mead moved adoption of the FY91 and FY92 subcommittee reports on the Bank Commissioner. Representative Solbach seconded. Motion carried.

SAVINGS AND LOAN DEPARTMENT

Representative Robin Jennison reviewed the subcommittee reports for FY91 and FY92 (Attachment 7). Representative Mead moved adoption of the subcommittee reports for FY91 and FY92 on the Savings and Loan Department. Representative Teagarden seconded. Motion carried.

BOARD OF COSMETOLOGY

Representative David Corbin reviewed the subcommittee reports for FY91 and FY92 (Attachment 8). Representative Mead moved adoption of the subcommittee reports for FY91 and FY92 on the Board of Cosmetology. Representative Teagarden seconded. Motion carried.

The meeting was adjourned at 10:20 a.m. The next meeting is scheduled for Monday, February 18.

GUEST LIST

COMMITTEE: HOUSE APPROPRIATIONS

DATE: 2-15-91

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
GARRY BOSTON		REP
Carol Dawson		Rep
Robin Jennison		Rep
Tom Thompson		Rep.
<del>Tom Bishop</del>		
David H. Rubin		Rep.
Rand Rock		Rep.
Sandy Prager		Rep.
Judy Tracy		Rep.
Tom Hitchcock	Topeka	Bd. Pharmacy
WALT DARLING	TOPEKA	DIVISION OF BUDGET
Mark L Manning	Topeka	D O B
STEVE LLOYD		REP
M. Bohakoff	Topeka	DOB
Cindy Gilpin	Topeka	Budget
DAU HERMES	TOPEKA	DOB
Eikon M. Hassett, Director	Topeka	Felo Cosmetology
Jany Rose V.P.	Silverlake	KBLA
TERRY STEARMAN; Chairman	TOP.	BD OF BARBERING
ROCKY VACEK	Topeka	BD OF BARBERING
J Montague		Budget
Michelle Guster	Topeka	John Peterson & Associates
Joe Sawley	Topeka	Dept. of C.V.S
Kelvin Dean	Topeka	KPA
JH Natus	Topeka	K.P.S. P. & S. 1/2 1/2

**SUBCOMMITTEE REPORT**

Agency: Board of Examiners for  
Hearing Aids

Bill No. 2047

Bill Sec. 12

Analyst: Rampey

Analysis Pg. No. 33

Budget Page No. 238

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 15,034	\$ 13,724	\$ 133
FTE Positions	--	--	--

**Agency Request/Governor's Recommendation**

**FY 1991.** The Board estimates it will spend \$13,724 in FY 1991, which is the amount approved. The Governor concurs with the Board's estimate of \$13,724.

**FY 1992.** The Board's FY 1992 request is \$15,034, an increase of \$1,310 over the current year. The increase is accounted for primarily by increases in salaries (\$421), travel (\$350), and fees for professional services (\$400). The Governor recommends expenditures of \$13,724, the same amount estimated for the current year and a reduction of \$1,310 from the Board's request.

**House Subcommittee Recommendation**

**FY 1991.** The Subcommittee concurs with the recommendations of the Governor.

**FY 1992.** The Subcommittee concurs with the recommendations of the Governor, with the following exceptions:

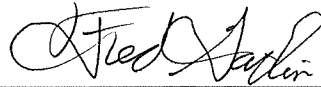
1. Add \$133 for travel, for a total of \$1,506. The requested amount of \$1,700 is based on perfect attendance of all five members at each meeting. While the Subcommittee thinks it is unlikely that no one will miss a meeting, it has been told that all vacancies on the Board are filled and the Executive Director makes an effort to schedule meetings to accommodate members' schedules. Therefore, the Subcommittee thinks it is quite possible that the amount of \$1,373 recommended by the Governor for travel is too low and recommends that the amount be increased to \$1,506.
2. The Subcommittee calls attention to the fact that, for the first time in several year, the Board plans to reprint copies of its rules and regulations. The Board requested \$500 for printing costs in FY 1992, which the Governor reduced to \$422. It is the Subcommittee's understanding that the Executive Director, who lives in Wichita, plans to come to Topeka to discuss with the State Printer the cost of printing Board materials. The Subcommittee concurs with the Governor's

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Attachment 1*

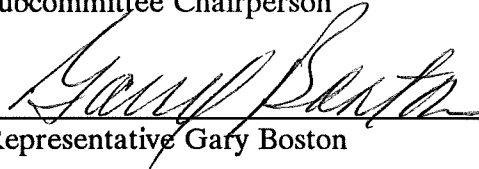
recommendation of \$422 for printing costs, but suggests that, if the Executive Director obtains more precise printing estimates, she present them to the Senate Subcommittee on the Board's budget for its consideration.

