

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Senator August "Gus" Bogina, Chairperson at 10:20 a.m. on April 22, 1991, in Room 123-S of the Capitol.

All members were present except:

Committee staff present:

Norman Furse, Gordon Self - Revisors' Office
Diane Duffy, Leah Robinson, and other analysts from Kansas Legislative Research Department
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

The Chairman noted that the 1991 Omnibus bill would be a House bill and that Senate Ways and Means would meet for the purpose of writing a committee report with which to amend the House version of the Omnibus bill. He stated that because no one knew whether a tax proposal would pass nor how much revenue would be involved, the Committee would make recommendations within the confines of available moneys.

The Committee worked from an outline entitled "Items for Omnibus Consideration" dated April 19, 1991 (Attachment 1) and from the Governor's Budget Amendment #2, dated April 18, 1991 (Attachment 2) to make its recommendations. In addition to these two documents, the Committee also considered letters of appeal which are noted in the text of these minutes. Following the meeting, the Kansas Legislative Research Department prepared a summary of the Committee's recommendations which is herein submitted as Attachment 3. The Committee operated on consensus rather than motion unless otherwise noted.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES -- Laura Howard

A. Technical Adjustment - Concur

B. New Child Protective Services Staff - In answer to a question, it was noted that if funding for this program was not increased, the agency could reduce staff, delay hiring, or choose other areas of its budget from which to fund this program. Senator Doyen moved, Senator Allen seconded, that the funding level be maintained at \$880,000. Senator Brady expressed concern about building FTEs into the base budget. Senator Winter offered a substitute motion which was seconded by Senator Parrish to add \$75,000 and leave the positions as they were. The motion failed on a show of hands.

In answer to a question, Secretary Harder stated that the program would still be effective if the number of team members was reduced to 7 and the teams could go to all four locations. Senator Brady moved, Senator Allen seconded, that 4 FTE child protective service positions be deleted in FY92 but the funding level be maintained at \$880,000. The motion carried.

C. Consolidation of Commodities Funds - Concur

D. Governor's Budget Amendment No. 2, page 6 - Federal Juvenile Justice and Delinquency Prevention Funds - Concur

GBA No. 2, page 26, item 57 - Regular Medical Savings - Staff explained to the Committee that there was approximately a \$6. million difference in what the Legislature and the Governor identified as savings in the current fiscal year from the fee fund which could be used to reduce SGF expenditures in FY92. In answer to a question, it was stated that the \$20. million identified by the Governor probably would not be realized based on expenditures to date. Senator Gaines moved, Senator Allen seconded, that the difference between the Legislature's and the Governor's recommendation

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be split. The motion carried.

GBA No. 2, page 26, item 58 - OBRA 1990 Medicaid Mandate Delay-
previously addressed in SB 162

GBA No. 2, page 27, item 59 - Long Term Care Savings - Concur - Staff
noted that \$747,200. in state funds would be deleted from adult care homes
according to the Governor's recommendation.

GBA No. 2, page 27, item 60 - DRG Recalibration - The Chairman read a
letter of appeal from Secretary Harder (Attachment 4). In answer to a
question, Secretary Harder stated that the hospitals would prevail if claims
are reimbursed at a level of 86%. Senator Harder moved, Senator Winter
seconded, that \$1,505,000 from the SGF (\$3,650,000 all funds) be added in
FY92 to provide hospitals with reimbursement of approximately 89% of their
estimated cost. The motion carried.

GBA No. 2, pages 27-29, items 61, 64 and 65 - previously addressed

GBA No. 2, pages 28-29, items 62, 63, and 66 - Concur

GBA No. 2, page 30, item 67 - CMRC Special Purpose Grant Savings - Use
\$150,000 in special purpose grant savings to screen mentally retarded
clients

GBA No. 2, page 30, item 68 - HCBS-MR Waiver - Ms. Howard briefly
outlined the differences between the legislative proposal and the Governor's
amendment, noting that the basic differences are 1) whether there would be
a 1:1 ratio of transfers from state hospitals and the community and 2) the
number of clients moved from state hospitals versus private ICF-MRs.
Senator Rock noted that it is important to establish actual costs in order
to arrive at a method of cost control. There was lengthy discussion
regarding the ratio of clients transferred from private ICF-MRs, state
hospitals and community waiting lists. Senator Gaines moved, Senator Rock
seconded, that the Committee concur with the Governor's recommendation with
the stipulation that for every two clients that come from the waiting list,
one must come from the state hospitals. Senator Rock noted that, in his
opinion, one important factor is the number of placements as distinguished
from the number of persons taken from the hospitals. Senator Kerr stated
that training money for community acceptance had been provided, so the
number of clients who return to the hospital setting should be reduced.
Senator Gaines moved to amend his motion, Senator Rock seconded, to require
that 50 clients come from state hospitals, 67 from ICF-MRs, and the balance
from community waiting lists. Because of concern, the Chairman requested
that the subcommittee address this item and report back to the full
committee.

GBA No. 2, pages 31-35, items 69, 70, 71, 72, 73, 75, 76, 77, 78, 79,
80, 81, 82, and 83 - Concur

GBA No. 2, item 74, page 33 - ADAS Block Grant - previously addressed in
SB 162

Staff called to attention that, in the past, proviso language has been
included in the SRS appropriations bill that designates that the authorized
cash grant increase for GA and AFDC has been used to reinstate a portion of
the energy supplement. The Committee concurred that this language be
included.

The Chairman suggested that all pharmaceutical costs in the medical
assistance program be appropriated in a separate line item. The Committee
concurred with this suggestion.

LEGISLATURE -- Ed Ahrens

A. Computer Equipment - Attachment 5 was distributed to members of the
Committee. The analyst noted that other recommendations of the CCT
Committee included \$218,281 in FY93 for a future phase of computerization.
There was discussion regarding the need to computerize offices that are used
only during the 90 day session. The Chairman suggested that an interim
committee study the need for computerization of the Legislature beyond
leadership offices. Senator Gaines moved, Senator Winter seconded, that
item A be deleted. The motion carried.

LEGISLATIVE COORDINATING COUNCIL, page 2 -- Ed Ahrens

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A. S.C.R. 1627 (Adopted) - No action taken

KANSAS CIVIL RIGHTS COMMISSION, page 2 -- Ellen Piekalkiewicz

A. House Bill No. 2541 (Conference) - No action taken. There was discussion regarding the possibility of reducing the fiscal impact by 50% by changing the effective dates to January, 1992 and July, 1992.

KANSAS STATE HISTORICAL SOCIETY, page 3 -- Ellen Piekalkiewicz

A. House Bill No. 2589 (law) - Concur
B. Senate Bill No. 7 (law) - Concur

SECRETARY OF STATE, page 3 -- Pat Mah

A. Presidential Primary Costs - Attachment 6, prepared by the Secretary of State's office, illustrates the cost by county of the presidential preference primary election. There was discussion regarding the labor costs involved in the primary with respect to the counties' population. Senator Harder moved, Senator Doyen seconded, that \$1.2 million be deleted from HB 2044 and that the estimated increase of \$516,525 not be included. It was Senator Brady's opinion that rather than deleting the funding, the law should be repealed. The motion carried.

PUBLIC DISCLOSURE, page 3 -- Pat Mah

A. House Bill No. 2454 (Conference) - Attachment 7 was distributed to the Committee. The recommendation was to establish a fee fund with a \$0 limitation in FY92 and change the name to the Kansas Commission on Governmental Standards and Conduct

YOUTH CENTER AT TOPEKA, page 4 -- Tim Colton

A. Senate Subcommittee Recommendation - Include an amount equal to 4% for fees - professional services for the agency's FY92 educational contract

YOUTH CENTER AT BELOIT, page 4 -- Tim Colton

A. Senate Subcommittee Recommendation - Include an amount equal to 4% for fees - professional services for the agency's FY92 educational contract
B. GBA, No. 2, page 23, item 51 - Salary of Alcohol and Drug Abuse Director -Concur

YOUTH CENTER AT ATCHISON, page 5 -- Tim Colton

A. Senate Subcommittee Recommendation - Include an amount equal to 4% for fees - professional services for the agency's FY92 educational contract

KANSAS REAL ESTATE COMMISSION, page 5 -- Julian Efird
Senate Bill No. 376 (Governor) - Concur

KANSAS RACING COMMISSION, page 6 -- Julian Efird

Senate Bill No. 375 (Governor) - Add 7.5 FTE positions (.75 FTE above the House recommendation)

House Bill No. 2107 (Conference) - Senator Doyen noted that it was his intent to use the moneys from the Racing Commission's Greyhound Breeding Development Fund to buy a computer for the Animal Health Department. No action taken.

GBA No. 2, pages 28-29, items 38, 39 and 40 - previously addressed

KANSAS LOTTERY, page 6 -- Julian Efird

A. GBA No. 2, page 18, item 37 - Computer for Financial Reporting - The analyst noted that the Lottery is exempt from the prior approval requirement for computer acquisition. Provide a proviso to prohibit the Lottery from purchasing additional computer equipment until a full review of this acquisition takes place.

DEPARTMENT OF REVENUE, page 6 -- Julian Efird

A. Fiscal Impact of Legislation
Senate Bill 14 - Establish clearing fund
House Bill No. 2275 - Establish the Metropolitan Culture District Retailers' Sales Tax Fund

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House Bill No. 2454 - No action taken

B. Other items for Omnibus Review

Retirements - The analyst noted that the House subcommittee was told April 22, 1991 that the agency would need \$70,000 from the State General Fund for retirements. No action taken

Alcohol Beverage Control Reductions - Senator Harder moved, Senator Feleciano seconded, that 12 FTE positions and SGF financing of \$462,134 be reinstated. The motion carried

GBA No. 2., page 9, item 20 - Property Valuation Restoration - Add a total of 8 FTE positions to the Division of Property Valuation as determined by the conference committee

GBA No. 2., page 10, item 21 - Postage Increase - Concur

KANSAS NEUROLOGICAL INSTITUTE, page 7 -- Debra Duncan

A. Categorical Aid - Because SB 70 was still in conference, no action was taken

B. Teacher Salary Increase - provide funding to completely restore a 4% teacher salary increase

C. GBA No. 2, page 25, item 56 - Diapers - Concur

PARSONS STATE HOSPITAL AND TRAINING CENTER, page 7 -- Debra Duncan

A. Categorical Aid - No action taken

B. Teacher Salary Increase - provide funding to completely restore a 4% teacher salary increase

C. GBA No. 2, page 31, item 68 - Restore \$55,506 from the State General Fund in FY92. Recommend that Parsons reduce its census by ten clients during fiscal year 1992 if feasible.