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

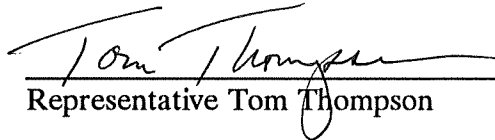
<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991</u>	<u>Estimated FY 1992</u>
Beginning Balance	\$ 22,103	\$ 23,359	\$ 23,395
Net Receipts	12,772	13,760	13,760
Total Available	<u>\$ 34,875</u>	<u>\$ 37,119</u>	<u>\$ 37,155</u>
Less: Expenditures	11,516	13,724	13,857
Ending Balance	<u><u>\$ 23,359</u></u>	<u><u>\$ 23,395</u></u>	<u><u>\$ 23,298</u></u>



Representative Fred Gatlin  
Subcommittee Chairperson



Representative Gary Boston



Representative Tom Thompson

**SUBCOMMITTEE REPORT**

Agency: Board of Technical Professions Bill No.

Bill Sec.

Analyst: Colton

Analysis Pg. No. 60

Budget Pg. No. 556

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 269,885	\$ 268,322	\$ --
FTE Positions	4.0	4.0	--

**Agency Estimate/Governor's Recommendation**


The Board estimates FY 1991 expenditures of \$269,885, or the amount approved by the 1990 Legislature. The Governor's recommendation reduces the Board's estimate by \$1,563. The Governor's expenditure limitation reduction is reflected in the supplemental bill (H.B. \_\_\_) for current year.


**House Subcommittee Recommendations**

The Subcommittee concurs with the Governor's recommendation.

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

<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 227,597	\$ 200,142
Net Receipts	222,920	259,791
Total Available	\$ 450,517	\$ 459,933
Less: Expenditures	250,375	268,322
Ending Balance	<u>\$ 200,142</u>	<u>\$ 191,611</u>

  
 Representative Gilbert Gregory  
 Subcommittee Chairman

  
 Representative Carol Dawson

  
 Representative Kent Glasscock

## SUBCOMMITTEE REPORT

Agency: Board of Technical Professions Bill No. 2047

Bill Sec. 20

Analyst: Colton

Analysis Pg. No. 60

Budget Pg. No. 556

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Governor's Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 296,955	\$ 274,400	\$ 3,231
FTE Positions	4.0	4.0	--

### Agency Request/Governor's Recommendation

The Board requests an increase of \$27,070, or 10.0 percent, above the current year estimate. Salaries and wages are increased by \$4,390 and other operating expenditures by \$22,680. The Governor's recommendation reduces the Board's request by \$22,555, exclusive of the reserve for salaries and wages.

### House Subcommittee Recommendations

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

1. Restore \$3,231 for in-state travel and subsistence, for total travel and subsistence expenditures of \$13,558.
2. In the event that anticipated legislation regulating the practice of the technical professions is passed by the 1991 Legislature, the Subcommittee recommends that \$5,294 for printing and advertising expenditures be restored, for total printing and advertising expenditures of \$8,819; and that \$2,323 in communications expenditures be restored, for communications expenditures totalling \$14,373.

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

<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991</u>	<u>Estimated FY 1992</u>
Beginning Balance	\$ 227,597	\$ 200,142	\$ 191,611
Net Receipts	222,920	259,791	249,051
Total Available	<u>\$ 450,517</u>	<u>\$ 459,933</u>	<u>\$ 440,662</u>
Less: Expenditures	250,375	268,322	277,631
Ending Balance	<u><u>\$ 200,142</u></u>	<u><u>\$ 191,611</u></u>	<u><u>\$ 163,031</u></u>

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 Representative Gilbert Gregory  
 Subcommittee Chairman

*Carol Dawson*  
 \_\_\_\_\_  
 Representative Carol Dawson

*Kent Glasscock*  
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 Representative Kent Glasscock

**MINORITY REPORT**

Due to the limited FY 1992 resources of the state and the difficult budgetary decisions resulting therefrom, I believe that financial austerity should be expected of all state agencies, including fee agencies. For this reason, I respectfully disagree with the recommendations of the majority and concur with those made by the Governor.