WINFIELD STATE HOSPITAL, page 8 -- Debra Duncan

A. Categorical Aid - No action taken

B. Teacher Salary Increase - provide funding to completely restore a 4% teacher salary increase

C. GBA No. 2, page 24, item 52 - Fee Fund Collections - Concur

DEPARTMENT OF WILDLIFE AND PARKS, page 8 -- Debra Duncan

A. GBA No. 2, page 8, item 18 - Renovation of Marais des Cygnes Wildlife Area - Concur

B. GBA No. 2, page 9, item 19 - Creation of a Rent-a-Camp Program - Concur

ANIMAL HEALTH DEPARTMENT, page 8 - Debra Duncan

No action taken pending outcome of SB 443, which contains fee increases for the Companion Animal program and the Livestock Disease program

LARNED STATE HOSPITAL, page 9 -- Kathy Porter

OSAWATOMIE STATE HOSPITAL

RAINBOW MENTAL HEALTH FACILITY

TOPEKA STATE HOSPITAL

A. Categorical Aid - No action taken

B. Teacher Salary Increase - provide funding to completely restore a 4% teacher salary increase

C. GBA No. 2, page 24, item 52 - Fee Fund Collections - The analyst distributed and reviewed Attachment 8, a comparison of fee recommendations made for FY91 and FY92 by the Legislature and the Governor. There was lengthy discussion regarding the issue of decreased insurance collections, the conference committee's recommendation that SRS and the Attorney General negotiate with insurance companies and health maintenance organizations to provide appropriate reimbursement, the review process of the HMO plan, and the escalation of utilization of mental health services. In FY91, concur with recommendations provided in SB 340 for Osawatomie, Larned and Rainbow. Senator Allen moved, Senator Parrish seconded, to reduce the amount of the FY91 supplemental from \$192,802 to \$105,692, and shift funding of \$100,000 from the Hospital Fee Fund to the Title XIX Fund at Topeka State Hospital and, for FY92, concur with recommendations for funding in SB 162. The motion carried.

GBA No. 2, page 24, item 53 - Shrinkage - Nonconcur

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DEPARTMENT OF HUMAN RESOURCES, page 10 -- Kathy Porter

A. GBA No. 2, page 19, item 41 - Governor's Industrial Safety and Health Conference - Establish the no limit fund

GBA No. 2, page 20, item 42 - Federal Indirect Cost Offset Fund Expenditure Limitation Increase - Concur

KANSAS TECHNOLOGY ENTERPRISE CORPORATION, page 10 -- Paul West

A. Technical adjustment - Concur

DEPARTMENT OF COMMERCE, page 10 -- Paul West

A. Senate Bill No. 32 and Sub. for House Bill No. 2536 - The analyst noted that the Governor had vetoed SB 32 and had until April 27 to act on HB 2536. The Committee delayed action pending the Governor's action on HB 2536.

A letter of appeal from Secretary Laura Nicholl (Attachment 9) was reviewed by staff. It was noted that the salary shortfall is estimated to be \$24,782; estimated official hospitality for the rest of the year is \$11,688. The Committee recommended including a proviso that would allow the Department of Commerce to transfer up to \$25,000 from the EDIF to satisfy the salary shortfall.

Senator Doyen submitted Attachment 10, an proposed amendment that would provide \$750,000 from the EDIF in FY92 for a grant to assist with the construction of a sound studio in Lawrence, Kansas that would make Kansas more attractive to the film industry. Senator Winter moved, Senator Doyen seconded, to amend the proposal by deleting the words "in Lawrence, Kansas", and by including a proviso to require security for the grant and to require that the Secretary publish the request for proposals in the Kansas Register. The motion carried. Senator Brady noted that if the sound studio becomes a reality, he would like language included that would allow the state to use it at a reduced cost. In response to Senator Salisbury's suggestion, Senator Kerr noted that the Economic Development Committee would further study the proposal. Senator Doyen moved, Senator Winter seconded, that the amended proposal be included in the Omnibus Appropriations Bill. The motion carried.

KANSAS WATER OFFICE, page 11 -- Paul West

A. Senate Bill 89 - Concur with option 2

STATE CONSERVATION COMMISSION, page 12 -- Paul West

A. GBA No. 2, page 7, item 14 - Non-Point Source Pollution - Concur

GBA No. 2, page 7, item 15 - Bone Creek Reservoir Funding - In answer to a question, staff noted that the state's involvement in the \$12. million total cost of the project is \$2.9 million. Mr. Joseph Harkins, Kansas Water Office, noted that the \$1. million represents and investment in 47% of the water supply which would be offered for sale. With the sale of the water supply, which Mr. Harkins believed would occur within 5 years, the state would have an opportunity to recoup 100% of the investment plus interest. In answer to Senator Winter's question, Mr. Harkins stated that with the passage of SB 88 and SB 89, the small lake program was changed so that Bone Creek Reservoir became eligible in the water supply portion. Senator Brady moved, Senator Hayden seconded, to concur with the Governor's recommendation. The motion carried.

The Chairman recessed the meeting at 5:00 p.m.

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The meeting was reconvened at 9:12 a.m. on April 23, 1991 by the Chairman for the purpose of completing formation of the Omnibus Appropriations Bill.

DEPARTMENT OF CORRECTIONS, page 12 -- Russell Mills

- A. Conference Committee Recommendation - Concur with House phase-in proposal and interim committee review
- B. Senate Bill No. 146 (Veto) - No Action
- C. GBA No. 2, page 20, item 43 - Women's Education Equity Act - Program Funds - Concur
 - GBA No. 2, page 21, item 44 - Federal Grant Award for Education - Concur
 - GBA No. 2, page 21, item 45 - Ellsworth Library Grant - Concur
 - GBA No. 2, page 21, item 46 - Transfer Language for Oil Overcharge Funds - Concur

KANSAS BUREAU OF INVESTIGATION, page 14 -- Diane Duffy

- A. S.B. 329 (Governor) - In answer to a question, staff noted that a third FTE position is needed because of the databank. The Committee concurred with the Governor's recommendation to add \$59,198 from the SGF and one FTE Criminalist position in FY92.
- B. KBI and Highway Patrol Special Asset Forfeiture Fund - The Chairman referred to a letter of appeal from the Attorney General regarding the conflict in policy relating to this fund (Attachment 11). Create three separate funds; one in the Department of Corrections, one in the Highway Patrol, and one in the Kansas Bureau of Investigation.
- C. GBA No. 2, page 22, item 48 - ASTRA Conversion Costs - Attachment 12 was submitted for the Committee's information. Reappropriate the \$100,000 from FY91 to FY92, and finance the remaining four years of the project with savings from the network system conversion (which were quoted at \$165,000 per year). Appropriate \$38,000 to the KBI for communications costs.

DEPARTMENT OF ADMINISTRATION, page 15 - Diane Duffy

- A. HB 2454 (Ethics Bill) - Nonconcur
- B. Expenditure Limitation on Motor Pool Service Depreciation Fund - There was concern regarding the necessity of purchasing five new vehicles for the Central Motor Pool. The Committee recommended that the expenditure limit on the fund remain at \$2,652,045 and that cars be taken from current stock.
- C. Expenditure Limitation on DISC Funds and SGF Appropriation for Central Management Systems
 - Central Management Systems (SGF Appropriation) - Attachments 13, 14 and 15 were provided to the members for review. Staff reviewed Attachment 13, noting that the department's estimate of status quo costs to continue operations as of March 25 was \$4,850,068. In answer to a request from Senator Feleciano, the Chairman noted that he would submit a letter to the Attorney General on behalf of the Senate Ways and Means Committee to request an investigation of contractual obligations of vendors.

There was lengthy discussion involving the wording of a proviso that would limit the acquisition of new and emergency computer equipment and the "upgrade" of existing equipment. Senator Winter moved that \$4,850,068 be appropriated and that a proviso be included that would restrict the department from upgrading equipment without Finance Council approval.

Senator Harder offered a substitute motion which was seconded by Senator Gaines that \$4,371,594 be appropriated to the Department for the Central Management System and a proviso be included that restricts them from upgrading the system without Finance Council approval. The motion carried.

DISC FUNDS -- No limit on all three funds

- D. GBA NO. 2, page 36, item 84 -- Property Contingency Fund - Concur
 - Attachment 16, Letter of Appeal from Secretary Arthur Griggs
 - Item II - Increase Central Motor Pool Service to No Limit or to \$2,222,019 - Recommend to increase limit to \$2,222,019
 - Item III - Change Appropriation Language from "Statehouse and

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Judicial Center-Capital Improvements" to "Special Maintenance, Repairs and Improvements-Statehouse, Printing Plant, Judicial Center and Governor's Residence" - Concur

STATE TREASURER, page 16 -- Diane Duffy
SB 14 - Concur

BOARD OF AGRICULTURE, page 17 -- Leah Robinson
A. Additional Funding for Division of Water Resources - Senator Doyen suggested that Water Fund money might be used to fund 3 positions in the Division of Water Resources. The Chair requested that staff provide information regarding staffing needs, computerization, etc. No action was taken
B. HB 2360 - The analyst noted that the Senate version would generate a total (rather than an additional) of \$61,590 to the fund. The Committee agreed to change the name of the Seed Dealer Registration fund to the Agricultural Seed Fee Fund and to appropriate the new fund in FY92
C. SB 77 - Establish the Kansas Sheep Commission Fund and appropriate a \$3,000 loan from the SGF for startup costs which is to be repaid
D. SB 323 - Retain the current fund and establish the new no-limit Soybean Promotion and Research fee fund for FY92
E. HB 2077 - It was noted by Senator Salisbury that the Secretary of Agriculture had indicated that the FACTS program could be eliminated as a cost savings measure. Nonconcur
F. GBA No. 2, page 8, item 16 - Sewer and Water Line Replacement - Concur
G. GBA No. 2, page 8, item 17 - Transfer from Operating Expenditures to Capital Improvements - Concur

The Committee agreed to increase the expenditure limitation on the Federal Pesticide Enforcement fund by \$16,000 in FY92 to allow the agency to expend additional federal funds recently made available.