**Fee Fund Analysis.** An analysis of the Board's fee fund, based upon the minority recommendation, is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991</u>	<u>Estimated FY 1992</u>
Beginning Balance	\$ 227,597	\$ 200,142	\$ 191,611
Net Receipts	222,920	259,791	249,051
Total Available	<u>\$ 450,517</u>	<u>\$ 459,933</u>	<u>\$ 440,662</u>
Less: Expenditures	250,375	268,322	274,400
Ending Balance	<u><u>\$ 200,142</u></u>	<u><u>\$ 191,611</u></u>	<u><u>\$ 166,262</u></u>

*G. Gregory*  
 \_\_\_\_\_  
 Representative Gilbert Gregory



**SUBCOMMITTEE REPORT**

**Agency:** Board of Optometry Examiners      **Bill No. --**      **Bill Sec. --**  
**Analyst:** Colton      **Analysis Pg. No. 43**      **Budget Page No. 440**

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 36,200	\$ 33,224	\$ --
FTE Positions	0.3	0.3	--

**Agency Estimate/Governor's Recommendation**

The agency requests FY 1991 expenditures of \$36,200, a decrease of \$1,125 from the amount approved by the 1990 Legislature. The decrease is due to turnover in wages and salaries (\$747), and decreases in costs for communication (\$1,250), printing and advertising (\$1,150), fees -- other services (\$829), and rents (\$250). These decreases are partially offset by increases in costs for travel and subsistence (\$200) and for fees -- professional services (\$3,300).

The Governor recommends FY 1991 expenditures of \$33,224, a decrease of \$4,101 from the amount approved by the 1990 legislature. Recommended are decreased expenditures for salaries and wages (\$1,109), communications (\$1,250), printing and advertising (\$1,150), rents (\$250), fees -- other services (\$829), and stationery and office supplies (\$150). The recommended decreases are offset by recommended increases for travel and subsistence (\$200) and for fees -- professional services (\$437).

**House Subcommittee Recommendation**

The House Subcommittee concurs with the Governor's recommendations.

**Fee Fund Analysis.** The fee fund analysis, based on the Subcommittee's recommendation, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 43,649	\$ 38,296
Net Receipts	23,846	25,398
Total Available	\$ 67,495	\$ 63,694
Less: Expenditures	29,199	33,224
Ending Balance	\$ 38,296	\$ 30,470

*HA  
2-15-91  
Attachment 3*

*G. Gregory*

Representative Gilbert Gregory  
Subcommittee Chairman

*Sandy Praeger*

Representative Sandy Praeger

*Rand Rock*

Representative Rand Rock

**SUBCOMMITTEE REPORT**

Agency: Board of Optometry Examiners      Bill No. 2047      Bill Sec. 15  
 Analyst: Colton      Analysis Pg. No. 43      Budget Page No. 440

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 39,000	\$ 35,603	\$ 1,400
FTE Positions	0.3	0.3	--

**Agency Request/Governor's Recommendation**

The agency requests expenditures of \$39,000, an increase of \$2,800, or 7.7 percent, over the current year request. The request would continue the present staffing of a 0.3 FTE position, and would permit the current level of operations to continue.

The Governor recommends FY 1992 expenditures of \$35,603, a reduction of \$3,397 from the agency's request. The recommendation includes a downward adjustment in salaries and wages (\$933), fees -- other services (\$13), fees -- professional services (\$2,701), as well as an increase for stationery and office supplies (\$250).

**House Subcommittee Recommendations**

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

1. Add \$400 for freight and express. The Subcommittee was informed that the present Secretary-Treasurer will resign in FY 1992. The additional moneys would pay for the transport of the Board's files to the new Secretary-Treasurer.
2. Add \$1,000 for printing and advertising. The additional moneys would allow the printing of a booklet containing new rules and regulations for practitioners, based on legislation passed by the 1990 Legislature (L. 1990, Ch. 223). The revision of the rules and regulations is anticipated to be completed during FY 1991.