BEHAVIORAL SCIENCES REGULATORY BOARD, page 18 -- Leah Robinson
A. HB 2017 - Increase the expenditure limitation on the fee fund by \$18,710 in FY92 for administrative expenditures relating to the registration of marriage and family therapists.

BOARD OF HEALING ARTS, page 19 -- Leah Robinson
A. Technical adjustment - Concur

STATE FIRE MARSHAL, page 19 -- Leah Robinson
A. GBA No. 2, page 23, item 49 - previously addressed

INSURANCE DEPARTMENT, page 19 -- Leah Robinson
A. HB 2001 - Nonconcur
B. GBA No. 2, page 2, item 1 and Attachment 17, letter of appeal from Commissioner of Insurance, Ron Todd --Second Toll-Free WATTS Line - Concur
C. GBA No. 2, page 2, item 2 - Purchase of Building - Nonconcur pending the Joint State Building Committee's decision

DEPARTMENT OF HEALTH AND ENVIRONMENT, page 26 -- Scott Rothe
A. SB 254 - Delete funding of \$12,110 from SGF but retain .25 FTE position
B. HB 2019 - Clarification was made that the three pilot programs are a project separate from the Charitable Health Care Provider program. Staff noted that the \$1 million fiscal note was based on a full year's operation which, because the pilots could not be operational by July, 1991, would not be realized. There was lengthy discussion about the feasibility of requiring a soft match from local health departments, with Mr. Richard Morrissey noting that local health departments are not adequately staffed to provide primary care for an additional 2500 clients. Senator Gaines moved, Senator Winter seconded, an appropriation be made from the SGF in FY92 to permit the establishment of three pilot projects for three months (based on the annualized state share of the cost at \$668,253) and that a proviso be added that would require a one-to-one hard or soft match. The motion carried.

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C. HB 2021 - Concur

D. HB 2104 - Richard Morrissey, Deputy Director, noted that the fiscal note was incorrect and that fees would cover the costs of the program. Senator Brady moved, Senator Winter seconded, that 2 FTE positions and \$106,667 be included in the Omnibus Appropriations Bill. The motion carried.

E. Sub HB 2407 - Provide an expenditure limitation of \$130,000, 3 FTE positions, and delete one existing special project position

F. GBA No. 2, page 4, item 7 - previously addressed

GBA No. 2, page 5, items 8, 9, 10 - Concur

GBA No. 2, page 6, item 11 - Federal Ryan White AIDS Program Funding- Designate the 1 FTE position as a special project position

GBA No. 2, page 6, item 12 - Office of Rural Health Federal Grant- Concur

GBA No. 2, page 6, item 13 - Federal Juvenile Justice and Delinquency Prevention Funds - Mr. Richard Morrissey, Deputy Director, noted that the requested FTE position would allow the department to remove a backlog in improving attendant care projects and would assist with the development of the regional juvenile detention facility. Concur. Senator Winter noted that \$104,000 in federal block grant monies had been provided for child care licensing, but the authority to add 3 FTE position had been neglected. The Committee agreed to add 3 FTE special project positions for child care licensing.

The Committee agreed to place a proviso on the Contamination Remediation account of the Water Plan Special Revenue Fund in FY92 to permit the agency to spend unexpended balances from the account.

ATTORNEY GENERAL, page 19 -- Carolyn Rampey

A. SB 151 - Appropriate the new fund with no expenditure limit and include a proviso to the KBI budget noting that money transferred to the KBI from this fund will be spent to match federal funds for the Narcotics Strike Force in an amount not to exceed \$213,005.

DEPARTMENT OF EDUCATION, page 20 -- Carolyn Rampey

A. GBA No. 2, pages 10 and 11, items 22 and 23 - Concur

B. FY91 Funding for Special Education - Concur with the Senate amount of \$125,568,963.

C. Fort Leavenworth School District (USD 207) - Concur with the Senate version

D. SB 26 - No action necessary

E. SB 33 - Concur with the addition of \$500,000 from the EDIF for grants, but delete the \$2,000 SGF for administrative expenses

F. HB 2107 - Concur with the addition of \$30,000 in FY92 to implement the building based education program. Concur with the establishment of a fund within the Department of Education to allow for the transfer of \$800,000 for at risk and innovative programs.

KANSAS BOARD OF REGENTS, page 23 -- Carolyn Rampey

A. GBA No. 2, page 15, item 31 - Optometry Seat Purchase - previously addressed

REGENTS' INSTITUTIONS, page 23 -- Alan Conroy

A. Systemwide Recommendation - FY91 General Fees Fund Adjustment - Concur with the Senate version. As requested in Attachment 18, the Committee agreed to add \$58,000 from the SGF in FY92 for Kansas' membership in the Midwestern Higher Education Commission.

B. GBA No. 2, page 14, item 30 - General Fee Fund Adjustments - Concur with Governor for FY91; nonconcur in FY92.

C. Systemwide Issue - Computer Center Funding Shift - Concur with the shift in computer funding and with the Governor's recommendation for salaries and wages

D. GBA No. 2, page 13, item 29 - Utility Adjustments - Concur

UNIVERSITY OF KANSAS MEDICAL CENTER, page 24 -- Alan Conroy

E. University of Kansas Medical Center Hospital Revenue Fund - Concur with the Senate version

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F. and G. (of the GBA) University of Kansas Medical Center - Medical Scholarship Repayment Fund - Increase operating expenditures support from the Medical Scholarship Repayment Fund in FY92 by an additional \$122,051.

UNIVERSITY OF KANSAS, page 25 - Alan Conroy

H. and I. (of the GBA) University of Kansas Sunflower Research Landfill, DeSoto, Kansas - Transfer \$30,000 in FY91 and \$525,000 in FY92 from the Remediation Projects Fund of the Department of Health and Environment to the University of Kansas for predesign investigation and remedial action design.

J. Classified Salary Shortfall - Concur

KANSAS STATE UNIVERSITY, page 25 -- Alan Conroy

K. and L. (of the GBA), items 34 and 35 - Concur

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEMS (KPERS), page 25 -- Alan Conroy

A., B., C. - SB 26, HB 2433, FY 91 KPERS School Employer Contribution-Concur

DEPARTMENT OF TRANSPORTATION, page 28 -- Scott Rothe

A. SB 169 - No action necessary

B. Sub HB 2348 - Establish the Rail Service Assistance Program Guarantee Loan Fund with no-limit expenditure limitation in FY92 and add \$3600 in FY92 for travel and subsistence costs

C. GBA No. 2, page 11, items 24 and 25 Concur

GBA No. 2, page 12, item 26 - previously addressed

GBA No. 2, pages 12-13, items 27 and 28 - Concur

KANSAS CORPORATION COMMISSION, page 29 - Scott Rothe

A. House Subcommittee Recommendation - Concur

B. HB 2439 - Concur with the Senate version

C. GBA No. 2, page 4, item 5 - Contractual Services Increase - In response to a request, Judith McConnell, Executive Director, told the Committee that since the time of the agency's budget preparation, identification of rate cases and turnover in senior accounting staff are reasons for the supplemental request of \$190,000. Senator Rock moved, Senator Parrish seconded, that the Governor's recommendation be included in the Omnibus Appropriations Bill. The motion carried.

GBA No. 2, page 4, item 6 - Oil Overcharge Fund Double Counting - Concur

Senator Hayden referred to Attachment 19, a letter of appeal from Emily Wellman, Energy Programs Supervisor, Kansas Corporation Commission. Staff distributed Attachment 20 illustrating expenditures and balances in the Oil Overcharge Fund. Senator Hayden moved, Senator Allen seconded, that \$75,000 from the Oil Overcharge Fund be included in the Kansas Corporation Budget to continue the housing weatherization project in FY92. The motion carried.

EMERGENCY MEDICAL SERVICES, page 30 -- Scott Rothe

A. SB 271 - Concur with the Senate version

KANSAS HIGHWAY PATROL, page 30 -- Scott Rothe

A. GBA NO. 2, page 23, item 50 - Vehicle Identification Number (VIN) Program - Nonconcur

A letter of appeal, Attachment 21, from Col. Bert Cantwell, Superintendent, was reviewed by staff. The Committee agreed to fund 5 FTE communication operators in the Highway Patrol through the Motor Carrier Inspection Fund.

It was noted that a proviso has been included in the Highway Patrol that directs that any unexpended balances in the VIN Fee Fund be transferred to the KHP Training Center Fund. Concern was expressed that this transfer to the Training Center Fund has been accomplished through provisos on other bills rather than through decisions made in the Senate Ways and Means Committee.

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Senator Doyen reviewed a letter of appeal (Attachment 22) from Gary Hall, Acting Secretary, Kansas State Board of Agriculture. Senator Doyen moved, Senator Gaines seconded, that \$119,100 be appropriated from the State Highway Fund in FY92 and that \$65,545 be appropriated from the State Water Plan Fund in FY92 for the Division of Water Resources to administer programs. The motion carried.

Senator Harder moved, Senator Gaines seconded, to reconsider action on the budget for the Department of Administration. The motion carried. Senator Harder noted that the proposed section for the Omnibus Appropriations Bill (Attachment 13) contained language that would prevent the Department of Administration from upgrading computer equipment by calling it a repair and provided for a line item for UNISYS expenditures. Senator Harder moved, Senator Gaines seconded, that the language in Attachment 23 be inserted as a proviso in the Omnibus Appropriations Bill. The motion carried.

Senator Winter moved, Senator Hayden seconded, to appropriate \$8,111 for Legal Services for Prisoners, Inc. which would be equivalent to the salary step increase. The motion carried.

Senator Gaines moved, Senator Winter seconded, that \$200,000 be provided for a study of the judicial system by the National Council of State Courts. The motion carried.

Senator Kerr reviewed Attachment 24, the subcommittee recommendation regarding the HCBS-MR Waiver Expansion. Senator Kerr moved, Senator Salisbury seconded, that subcommittee recommendation be included as part of the Omnibus Appropriations Bill. The motion carried.

Senator Parrish moved, Senator Winter seconded, that \$48,000 SGF be appropriated for the Clinical Pastoral Program. The motion carried.

Senator Hayden moved, Senator Brady seconded, that \$40,000 be added to the Omnibus Appropriations Bill for KOOD. The motion failed.

Senator Winter moved, Senator Gaines seconded, that \$80,000 from the SGF be included for the restoration of Constitution Hall. The motion carried.

The meeting was adjourned by the Chairman at 6:15 p.m.

ITEMS FOR OMNIBUS CONSIDERATION

Department of Social and Rehabilitation Services

A. Technical Adjustment. Language was inadvertently deleted from a proviso to the Social Services Clearing Fund allowing the agency to expend up to \$1,000,000 for strategies designed to alleviate stresses on the foster care system without regard to salary and other operating expenditure limitations.

B. New Child Protective Services Staff. Funding of \$680,000 from the State General Fund (\$880,000 All Funds) was approved in S.B. 162 for 34 new child protective services staff, including \$800,000 for salaries and \$80,000 for other operating expenditures. The agency estimates that the actual cost of these positions and associated operating expenditures will total \$1,032,894 in FY 1992, including \$795,329 from the State General Fund. The estimate exceeds approved funding by \$115,329 from the State General Fund (\$152,894 All Funds). The following summarizes the recommendation and revised estimate for these positions:

<u>Legislative Recommendation</u>		<u>Revised Estimate</u>	
Salaries	\$ 800,000	Salaries	\$ 831,560
OOE	80,000	OOE	116,334
TOTAL	<u>\$ 880,000</u>	Capital Outlay	85,000
		TOTAL	<u>\$ 1,032,894</u>

C. Consolidation of Commodities Funds. Two federal funds pertaining to food distribution programs can be consolidated based on new federal regulations which no longer necessitate segregation of specific program expenditures. To consolidate the two funds, ending balances in the Federal Surplus Food Processing Fund should be transferred to the Charitable Institutional Commodity Program Fund. In addition, a technical correction to the fund limitation is also necessary.

D. Governor's Budget Amendment No. 2, page 6, item 13, pp. 26 - 35, items 57 - 83.

Legislature

A. Computer Equipment in the amount of \$917,908 for FY 1992 was recommended by the Governor as an addition to her current resources budget. These expenditures for computerizing the Legislature were requested by the Legislative Coordinating Council as \$206,569 for FY 1991 and \$711,339 for FY 1992. The House Subcommittee report recommended removal of the \$917,908 pending the report and recommendation of the House Committee on Computers, Communication, and Technology. The Appropriations Committee concurred and the Senate Ways and Means Committee did not restore any amount for computerization.

*SWAM
April 22, 1991
Attachment 1*

The House CCT Committee issued its report on April 9, 1991. Included in its recommendations is the appropriation of \$153,562 for FY 1992 to purchase 36 desktop computers, 36 laser printers, and related hardware and software.

Legislative Coordinating Council

A. S.C.R. 1627 (Adopted) amends H.C.R. 5016 which established the Joint Committee on Kansas Public Employees Retirement System (KPERs) Investment Practices. The amendments extend the life of the Committee to the 1992 Session of the Legislature at which time it is to report its findings and recommendations. Legislative members shall receive compensation and subsistence and mileage allowances during the interim between sessions. Under the terms of H.C.R. 5016, the Committee was to report to the 1991 Legislature prior to *sine die* adjournment.

H.B. 2044, the appropriation bill for legislative branch agencies, contains a \$500,000 appropriation to the Legislative Coordinating Council for FY 1991 for expenses of the KPERs Joint Committee, including counsel and other professional services. Although any unused balance at the end of FY 1991 has been reappropriated to FY 1992, it is possible that additional appropriation needs may be a matter of consideration for the Omnibus bill.

Kansas Civil Rights Commission

A. House Bill No. 2541 (conference) amends the Kansas Act Against Discrimination to provide greater accessibility in the areas of housing and employment. The bill amends several sections of existing law by changing the term "physical handicap" to "disability", including mental. The bill also makes discrimination based on familial status illegal. The provisions of the bill would bring state law into compliance with the 1988 amendments to Title VIII of the Civil Rights Act of 1968, which is already in effect, and the Americans with Disabilities Act of 1990, which becomes effective in July, 1992.

Under current state law, the Kansas Civil Rights Commission (KCCR) must investigate all complaints which are filed with the agency. KCCR asserts that because of the changes contained in H.B. 2541 and the prospective changes in federal law, the number of complaints filed with the agency will likely increase by approximately 120 cases annually. To process this increase in caseload, KCCR estimates that 3.0 additional FTE positions (two Civil Rights Investigators and an Office Assistant) as well other operating expenses will be required. Those expenses are listed in the following table:

2.0 FTE Investigators	\$	56,306
1.0 FTE Office Assistant		18,878
Travel and Subsistence		3,685
Communications		3,542
Capital Outlay		4,385
Misc. Supplies		698
Total	\$	<u>87,494</u>

Since federal reimbursement (\$450 per employment case and \$750 per housing case) for cases would not occur until the federal government has declared the Kansas legislation to be substantially equivalent to the federal legislation and the Americans with Disabilities Act of 1990 becomes effective in July, 1992 (FY 1993), the appropriation for the costs of implementing the legislation in FY 1992, discussed above, would have to be from the State General Fund. In the second year, the state could expect federal reimbursements of approximately \$66,000.

Kansas State Historical Society

A. House Bill No. 2589 (law) changes the name of the All Sports Hall of Fame to the State of Kansas Sports Hall of Fame and abolishes the All Sports Hall of Fame fund which is administered by the State Historical Society. The passage of H.B. 2589 necessitates the inclusion of the State of Kansas Sports Hall of Fame fund, to be administered by the Historical Society, in the omnibus bill for FY 1991 and FY 1992 to allow the expenditure of moneys in the fund.

B. Senate Bill No. 7 (law) authorizes the Historical Society to donate, sell, or otherwise dispose of those collection materials which are outside the scope of the Society's collection, are duplicative materials, or are materials without research value. The Society will be making items for disposal available to local historical societies and libraries around the state. The Society will also hold public sales of certain items, and the Society requests the establishment of a Property Sale Proceeds Fund in the omnibus bill for FY 1992. Proceeds from the sale of property in the absence of a special revenue fund would be credited to the State General Fund.

Secretary of State

A. Presidential Primary Costs. H.B. 2044 contains an appropriation of \$1.2 million for aid to counties for the FY 1992 presidential primary. K.S.A. 25-4508 requires that the Secretary of State reimburse counties for such election costs except when another election is held on the same day as the presidential primary. According to the most recent estimates received by the Secretary of State from the 105 counties, a total of \$1,716,525 will be needed for reimbursement costs, an increase of \$516,525 from that appropriated by H.B. 2044.

Public Disclosure Commission

A. House Bill No. 2454 (Conference). Both the House and Senate versions of H.B. 2454 would establish a fee fund for the Public Disclosure Commission. The Commission would be authorized to adopt rules and regulations fixing reasonable fees for persons who request copies of opinions, informational materials published by the Commission, and any public records filed in the office of the Commission. All fees collected would be credited to the fee fund. The fee fund also would be credited with revenues collected for existing and additional fees which would be imposed by the bill and for penalties assessed against those who violate provisions of the laws administered by the Commission. Specifically, fees for lobbyists would be increased, while new fees would be imposed by the bill for candidates for elective office and political action committees. Passage of the legislation will require the appropriation of the fee fund for the Commission.

The amount of revenues that would be generated by the bill vary between the House and Senate versions of the bill. Based on information from the Disclosure Commission, the Senate

version of the bill would generate revenues for FY 1992 of \$82,500 from fees. The information also indicates that printing costs for the Commission would increase by \$300 for lobbyists' report forms. It is estimated that the lobbying report forms will increase from 625 to 3,534 per year because of a provision in the bill which requires lobbyists to file reports more frequently. The bill would further provide that political action committees could no longer make campaign contributions to candidates who are under the Campaign Finance Act. This would provide an estimated savings of \$440 in postage and \$760 in printing and duplicating since reporting forms and handbooks would no longer be needed for political committees. Revenues generated would total \$82,500, while net additional expenditures and cost savings would equal \$(900).

The House version of the bill, according to information obtained from the Commission, would generate revenues for FY 1992 of \$103,900 from fees. The Commission also would have additional expenditures of \$300 for printing costs for lobbyists' report forms, necessary because of the provision in the bill which requires lobbyists to file reports more frequently. In addition, the Commission anticipates that operating expenditures will increase for the Commission in future years because of a provision in the bill which places all local school board candidates under the Campaign Finance Act. An estimated 6,420 new candidates would be placed under the Act for the Commission to monitor. However, an insignificant number of these candidates will be seeking election during 1992. Therefore, the Commission does not anticipate an increase in operating expenditures for FY 1992 with regard to this provision. Revenues generated would total \$103,900, while additional expenditures for the Commission would equal \$300.

The House version of H.B. 2454 also contains several provisions with regard to procedures for state contracting. These provisions have the potential to impact several state agencies. For specifics in regard to the impact of H.B. 2454 on other state agencies, refer to the Omnibus items contained in this report under the Department of Administration and the Department of Revenue.