The Subcommittee recommends the following fee schedule for FY 1992:

	<u>Subcommittee Recommendation</u>	<u>Statutory Limit</u>
License Fee	\$ 25.00	\$ 30.00
License Renewal Fee	90.00	100.00
Examination Fee	130.00	150.00
Exam -- First Repeat	50.00	75.00
Exam -- Second Repeat	35.00	45.00
Renewal Penalty	300.00	500.00

The Subcommittee, while concurring with the Governor's recommendation for fees -- professional services for FY 1992 (\$20,280), recommends that a more detailed breakdown for expenses in this category be given than was discernable from the Board's FY 1992 budget request. The breakdown should include detailed figures on the number of practitioners who avail themselves of the impaired practice program.

The status of the Optometry Fee Fund, reflecting the recommendations of the Subcommittee, is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991</u>	<u>Estimated FY 1992</u>
Beginning Balance	\$ 43,649	\$ 38,296	\$ 30,470
Net Receipts	23,846	25,398	46,195
Total Available	<u>\$ 67,495</u>	<u>\$ 63,694</u>	<u>\$ 76,665</u>
Less: Expenditures	29,199	33,224	37,003
Ending Balance	<u><u>\$ 38,296</u></u>	<u><u>\$ 30,470</u></u>	<u><u>\$ 39,662</u></u>

*G. Gregory*

Representative Gilbert Gregory  
Subcommittee Chairman

*Sandy Praeger*

Representative Sandy Praeger

*Rand Rock*

Representative Rand Rock

## SUBCOMMITTEE REPORT

Agency: State Board of Pharmacy                      Bill No. --                      Bill Sec. --  
 Analyst: Colton    Analysis Pg. No. 46                      Budget Page No. 452

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations	\$ 352,437	\$ 340,492	\$ 7,403
FTE Positions	6.0	6.0	--

### Agency Request/Governor's Recommendation

The Board of Pharmacy estimated FY 1991 expenditures of \$11,945 higher than those approved by the 1990 Legislature. Included are increases for fees -- professional services (\$10,000) and for other operating expenditures (\$2,854). The increases are partially offset by decreases in operating expenditures of \$909.

The Governor recommends FY 1991 expenditures equal to those approved by the 1990 Legislature. The Governor's recommendation contains decreases in the amounts approved for salaries and wages (\$2,738) and rents (\$95); these reductions are partially offset by a \$2,455 increase for fees -- professional services and other increases totaling \$378.

### House Subcommittee Recommendation

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

1. Add \$5,100 for fees -- professional services in order to finance total expenditures of \$58,555 for legal fees for the Board's disciplinary activity and its impaired-practitioner program. The amount approved by the 1990 Legislature was \$51,000. The Governor recommended \$53,455 for FY 1991. Actual FY 1990 expenditures were \$49,647.
2. Add \$2,303 for professional and scientific supplies, for total expenditures of \$15,970 for the purchase of licensure examinations. The amount approved by the 1990 Legislature was \$13,667. The Governor recommended revised FY 1991 expenditures in the same amount. Actual FY 1990 expenditures totaled \$15,882.

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

*HA*  
*2-15-91*  
*Attachment 4*

<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 167,915	\$ 173,710
Net Receipts	334,009	307,974
Total Available	<u>\$ 501,924</u>	<u>\$ 481,684</u>
Less: Expenditures	328,214	347,895
Ending Balance	<u><u>\$ 173,710</u></u>	<u><u>\$ 133,789</u></u>

*G. Gregory*

\_\_\_\_\_  
Representative Gilbert Gregory  
Subcommittee Chairman

*Sandy Praeger*

\_\_\_\_\_  
Representative Sandy Praeger

*Rand Rock*

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Representative Rand Rock

**SUBCOMMITTEE REPORT**

**Agency:** State Board of Pharmacy

**Bill No.** 2047

**Bill Sec.** 16

**Analyst:** Colton

**Analysis Pg. No.** 46

**Budget Page No.** 452

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
State Operations	\$ 371,150	\$ 350,395	\$ 14,000
FTE Positions	6.0	6.0	--

**Agency Request/Governor's Recommendation**

The Board requests an increase of \$18,713, or 5.3 percent, over the current year estimate. Salaries and wages are increased by \$8,549, fees -- professional services by \$5,000, and other expenditures by \$5,164. The Governor's recommendation reduces the Board's request by \$20,755, exclusive of the reserve for salaries and wages.