Youth Center at Topeka

A. Senate Subcommittee Recommendation. During legislative budget review, the Senate Subcommittee deleted \$63,882. This amount, for fees -- professional services, represents a 4 percent salary increase for teachers under contract at the agency, and was built into the Governor's recommended budget for the agency. The Senate Subcommittee deleted the amount pending consideration of an FY 1992 pay plan for state employees, and recommended reconsideration of the item during the Omnibus session.

Youth Center at Beloit

A. Senate Subcommittee Recommendation. During legislative budget review, the Senate Subcommittee deleted \$33,521. This amount, for fees -- professional services, represents a 4 percent salary increase for teachers under contract at the agency, and was built into the Governor's recommended budget for the agency. The Senate Subcommittee deleted the amount pending consideration of an FY 1992 pay plan for state employees, and recommended reconsideration of the item during the Omnibus session.

B. Governor's Budget Amendment No. 2, page 23, item 5.

Youth Center at Atchison

A. Senate Subcommittee Recommendation. During legislative budget review, the Senate Subcommittee deleted \$33,044. This amount, for fees -- professional services, represents a 4 percent salary increase for teachers under contract at the agency, and was built into the Governor's recommended budget for the agency. The Senate Subcommittee deleted the amount pending consideration of an FY 1992 pay plan for state employees, and recommended reconsideration of the item during the Omnibus session.

Kansas Real Estate Commission

Senate Bill No. 376 (Governor). The bill makes changes in the certifying and licensing of appraisers. The Real Estate Commission handles administrative matters for the State Appraisal Board which certifies and licenses appraisers pursuant to federal requirements. A federal registry fee for each appraiser must be collected and remitted to the federal government. A new fund is established by S.B. 376 to facilitate this process of remitting federal fees. The Legislature may wish to appropriate the **Federal Registry Clearing Fund** with a no limit in FY 1992 since the pass-through fund is authorized by S.B. 376.

Kansas Racing Commission

Senate Bill No. 375 (Governor). The bill provides that all racing judges and stewards shall become employees of the Racing Commission, be in the unclassified service, and serve at the pleasure of the Commission. Currently, these race officials are working as contractual employees. In order to accommodate the current employees, the Commission requests adding 7.5 FTE positions in FY 1992 to reflect all Racing Judges and Stewards as being unclassified state employees.

The FY 1992 approved budget (S.B. 99) includes \$360,000 for contractual services of these employees who are paid from the Racing Reimbursable Expense Fund. The Commission staff estimates that salaries and benefits for 7.5 FTE positions will be \$289,540 in FY 1992. The estimates include 3.0 FTE for Wichita at \$123,800 and 4.5 FTE for Kansas City at \$165,740 (of which 3.0 FTE and \$99,040 would be for the greyhound race judges plus 1.5 FTE and \$66,700 for the horse race stewards). Estimated savings would be \$70,460 in FY 1992 based on the Commission's estimate for salaries and benefits for the 7.5 FTE positions.

House Bill No. 2107 (Conference). The bill establishes a new fund in the Department of Education and provides for the annual transfer of \$800,000 from the Racing Commission's Greyhound Breeding Development Fund to the new fund for financing an at-risk program for preschool children.

If the bill passes, then an adjustment in FY 1992 expenditures for the Greyhound Breeding Development Fund would be necessary, reducing \$800,000 from estimated expenditures and reflecting the \$800,000 as a transfer to the **At Risk Pupils and Innovative Program Fund** in the Department of Education.

FY 1992 revenues for the Greyhound Breeding Development Fund are estimated at \$1,174,000. Any remaining funds after the \$800,000 transfer would be available to fulfill the statutory provisions of K.S.A. 74-8831 which apportions the use of these funds in the following manner: 15

percent to be transferred to the Greyhound Tourism Fund, 35 percent for research on greyhounds, and 50 percent for supplementing stakes races to pay owners of Kansas whelped greyhounds. An amount of up to \$30,000 annually also may be used to pay expenses of a registry agent to maintain a list of eligible Kansas greyhounds.

Kansas Lottery

A. Governor's Budget Amendment No. 2, page 18, item 37.

Department of Revenue

A. Fiscal Impact of Legislation. The Department of Revenue's fiscal notes on the following bills indicate an adjustment in either FY 1991 or FY 1992 expenditures would be required:

Senate Bill No. 14 (Governor). The bill pertains to the taxation of rental and leased motor vehicles and would impose an excise tax of 3.5 percent upon the gross receipts, to be collected by the Director of Taxation, and to be distributed back to the county where the transactions took place. No estimate of tax receipts is available.

The agency requests increased FY 1991 expenditures of \$28,690 from the State General Fund (SGF) and FY 1992 expenditures of \$23,374 SGF plus adding 1.0 FTE Tax Examiner II position to implement administration, collection, and enforcement of this new excise tax on rental and lease vehicles. FY 1991 expenses requested include \$23,128 for computer programming, \$2,768 for contractual services, and \$2,794 for capital outlay (including \$2,200 for a microcomputer). FY 1992 expenses include \$22,450 for salary and benefits of 1.0 FTE and \$924 of other operating costs.

The Legislature may wish to establish a clearing fund (**Rental Motor Vehicle Excise Tax Clearing Fund**) to accommodate collection of the taxes by this agency and to allow for transfer of these funds to the State Treasurer who is responsible for distributing these collections.

House Bill No. 2275 (Conference). The bill would create the Kansas and Missouri Metropolitan Culture District Compact and would provide for a local option .25 percent sales tax to be collected by the Director of Taxation and distributed back to the district.

The agency requests increased FY 1992 expenditures of \$32,149 from the SGF plus adding 1.0 FTE Accountant II to administer, collect, and enforce this local option sales tax in the Kansas City area. FY 1992 expenses would include \$29,252 for an accountant, \$2,810 for capital outlay (including \$2,200 for a microcomputer), and \$87 for contractual services.

The Legislature would need to appropriate the **Metropolitan Culture District Retailers' Sales Tax Fund** with no limit in order to accommodate the tax. The new fund is authorized by the bill. Estimated revenues assuming all six Kansas counties will participate would be \$15.1 million.

House Bill No. 2454 (Conference). The bill pertains to campaign finance, conflict of interest, and lobbying regulation. Section 53 of the House version would require an income tax clearance be issued by the Department of Revenue for all officers elected under state law and all nonelected officers and employees to whom compensation is paid.

The agency requests increased FY 1992 expenditures of \$22,450 from the SGF plus adding 1.0 FTE Tax Examiner II to review and issue an income tax clearance for all persons elected to state and local positions and for all paid state employees.

B. Other Items for Omnibus Review. Committees identified two items for further review during the veto session:

1. **Retirements.** Both the House and Senate committees asked to review the status of retirements at the Department of Revenue. As of April 17, the agency believes it can finance the cost of retirements within its FY 1991 appropriations. If the situation changes, the Secretary will notify both committees of any new information as it becomes known.
2. **Alcohol Beverage Control Reductions.** S.B. 99 included deletion of 12.0 FTE positions and SGF financing of \$462,134 for salaries and other operating expenses of ABC field agents. Both the Senate and House passed the bill which included the reductions for FY 1992, but the conference committee agreed to revisit the deletions during the veto session. The reductions originally were included as part of a proposal presented by the Secretary of Revenue to achieve a 2.5 percent reduction in SGF expenditures for FY 1992.

C. Governor's Budget Amendment No. 2, pages 9 and 10, items 20 and 21.

Kansas Neurological Institute

A. Categorical Aid. The amount currently provided in S.B. 70 would provide for an estimated categorical aid rate of \$15,300 per eligible teaching unit for special education services in FY 1992. The FY 1992 special education budget for KNI is based on a categorical aid rate of \$17,500 per eligible teaching unit. To fund the contract amount recommended by the Legislature, an additional \$75,570 would be required.

B. Teacher Salary Increase. The Legislature deleted \$58,047 which constitutes the four percent teacher salary increase recommended by the Governor; and recommended that this issue be reviewed as an omnibus item. KNI's appropriations in S.B. 162 do not contain a teacher salary increase for FY 1992.

C. Governor's Budget Amendment No. 2, page 25, item 56.

Parsons State Hospital and Training Center

A. Categorical Aid. The amount currently provided in S.B. 70 would provide for an estimated categorical aid rate of \$15,300 per eligible teaching unit for special education services in FY 1992. The FY 1992 special education budget for Parsons is based on a categorical aid rate of \$17,500 per eligible teaching unit. To fund the contract amount recommended by the Legislature, an additional \$82,062 would be required.

B. Teacher Salary Increase. The Legislature deleted \$57,196 which constitutes the four percent teacher salary increase recommended by the Governor; and recommended that this issue be reviewed as an omnibus item. Parson's appropriations in S.B. 162 do not contain a teacher salary increase for FY 1992.

C. Governor's Budget Amendment No. 2, page 31, item 68.

Winfield State Hospital and Training Center

A. Categorical Aid. The amount currently provided in S.B. 70 would provide for an estimated categorical aid rate of \$15,300 per eligible teaching unit for special education services in FY 1992. The FY 1992 special education budget for Parsons is based on a categorical aid rate of \$17,500 per eligible teaching unit. To fund the contract amount recommended by the Legislature, an additional \$76,839 would be required.

B. Teacher Salary Increase. The Legislature deleted \$50,868 which constitutes the four percent teacher salary increase recommended by the Governor; and recommended that this issue be reviewed as an omnibus item. Winfield's appropriations in S.B. 162 do not contain a teacher salary increase for FY 1992.

C. Governor's Budget Amendment No. 2, page 24, item 52, addresses an estimated decrease in fee fund receipts in FY 1992 attributable to census reduction. The Governor recommends an addition of \$181,853 SGF and \$101,231 Title XIX (\$283,084 all funds) with an offsetting reduction from the agency's fee fund.