**House Subcommittee Recommendation**


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

1. Restore \$12,000 for fees -- professional services for expenditures totaling \$67,099 for the Board's impaired-practitioners program and legal expenditures. The agency's original FY 1992 request totaled \$66,000. The Governor recommended FY 1992 expenditures of \$55,099.
2. Restore \$2,000 for professional and scientific supplies, for expenditures totaling \$16,450 for the purchase of licensure examinations. The Board's original FY 1992 request totaled \$16,150. The Governor recommended FY 1992 expenditures of \$14,450.

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

<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991</u>	<u>Estimated FY 1992</u>
Beginning Balance	\$ 167,915	\$ 173,710	\$ 133,789
Net Receipts	334,009	307,974	309,712
Total Available	\$ 501,924	\$ 481,684	\$ 443,501
Less: Expenditures	328,214	347,895	364,395
Ending Balance	\$ 173,710	\$ 133,789	\$ 79,106

Representative Gilbert Gregory  
Subcommittee Chairman

  
Representative Sandy Praeger

  
Representative Rand Rock

### MINORITY REPORT

Because of the difficulty of the financial conditions facing the state, I believe that financial austerity should be expected of all state agencies, including fee agencies. For this reason, I respectfully disagree with the recommendations of the majority and concur with those made by the Governor.

**Fee Fund Analysis.** An analysis of the Board's fee fund, based upon the minority recommendation, is shown below:

<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991</u>	<u>Estimated FY 1992</u>
Beginning Balance	\$ 167,915	\$ 173,710	\$ 141,192
Net Receipts	334,009	307,974	309,712
Total Available	\$ 501,924	\$ 481,684	\$ 450,904
Less: Expenditures	328,214	340,492	350,395
Ending Balance	\$ 173,710	\$ 141,192	\$ 100,509

  
Representative Gilbert Gregory



**SUBCOMMITTEE REPORT**

Agency: State Department of Credit Unions Bill No. -- Bill Sec. --

Analyst: Duncan Analysis Pg. No. 24 Budget Page No. 172

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 579,103	\$ 559,904	\$ --
FTE Positions	12.0	12.0	--

**Agency Estimate/Governor's Recommendation**

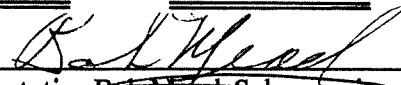
The agency estimates expenditures of \$579,103 in FY 1991, an increase of \$19,199 over the approved amount of \$559,904. The estimate includes supplemental increases totaling \$17,556 for salaries and wages, \$113 for printing and advertising, \$1,480 for repairing and servicing, and \$50 for fees-other services. The Governor recommends \$559,904 for FY 1991, a decrease of \$19,199 from the agency request. The reductions occur in salaries and wages (\$8,666); travel and subsistence (\$10,000); and printing and advertising (\$533).


**House Subcommittee Recommendation**

The Subcommittee concurs with the recommendation of the Governor.

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

<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 169,320	\$ 149,291
Net Receipts	481,678	575,775
Total Available	\$ 650,998	\$ 725,066
Less: Expenditures	501,707	559,904
Ending Balance	\$ 149,291	\$ 165,162

  
 Representative Bob Mead, Subcommittee Chairman

  
 Representative Carol Dawson

  
 Represent Kent Glasscock

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 2-15-91  
 Attachment 5

## SUBCOMMITTEE REPORT

Agency: State Department of Credit Unions Bill No. 2047

Bill Sec. 9

Analyst: Duncan

Analysis Pg. No. 24

Budget Page No. 172

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 633,267	\$ 599,373	\$ --
FTE Positions	12.0	12.0	--

### Agency Request/Governor's Recommendation

The agency requests \$633,267 for operating expenditures in FY 1992, an increase of \$54,164 (9.4 percent) over the revised FY 1991 estimate. To provide funding for FY 1992, the agency requests that the 20 percent credit of gross fees to the General Fund be waived by an amendment to the statutes. If this occurs, the agency proposes cutting current fees by 18 percent to allow it to remain competitive with the new proposed federal fee structure. If the 20 percent transfer of fees is not waived, the agency proposes an increase in the operational fee scale of 8 percent and a 15.4 percent increase for central credit unions. As adjusted, the fees would generate approximately \$786,896, with 20 percent (\$157,379) to be credited to the State General Fund, with the remainder to the Credit Union Fee Fund. The FY 1992 request maintains the current staffing level of 12.0 FTE.