Department of Wildlife and Parks

A. Governor's Budget Amendment No. 2, page 8, item 18.

B. Governor's Budget Amendment No. 2, page 9, item 19.

Animal Health Department

The Legislature recommended fee increases for the Companion Animal program and the Livestock Disease program in FY 1992. The fee increases for these programs are contained in S.B. 443. A hearing on this bill will be held Wednesday, April 24 in the House Agriculture Committee. The agency's FY 1992 appropriation (included in S.B. 113) is based on the anticipated fee increases. If S.B. 443 does not pass, the total amount available for the Companion Animal program in FY 1992 is \$50,000 from the EDIF. Based on projected fee increases, the Legislature made the following adjustments to the Governor's recommendation:

1. Deleted \$70,000 SGF and added \$50,000 EDIF.
2. Established the animal dealers fee fund and transferred funds for the companion animal program from the animal disease control fund into the newly established fund.

3. Made the animal dealers fee fund a no limit fund.
4. Deleted \$17,608 SGF and increased the expenditure limitation of the animal disease control fund by the same amount.
5. Added \$37,608 from the animal disease control fund and 1.0 FTE to restore the Veterinary II position eliminated by the Governor.

Larned State Hospital

A. Categorical Aid. The amount currently provided in S.B. 70 would provide for an estimated categorical aid rate of \$15,300 per eligible teaching unit for special education services in FY 1992. The FY 1992 special education budget for Larned State Hospital is based on a categorical aid rate of \$17,500 for the 12.2968 eligible teaching units. To fund the contract in the amount recommended by the Legislature would require an increase of \$27,053.

B. Teacher Salary Increase. The Legislature deleted the 4 percent teacher salary increase of \$20,743 recommended by the Governor and recommended that this issue be reviewed as an Omnibus item. The hospital's appropriation in S.B. 162 contains no teacher salary increase for FY 1992.

C. Governor's Budget Amendment No. 2, pages 24-25, items 52 and 54.

Osawatomie State Hospital

A. Categorical Aid. The amount currently provided in S.B. 70 would provide for an estimated categorical aid rate of \$15,300 per eligible teaching unit for special education services in FY 1992. The FY 1992 special education budget for Osawatomie State Hospital is based on a categorical aid rate of \$17,500 for the 17.65 eligible teaching units. To fund the contract in the amount recommended by the Legislature would require an increase of \$38,830.

B. Teacher Salary Increase. The Legislature deleted the 4 percent teacher salary increase of \$35,371 recommended by the Governor and recommended that this issue be reviewed as an Omnibus item. The hospital's appropriation in S.B. 162 contains no teacher salary increase for FY 1992.

C. Governor's Budget Amendment No. 2, page 24, item 52.

Rainbow Mental Health Facility

A. Categorical Aid. The amount currently provided in S.B. 70 would provide for an estimated categorical aid rate of \$15,300 per eligible teaching unit for special education services in FY 1992. The FY 1992 special education budget for Rainbow Mental Health Facility is based on a categorical aid rate of \$18,085 for the 20.5296 eligible teaching units. To fund the contract in the amount recommended by the Legislature would require an increase of \$57,175.

B. Teacher Salary Increase. The Legislature deleted the 4 percent teacher salary increase of \$29,733 recommended by the Governor and recommended that this issue be reviewed as an Omnibus item. The hospital's appropriation in S.B. 162 contains no teacher salary increase for FY 1992.

C. Governor's Budget Amendment No. 2, pages 24-25, items 52 and 53.

Topeka State Hospital

A. Categorical Aid. The amount currently provided in S.B. 70 would provide for an estimated categorical aid rate of \$15,300 per eligible teaching unit for special education services in FY 1992. The FY 1992 special education budget for Larned State Hospital is based on a categorical aid rate of \$17,500 for the eligible teaching units. To fund the contract in the amount recommended by the Legislature would require an increase of \$64,707.

B. Teacher Salary Increase. The Legislature deleted the 4 percent teacher salary increase of \$38,501 recommended by the Governor and recommended that this issue be reviewed as an Omnibus item. The hospital's appropriation in S.B. 162 contains no teacher salary increase for FY 1992.

C. Governor's Budget Amendment No. 2, pages 24-25, items 52 and 55.

Department of Human Resources

A. Governor's Budget Amendment No. 2, pages 19-20, items 41 and 42.

Kansas Technology Enterprise Corporation

A. Technical Adjustment. In authorizing an FY 1992 budget of \$8,317,159 for KTEC, the 1991 Legislature provided for transfers to the agency from the EDIF of \$7,662,583, an amount \$12,866 greater than required to finance the approved budget.

Department of Commerce

A. Senate Bill No. 32 (Governor) and Sub. for House Bill No. 2536 (Governor). S.B. 32 establishes the Office of Work Force Training within the Industrial Development Division of the Kansas Department of Commerce. The Office would be headed by the Director of Work Force Training. The Office would administer the Kansas Industrial Training program and Kansas Industrial Retraining program; act as a primary clearinghouse for business and industry with respect to work force training needs; act as a clearinghouse for the collection and dissemination of information concerning postsecondary vocational and technical education programs in areas related to economic development; and perform other duties prescribed by the Secretary of Commerce.

Sub. H.B. 2536 establishes the State of Kansas Investments in Lifelong Learning (SKILL) program. Under the SKILL program, firms which meet the definition of a Kansas basic industry may apply for funding to underwrite the training costs of employees for new jobs. Funding

for the training would come from bonds issued by the KDFA, with bond repayment obligations to be supported by a portion of the moneys withheld from the wages of employees with new jobs. The bill also creates two new funds in the state treasury, the SKILL Program Services Fund (which is to be used for program costs as defined in the bill) and the SKILL Program Repayment Fund (which is to be used for debt service payments).

The Department of Commerce requests additional funding of \$169,010 and 4.0 FTE positions to implement the provisions of S.B. 32 and Sub. H.B. 2536. The request includes \$132,183 for salaries to permit the reallocation of an existing position to Director of Work Force Training (\$4,412); the addition of three Economic Development Representative III positions to serve as Training Representatives (\$106,920 -- \$35,640 each); and an Office Assistant IV for clerical support (\$20,851). Requested other operating expenses of \$36,827 include \$12,000 as a one-time expense for capital outlay for the requested new positions, \$13,627 for travel, \$5,000 for communications, \$3,500 for printing, \$1,500 for shipping expenses, and \$1,200 for supplies.

Kansas Water Office

A. Senate Bill 89 (Governor) establishes the Water Marketing Fund in the state treasury. Receipts credited to the new fund include revenues received through the sale of water through the Water Marketing Program, which previously have been credited to the State General Fund. Receipts to the Water Marketing Fund in FY 1992 are estimated to be \$1,254,615. The new fund is to be used for payment of costs associated with the State Water Plan Storage Act and the Water Marketing Program, including repayment to the State General Fund for moneys advanced for annual capital costs and costs for administration and enforcement of the State Water Plan Storage Act.

The 1991 Legislature has approved \$1,384,040 in FY 1992 to payments to the federal government for capital costs (\$798,767) and operational charges (\$585,273) associated with reservoirs in the Water Marketing Program. Approved expenditures are financed by \$1,100,407 from the State General Fund and \$283,633 from the State Conservation Storage Water Supply Fund. In the fiscal note submitted for S.B. 89, the Kansas Water Office indicated that the FY 1992 State General Fund financing could be lapsed and expenditures from the State Conservation Storage Water Supply Fund could be reduced to \$116,000 with the passage of the bill. Due to the timing of the payments to the federal government and receipts of funds from the water users, however, the agency requests that revenue attributable to CY 1991 water sales which has been credited to the State General Fund in FY 1991 (estimated to be \$1,251,308) be transferred to the new fund. The 1991 Legislature may also wish to consider if a proviso should be added to the new fund to transfer funds to reimburse the costs of administration and enforcement of the State Water Plan Storage Act in CY 1991 to the State General Fund.

Several options are available to implement S.B. 89. The following table summarizes the impact of some of these options on FY 1992 State General Fund receipts and currently authorized State General Fund expenditures.

Option	Action	Receipts Impact	Expenditure Impact	Net FY 92 SGF Impact
1.	No change in SGF appropriation.	\$ (1,254,615)	\$ 0	\$ (1,254,615)
2.	As requested by the Water Office.	\$ (2,505,923)	\$ (1,100,407)	\$ (1,405,516)
3.	Transfer \$1,100,407 from the SGF to the new fund and lapse the SGF appropriation.	\$ (2,355,022)	\$ (1,100,407)	\$ (1,254,615)
4.	Do not lapse the SGF appropriation and transfer \$1,100,407 from the new fund to the SGF at the end of FY 1992.	\$ (154,208)	\$ 0	\$ (154,208)
5.	Do not lapse the SGF appropriation and transfer all FY 1992 receipts to the new fund to the SGF at the end of FY 1992.	\$ 0	\$ 0	\$ 0
6.	Transfer some combination of special revenue funds (Conservation Storage Water Supply Fund, State Water Plan Fund, EDIF, etc.) totaling \$1,100,407 to the new fund and lapse the SGF appropriation.	\$ (1,254,615)	\$ (1,100,407)	\$ (154,208)

State Conservation Commission

A. Governor's Budget Amendment No. 2, pages 7 and 8, items 14 and 15.

Department of Corrections

A. Conference Committee Recommendation. During legislative budget review of the Department of Correction's (DOC) budget request, the Conference Committee recommended that the proposed acquisition of additional computer equipment be an item for Omnibus review. In its original FY 1992 budget request, DOC had requested \$2,122,965 in capital outlay funding for an expansion of the existing computer system to satisfy the information processing needs of the department and the correctional facilities. The Governor did not include funding for the expansion project. During review of the DOC appropriation bill (S.B. 141), the Senate added \$888,073 (SGF) in FY 1992 for the proposed computer project. Under the Senate plan, the project would be a five-year expansion project with an estimated cost of \$1,996,138 (less interest); the total cost would be financed through \$524,075 in State General Fund moneys and \$1,472,063 from the Kansas Development Finance Authority. The K DFA portion would be repaid over the period FY 1992 through FY 1996. The House deleted all funding for the proposed computer project, pending a recommendation on the project by the House Committee on Computers, Communications, and Technology.