The Governor recommends FY 1992 expenditures totaling \$599,373, a decrease of \$33,894 from the agency's request. Reductions include \$27,504 for salaries and wages, \$900 for communications, \$200 for repairs and a \$5,290 decrease in capital outlay. The Governor's recommendation would continue funding for 12.0 FTE positions and does not include a reduction for shrinkage. The Governor does not recommend a change in the agency's fee structure.

### House Subcommittee Recommendation

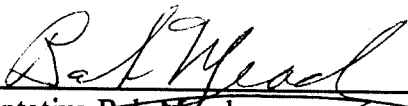
The House Subcommittee concurs with the recommendations of the Governor and makes the following observations:


1. As directed by the House Subcommittee, which reviewed the budget of the Credit Union during the 1990 Legislative Session, the Subcommittee inquired as to whether the agency is able to improve its examination efficiency through the use of electronic transmission of data between central and regional offices and personnel. The agency testified that the size and location of many credit unions makes it impractical to use electronic transmission. Furthermore, the use of lap top computers in the field has proved very efficient for agency purposes.
2. The Subcommittee notes that the agency foresees that within the next three years it will be required, through the National Credit Union Administration (NCUA)

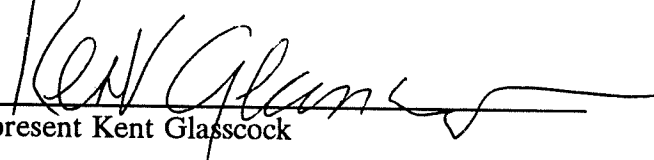
and the National Association of State Supervisors (NASS), to be nationally certified. To date, five states have received certification. The agency is currently involved in the first step toward certification which entails recodification of its present statutes and regulations. After step one is completed, the policy and training procedures of the agency will be evaluated. The final step would include a thorough examination by the certifying agencies. The Subcommittee recognizes that certification is a long-range goal of this agency and recommends that the 1992 Legislature address this issue in further detail.

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

<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991</u>	<u>Estimated FY 1992</u>
Beginning Balance	\$ 169,320	\$ 149,291	\$ 165,162
Net Receipts	481,678	575,775	575,775
Total Available	\$ 650,998	\$ 725,066	\$ 740,937
Less: Expenditures	501,707	559,904	599,373
Ending Balance	<u>\$ 149,291</u>	<u>\$ 165,162</u>	<u>\$ 141,564</u>

  
 Representative Bob Mead  
 Subcommittee Chairman

  
 Representative Carol Dawson

  
 Represent Kent Glasscock

159-92/DD

**SUBCOMMITTEE REPORT**

Agency: State Bank Commissioner

Bill No. --

Bill Sec. --

Analyst: Duncan

Analysis Pg. No. 8

Budget Page No. 100

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 2,745,099	\$ 2,723,857	\$ --
FTE Positions	68.0	68.0	--

**Agency Estimate/Governor's Recommendation**

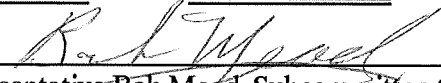
The agency estimates FY 1991 expenditures of \$2,745,099, an amount \$8,764 below the expenditure limitation approved by the 1990 Legislature. Major FY 1991 expenditures include \$212,683 for travel and subsistence, \$46,370 for rents and \$37,656 for communications. The Governor recommends FY 1991 expenditures of \$2,723,857, a decrease of \$21,242 for health insurance adjustments from the current year agency estimate. The Governor's recommendation is \$30,006 below the amount approved by the 1990 Legislature.

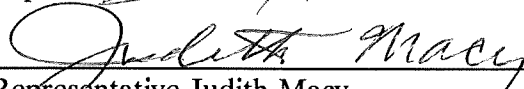
**House Subcommittee Recommendation**


The House Subcommittee concurs with the recommendations of the Governor.

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

<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 343,849	\$ 591,216
Net Receipts	2,788,385	2,603,863
Total Available	\$ 3,132,234	\$ 3,195,079
Less: Expenditures	2,541,018	2,723,857
Ending Balance	\$ 591,216	\$ 471,222

  
 Representative Bob Mead, Subcommittee Chairman

  
 Representative Judith Macy

  
 Representative Robin Jennison

094-91/DD

HA  
 2-15-91  
 Attachment 6

**SUBCOMMITTEE REPORT**

Agency: State Bank Commissioner

Bill No. 2047

Bill Sec. 4

Analyst: Duncan

Analysis Pg. No. 8

Budget Page No. 100

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 2,757,414	\$ 2,682,732	\$ --
FTE Positions	68.0	68.0	--

\* Excludes amounts reserved for employee compensation.