The DOC has made presentations to the House CCT Committee for a computer expansion project with an estimated five-year cost of \$1,996,138 (excluding interest which is estimated

at an additional \$292,280), for a total cost of \$2,288,418. This plan would include \$1,472,063 to be financed through KDFFA for five years, with an annual repayment cost of \$363,998. FY 1992 expenditures would total \$888,073, which is composed of \$524,075 in operating costs and \$363,998 for the first repayment installment. The original plan included connecting the Central Office and the correctional institutions within the same fiscal year. The House CCT Committee requested that the Department prepare a phase-in plan in which the Central Office would be included in Phase I, and the correctional institutions would be included in Phase II. The phase-in proposal would cost \$576,851 in FY 1992 (composed of \$424,072 in operating costs and \$152,779 for the first repayment to KDFFA). Phase II in FY 1993 would cost \$311,221 initially to bring the institutions into the network, including \$100,000 in operating costs and \$211,221 for the installment payment to KDFFA. Total costs of Phase I are estimated at \$1,151,491 and Phase II costs are estimated at \$1,136,927, for a total cost of \$2,288,418.

The requested project includes an upgrade of the Department's existing AS/400 computer in the Central Office; the purchase of four new AS/400 computers for the facilities at Lansing, Hutchinson, Ellsworth, and Topeka; the acquisition of various terminals, printers, software, and personal computers for the facilities and the parole offices; and related training and custom programming. Cost estimates for the various components of the expansion appear below.

Item	Estimated Cost
ASTRA Network Improvements	\$ 32,560
Central Office Upgrade	549,963
Lansing Correctional Facility	225,000
Hutchinson Correctional Facility	225,000
Ellsworth Correctional Facility	200,350
Topeka Correctional Facility	200,350
Norton Correctional Facility	63,340
Parole Services	45,500
Custom Programming	325,000
Maintenance Costs	69,075
Training	60,000
Interest	292,280
Total	\$ 2,288,418
 Funding:	
State General Fund FY 1992	\$ 524,072
Kansas Development Finance Authority	1,764,346
Total	\$ 2,288,418

B. Senate Bill No. 146 (Veto) authorizes DOC to charge employed parolees a fee of \$7 per month; the fee is to be used to fund one position in each of the five parole regions. These positions would function to assist parolees in obtaining and maintaining gainful employment. Provision is made for deferral of the employment generation fee in hardship cases. The bill creates the Employed Parolees Fee Fund to which the collected fees would be credited. Any funds generated above those necessary to support the five positions would be credited to the State General Fund. The fee would also be assessed on those offenders on conditional release.

The fiscal note prepared by the Division of the Budget is based on the assumption that, if one-half of the approximately 5,200 persons on parole supervision would be able to pay the monthly fee of \$7.00, an estimated \$221,000 would be generated annually. The Department of Corrections proposes to fund 5.0 FTE Parole Officer II positions to perform the job development functions at a cost of \$210,000 (\$168,985 in salaries and \$41,015 in OOE) in FY 1992. Based upon this estimate, the State General Fund would realize an additional \$11,000 in revenue in FY 1992. A line item was included in the DOC appropriation bill (S.B. 141) to appropriate the Employed Parolees Fee Fund as a no-limit fund. However, position authority is needed to authorize the additional 5.0 FTE positions.

C. Governor's Budget Amendment No. 2, pages 20-22, items 43-46.

Kansas Bureau of Investigation

A. S.B. 329 (Governor) authorizes the establishment of a DNA data bank within the Kansas Bureau of Investigation and establishes the KBI as the state's central repository for the collection and storage of DNA and other biological molecules. The KBI is charged with establishing and maintaining a statewide automated system capable of classifying, matching, and storing analysis of DNA and other biological molecules.

The bill requires any person convicted of certain crimes to submit blood and saliva specimens to the KBI. Crimes include sex offenses (rape, indecent liberties with a child, aggravated indecent liberties with a child, criminal sodomy, aggravated criminal sodomy, lewd and lascivious behavior, sexual battery or aggravated sexual battery); murder in the first degree; murder in the second degree; incest; aggravated incest; and abuse of a child. The legislation would apply to persons convicted of the specified crimes on or after the effective date of the act; persons ordered institutionalized as a result of being convicted on or after the effective date of the act; or persons convicted prior to the effective date of this act who are presently confined in any state correctional facility or county jail or on probation conditional discharge or periodic imprisonment, as a result of the conviction.

The KBI is required to provide all specimen vials, mailing tubes, labels and instructions necessary for the collection of the samples. A licensed physician, registered nurse or any qualified medical technician may withdraw the blood for the sample. The provisions of S.B. 329 establish procedures and authorize the KBI to promulgate rules and regulations regarding the collection, storage, and release of information.

The KBI cost estimates are based on the provision which requires the KBI to provide all specimen vials, mailing tubes, labels, and instructions necessary for the collection of the samples. Additionally, the KBI's estimate includes costs associated with collecting and analyzing samples from DOC inmates only. The KBI intends to implement a sampling process to obtain specimens from current DOC inmates covered under the bill. The initial development phase would require collecting and preserving 1,500 samples. The analysis of the samples would be conducted over a four year period. Subsequent years would require collecting approximately 300 samples each year for new persons entering the correctional system.

The KBI estimates first year costs FY 1992 borne by the State General Fund to be \$59,198. Expenditures are composed of the following:

1.0 Criminalist I	\$ 30,785
Supplies	21,000
Travel and Subsistence	3,213
Freezer (one-time)	3,000
Refrigerator (one-time)	1,200
Total -- FY 1992	<u>\$ 59,198</u>

The Criminalist position would draw the blood and saliva samples from DOC inmates and conduct the analysis for entry into the data bank. According to the KBI, estimated outyear costs would be as follows: second year -- \$75,943; third year -- \$77,559; and fourth year -- \$51,537.

B. KBI and Highway Patrol Special Asset Forfeiture Fund. There is an apparent conflict in policy between the subcommittees that reviewed the budgets for the Attorney General and the KBI. The subcommittees that reviewed the Attorney General's budget placed a \$50,000 expenditure limitation on the "KBI and Highway Patrol Special Asset Forfeiture Fund," while the subcommittees that reviewed the KBI's budget recommended that money in the Fund be used to meet a \$213,005 matching requirement for a federal grant to fund the Narcotics Strike Force. If the intention of the Legislature in this case is to utilize the Special Asset Forfeiture Fund to match federal funds, the \$50,000 expenditure limitation would appear contrary to that policy.

If the purpose of setting the expenditure limit on the Fund is to enable the Legislature to more closely monitor expenditures from this fund, one option would be to set the limits on the agencies actually generating and spending the money, *i.e.*, the KBI, the Highway Patrol, and the Department of Corrections. The Fund could still be under the administrative authority of the Attorney General but the expenditure limitations would be placed on the separate agencies that receive the money and not on the Attorney General. In that way, the Legislature could set the limits to more precisely reflect its policies concerning expenditures of each agency. A second option would be to simply place an expenditure limitation on the Fund which reflects increased expenditures of \$213,005 in the KBI.

C. Governor's Budget Amendment No. 2, page 22, item 48.

Department of Administration

A. House Bill No. 2454 (conference). The House version of H.B. 2454 contains several provisions with regard to procedures for state purchasing. These provisions have the potential to impact several state agencies. Specifically, language in current law is stricken which allows the Director of Purchases, Department of Administration, to delegate authority to any state agency to make purchases of less than \$10,000. According to information furnished by the Department of Administration, elimination of the Department's ability to delegate this authority would require the staff of the Department rather than staff of other state agencies to complete tasks for these purchases. Therefore, using a ratio of one new staff member for the Division of Purchases to every four purchasing staff members within other state agencies, the Department estimates that it would need \$1,032,380 for salaries and wages for 38.0 new FTE positions and \$241,000 for other operating expenditures. In addition, \$95,000 would be needed in FY 1992 for one-time capital outlay expenditures. The total fiscal impact for FY 1992 is estimated at \$1,368,380.

B. Expenditure Limitation on Motor Pool Service Depreciation Fund. 1990 S.B. 141 includes funding for the creation of 10.0 new parole officer positions in the Department of Corrections. Funding includes the addition of associated operating expenditures for the new positions. The DOC requests that the Central Motor Pool purchase five, four-door subcompact vehicles (@ \$8,847) to be assigned to the Department of Corrections for the new positions. The expenditure limitation on the Motor Pool Service Depreciation Fund would need to be increased from \$2,652,045 to \$2,696,415 in FY 1992.

C. Expenditure Limitation on DISC Funds and State General Fund Appropriation for Central Management Systems

Central Management Systems (SGF appropriation) -- The Governor recommended \$5,035,743 from the State General Fund for the Department of Administration in FY 1992 for continued development of financial information systems. The amount recommended would continue the level of funding established with the supplemental appropriation recommended for FY 1991 (\$1,588,436). The House recommended \$4,302,293 with a proviso that provided for the following: KIPPS processing and programming (\$1,930,551); existing contractual obligations (\$652,303); STARS processing and programming (\$1,494,959); and miscellaneous costs (\$224,480). The Senate removed the entire line item and proviso from the appropriation bill and recommended that this item be reconsidered during the omnibus session to give the Legislature time to review the status of the Kansas Financial Information Systems (KFIS) and viable options for the Department of Administration's central data processing operations. The Conference Committee concurred with striking this item from the appropriation bill and reconsidering the appropriation during the omnibus session.

DISC Funds -- The Governor recommended a limitation on the Information Technology Fund and Information Technology Reserve Fund not to exceed \$32,411,156; however, recommended the Central Mail Services Fund be budgeted at \$3,684,404, but retain the "no limit" status. The House recommended an expenditure limitation on all three funds (*i.e.*, Information Technology Fund, Information Technology Reserve Fund, and Central Mail Services Fund) not to exceed \$34,804,040. The Senate eliminated the expenditure limitation on all three funds. The Conference Committee removed the funds from the appropriation bill and recommended reconsidering these funds during the omnibus session.

D. Governor's Budget Amendment No. 2, page 36, item 84.

State Treasurer

Senate Bill No. 14 (Governor) pertains to the taxation of rental and leased motor vehicles and would impose an excise tax of 3.5 percent upon the gross receipts. The tax is to be collected by the Department of Revenue and distributed back to the county where the transaction took place by the State Treasurer.