**Agency Request/Governor's Recommendation**

The agency requests \$2,757,414 in FY 1992, an increase of \$12,315 (less than 1 percent) over the revised current year estimated expenditures. The request would continue funding for 68.0 FTE positions. The agency's FY 1992 request would provide salary step movement and benefit adjustments for existing employees and reclassify three Financial Examiners I to Financial Examiners II (range 19 to 21), nine Financial Examiners II to Financial Examiners III (range 21 to 24), and one Financial Examiner III to Financial Examiner IV (range 24 to 27). The agency's request includes \$4,830 for salaries and per diem for the nine board members. The FY 1992 request incorporates a shrinkage factor of 4.3 percent. The Governor recommends \$2,682,732 in FY 1992, a decrease of \$74,682 in salaries and wages. The Governor's recommendation includes the requested reclassifications and incorporates a shrinkage factor of 4.4 percent.


**House Subcommittee Recommendation**

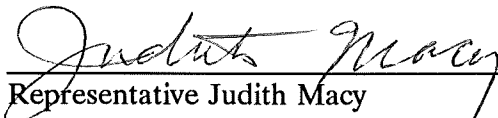
The House Subcommittee concurs with the recommendation of the Governor.


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

<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991</u>	<u>Estimated FY 1992</u>
Beginning Balance	\$ 343,849	\$ 591,216	\$ 471,222
Net Receipts	2,788,385	2,603,863	2,405,100
Total Available	\$ 3,132,234	\$ 3,195,079	\$ 2,876,322
Less: Expenditures	2,541,018	2,723,857	2,682,732
Ending Balance	\$ 591,216	\$ 471,222	\$ 193,590

b-2

  
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Representative Bob Mead, Subcommittee Chairman

  
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Representative Judith Macy

  
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Representative Robin Jennison

094-92/DD

**SUBCOMMITTEE REPORT**

Agency: Savings and Loan Department

Bill No. --

Bill Sec. --

Analyst: Duncan

Analysis Pg. No. 54

Budget Page No. 504

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Gov. Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 210,272	\$ 204,215	\$ --
FTE Positions	4.5	4.5	--

**Agency Estimate/Governor's Recommendation**

The agency requests FY 1991 expenditures of \$210,272, the amount approved by the 1990 Legislature. The estimate would continue funding for the current 4.5 FTE positions. The Governor recommends \$204,215 for FY 1991, a decrease of \$6,057 from the current year estimate. Reductions include \$2,433 for salaries and wages and \$3,624 for travel and subsistence. The FY 1991 recommendation does not include reduction for shrinkage.

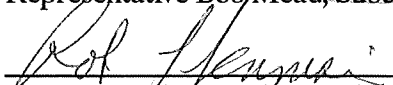
**House Subcommittee Recommendation**

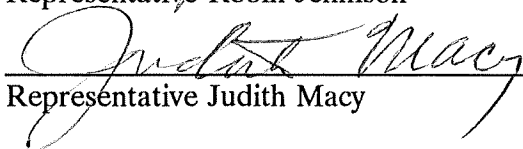
The Subcommittee concurs with the Governor's recommendation for FY 1991.

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

<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991</u>
Beginning Balance	\$ 142,804	\$ 119,304
Net Receipts	199,514	170,300
Total Available	\$ 342,318	\$ 289,604
Less: Expenditures	223,013	204,215
Ending Balance	\$ 119,305	\$ 85,389

  
 Representative Bob Mead, Subcommittee Chairman

  
 Representative Robin Jennison

  
 Representative Judith Macy

597-91/DD

HA  
 2-15-91  
 Attachment 7

## SUBCOMMITTEE REPORT

Agency: Savings and Loan Department      Bill No. 2047      Bill Sec. 18  
Analyst: Duncan      Analysis Pg. No. 54      Budget Page No. 504

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Gov. Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 208,576	\$ 197,612	\$ (5,000)
FTE Positions	4.0	4.0	--

\* Excludes amounts reserved for employee compensation.

### Agency Request/Governor's Recommendation

The agency request for FY 1992 totals \$208,576, a decrease of \$1,696 from current year estimated expenditures. The request would decrease the present level of staffing by .5 FTE for an agency total of 4.0 FTE positions. Major requested expenditures include \$159,555 for salaries and wages and \$23,000 for travel and subsistence. For FY 1992, the Governor recommends \$197,612, a decrease of \$10,964 from the agency request. Recommended reductions include \$3,987 from salaries and wages and \$6,977 for travel and subsistence. The FY 1992 recommendation does not include a reduction for shrinkage.

### House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation for FY 1992 with the following observation and adjustment:


1. The Subcommittee learned that, due to changes in the federal examination fee structure, the agency is no longer participating in on-site examinations of state savings and loans. The Governor recommends 4.5 FTE for the current year, and 4.0 FTE for FY 1992. The Subcommittee learned, however, that by the end of February, 1991, the agency intends to eliminate one additional Financial Examiner; reducing the actual FTE to 3.5 for FY 1992 and 3.0 for FY 1991. The precarious financial state of the federal savings and loans indicate that the state's responsibility for performing examinations of the 18 remaining state savings and loans may shift at any time. To allow the agency's budget to handle any contingency, the Subcommittee elects not to adjust shrinkage or eliminate the FTE position at this time. The Subcommittee's intent is to allow the agency flexibility to rehire an examiner if the Commissioner believes conditions are warranted.
2. Delete \$5,000 from travel in FY 1992.



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

<u>Resource Estimate</u>	<u>Actual FY 1990</u>	<u>Estimated FY 1991</u>	<u>Estimated FY 1992</u>
Beginning Balance	\$ 142,804	\$ 119,304	\$ 85,389
Net Receipts	199,514	170,300	170,300
Total Available	<u>\$ 342,318</u>	<u>\$ 289,604</u>	<u>\$ 255,689</u>
Less: Expenditures	223,013	204,215	192,612
Ending Balance	<u><u>\$ 119,305</u></u>	<u><u>\$ 85,389</u></u>	<u><u>\$ 63,077</u></u>

  
 Representative Bob Mead  
 Subcommittee Chairman

  
 Representative Robin Jennison

  
 Representative Judith Macy

597-92/DD

## SUBCOMMITTEE REPORT

Agency: Board of Cosmetology

Bill No. 2047

Bill Sec. 8

Analyst: Piekalkiewicz

Analysis Pg. No. 21

Budget Pg. No. 170

<u>Expenditure Summary</u>	<u>Agency Req. FY 92</u>	<u>Governor's Rec. FY 92*</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 310,411	\$ 300,004	\$ --
FTE Positions	8.0	8.0	--

\* Excludes amounts reserved for employee compensation.

### Agency Request/Governor's Recommendation

The Board's FY 1992 request totals \$310,411, a net increase of \$21,785 over the FY 1991 estimate of \$288,626. Of the increase, \$13,657 is in salaries and wages, and \$6,718 is in travel and subsistence.

The Governor recommends FY 1992 expenditures of \$300,004, a reduction of \$10,407 from the Board's request. The recommendation includes a reduction of \$7,860 in salaries and wages, \$1,047 in travel and subsistence, and \$1,500 in communications.

### House Subcommittee Recommendation

**FY 1991.** The Subcommittee concurs with the Governor's recommendations for the current year.

**FY 1992.** The Subcommittee concurs with the Governor's recommendations with the following comments:

1. The Subcommittee was informed of the Board's plan to conduct cosmetology examinations in four different locations around the state instead of only in Topeka. The Subcommittee encourages the Board to pursue this concept which the Subcommittee believes will better serve students and allow for cost savings to the Board in travel and rental expenses.
2. The Subcommittee notes that the Board expressed concern over the need to upgrade its five computers. The Subcommittee encourages the Board to use those funds which are available to it for that purpose (\$1,800) and recommends that the Board work closely with the Division of Information Systems and Communications (DISC) on how to proceed with those upgrades.

*NA*  
*2-15-91*  
*Attachment 8*



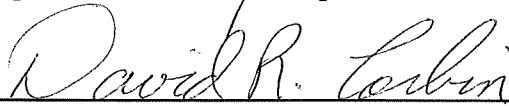
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Representative Bob Mead  
Subcommittee Chairperson



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Representative Tom Bishop



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Representative David Corbin