Pursuant to S.B. 14, a fund (Rental Motor Vehicle Excise Tax Fund) should be created in the State Treasurer's Office for FY 1992 to receive the transfer of these funds from the Department of Revenue for distribution. Funds for distribution purposes in the State Treasurer's budget generally have a "no limit" expenditure limitation because the total sum collected is distributed.

Board of Agriculture

A. Additional Funding for Division of Water Resources. During its review of the FY 1992 budget request of the State Board of Agriculture, the House Subcommittee noted a concern with the ability of the Division of Water Resources to adequately carry out its statutorily mandated duties in light of the increased workload brought about by the increase in reviews of bridge and channel change plans due to the increase in highway funding to the Kansas Department of Transportation, and also with difficulties encountered by the Division involving the Kansas-Colorado litigation. The Subcommittee indicated that, should additional revenue become available, additional funding for the Division of Water Resources would be an appropriate item for Omnibus consideration.

B. House Bill No. 2360 (Governor) concerns wholesalers and retailers of agricultural seed. The bill changes the name of the existing fee fund from the Seed Dealer Registration Fund to the Agricultural Seed Fee Fund. The renamed fund should be appropriated. According to the agency estimate, the House version of the bill would generate additional funds of \$57,000 to the fund, while the Senate version would generate an additional \$61,590 to the fund. This additional revenue could be used to offset State General Fund support in the Agricultural Commodities Assurance Program (ACAP) in the Division of Inspections, or the Division of Laboratories. This offset could be made in FY 1992 or be used in future fiscal years.

C. Senate Bill No. 77 (conference) creates the Kansas Sheep Commission for the statutory purpose of conducting a campaign of development, education, publicity, and finding new markets for sheep and wool. The bill would create a seven member commission for the establishment of policy and oversight of the appointment of staff for administering the program. The commission would be attached to the Marketing Division of the Board of Agriculture. Funding for the commission would be derived from an assessment of not more than \$.02 for each pound of wool produced and sold by a producer in the state and not more than \$.35 per head on sheep sold for slaughter by a producer at the time of delivery to the first purchaser.

According to the agency, total receipts of \$178,655 would be received in FY 1992, with \$8,000 credited to the State General Fund and \$170,655 credited to the Kansas Sheep Commission Fund. The amount credited to the State General Fund in FY 1992 and FY 1993 under the bill is limited to \$8,000. Beginning in FY 1994, the amount credited to the State General Fund would equal 20 percent of receipts to a maximum of \$200,000. The agency notes that, while expenditures in future fiscal years could be made entirely from the fee fund, initial start-up costs for the program would be required from the State General Fund, due to the timing of receipts and the necessity to ensure the availability of funds for refunds. Information provided by the agency did not include a projected schedule of receipts. The Committee might want to consider a provision requiring the Sheep Commission to reimburse the State General Fund for the initial start-up costs of the program. The agency estimates FY 1992 total expenditures of \$108,210 for the program (\$88,558 from the State General Fund and \$19,652 from the fee fund). This includes \$42,824 in salary and benefits for one new FTE Administrator and \$1,322 in compensation for the seven commission members, \$38,597 for contractual services, \$1,250 in commodities, and \$4,555 in capital outlay. The agency also estimates refunds to producers in the amount of \$19,652.

D. Senate Bill No. 323 (conference) designates the Kansas Soybean Commission as the official state promotion entity for soybeans, in accordance with the federal Soybean Promotion, Research and Consumer Information Act of 1990 (Public Law 101-624). S.B. 323 would direct the

Kansas Soybean Commission to collect a soybean check-off in accordance with Public Law 101-624. These receipts would be credited to a new fund, the Soybean Promotion and Research Fee Fund. One-half of the receipts would be disbursed to the national check-off program. The bill suspends collection of the current state mill levy on soybeans. The bill would establish a new assessment based on a formula established by Public Law 101-624. This formula would require collection of one-half of one percent of the net market price of soybeans when sold. The Board of Agriculture estimates that this new check-off would generate \$1,781,144 in receipts. One-half of this amount would be retained by the Kansas Soybean Commission. This amount represents a reduction of approximately \$208,853 in the amount of estimated receipts to the Soybean Commission. The agency requests that the new fund be appropriated as a "no-limit" fund because the estimated receipts to the fund are difficult to project and the agency will be required to remit one-half of the assessment to the federal program. It would be possible, however, to establish an expenditure limitation on the fund, with a proviso that the amount remitted to the federal program and any refunds paid from the fund would be exempt from the expenditure limitation.

Expenditures approved from the current Soybean Commission fee fund for FY 1992 total \$982,660. Although there is a reduction in anticipated receipts to the Soybean Commission fund of \$1,099,425, there are sufficient funds available for the FY 1992 approved expenditures. The agency requests that the current fund be retained pending the results of a producer referendum scheduled to be held 18-36 months after the beginning of the national program. The agency is not recommending any expenditures from the new fund in FY 1992 other than the amount remitted to the national program and requested refunds.

E. House Bill No. 2077 (conference) concerns the Farmers' Assistance, Counseling and Training Service (FACTS) program. As passed by the House, the bill extends the existence of the FACTS program until September 30, 1996, five years past its scheduled September 30, 1991 sunset date. The Senate amendments to the bill expand the scope of the current program to create a rural opportunity program. Under the Senate version of the bill, the Secretary of the Board of Agriculture would be responsible, along with the Director of Extension of Kansas State University, for the coordination of a rural assistance information network. The network would not only include a farm assistance, counseling, and training referral program but also a rural opportunity program. Under either version of the bill, the estimated fiscal impact would be \$260,551 from the State General Fund, \$4,500 from the Legal Services Co-Pay fund, and \$265,051 from federal mediation funds. The program is currently funded only through its scheduled sunset date. As currently approved, FY 1992 expenditures for the program consist of \$165,110 from the State General Fund, \$500 from the FACTS Legal Services Co-Pay fund, and \$167,080 from federal mediation funds.

F. Governor's Budget Amendment No. 2, page 8, item 16.

G. Governor's Budget Amendment No. 2, page 8, item 17.

Behavioral Sciences Regulatory Board

A. House Bill No. 2017 (conference) establishes education, training and registration requirements for marriage and family therapists. The fiscal note submitted by the agency for the bill indicates a need for administrative expenditures of \$39,161. However, a review of the agency's FY 1992 budget request, which included expenditures for such an addition to the Board's responsibilities, specifically indicates requested administrative expenditures of \$18,710 relating to the registration of marriage and family therapists. These expenses include \$6,780 for salaries and wages for one

temporary Office Assistant II position, \$11,291 for contractual services, \$279 for stationery and office supplies, and \$360 for capital outlay. The agency estimates that an additional \$20,700 in revenue would be generated from the registration of approximately 200 individuals seeking initial registration as marriage and family therapists. Of this amount, \$4,000 would be credited to the State General Fund and \$16,700 would be credited to the agency's fee fund. This estimate is based upon 200 licenses issued at \$100 each. The agency also estimates additional revenue of \$700 from printed matter and publications.

Board of Healing Arts

A. Technical Adjustment. In order to correct a posting error, the expenditure limitation on the healing arts fee fund should be increased an additional \$5,892 to a total of \$1,149,493 for FY 1991.

State Fire Marshal

A. Governor's Budget Amendment No. 2, page 23, item 49.

Insurance Department

A. House Bill No. 2001 (conference) amends several sections within Chapter 40 of the state statutes pertaining to insurance. The bill would require the Insurance Department to review group accident and health insurance rates to make sure they comply with certain rating standards as set forth in the act. The Department anticipates that the enactment of this legislation will require the department to review an additional 11,000 rate filings per year. This review, according to the agency, will generate the need for one new policy examiner at an estimated cost of \$39,230 from the State General Fund. Of this amount \$33,194 is for salaries and wages and \$6,036 is for other operating expenditures.

B. Governor's Budget Amendment No. 2, page 2, item 1.

C. Governor's Budget Amendment No. 2, page 2, item 2.

Attorney General

A. Senate Bill No. 151 (Law). Under present law, money from the sale of forfeited property seized in drug cases by the Kansas Bureau of Investigation (KBI) and the Kansas Highway Patrol is credited to the Kansas Bureau of Investigation and Kansas Highway Patrol Special Asset Forfeiture Fund, which is under the administrative authority of the Attorney General. S.B. 151 adds the Department of Corrections to the agencies that have access to the Fund and changes the name of the Fund to the "State Special Asset Forfeiture Fund." All money in the Kansas Bureau of Investigation and Kansas Highway Patrol Special Asset Forfeiture Fund will be transferred to the State Special Asset Forfeiture Fund. (The Fund has an expenditure limitation of \$50,000. The amount in the Fund presently is \$54,160.) Because S.B. 151 is now law, it is necessary to add the Fund to the Attorney General's budget so that expenditures from the Fund can be made.

A second issue does not concern S.B. 151 directly, but relates to an apparent conflict in policy between the subcommittees that reviewed the budgets for the Attorney General and the KBI. The subcommittees that reviewed the Attorney General's budget set a \$50,000 expenditure limitation on the Special Asset Forfeiture Fund, while the subcommittees that reviewed the KBI's budget recommended that money in the Fund be used to meet a \$213,005 matching requirement for a federal grant to the KBI. If the intention of the Legislature in this case is to utilize the Special Asset Forfeiture Fund to the greatest extent possible to match federal funds, the \$50,000 expenditure limitation would appear to be contrary to that policy. In addition, the \$50,000 limit was set before the Department of Corrections was added to the list of agencies that would participate in the Fund.

If the purpose of setting the expenditure limit on the Fund is to enable the Legislature to more closely monitor expenditures from the Fund, one option would be to set the limits on the agencies actually generating the money and benefitting from its expenditure, *i.e.*, the KBI, the Highway Patrol, and the Department of Corrections. The Fund could still be under the administrative authority of the Attorney General but the expenditure limitations would be on the separate agencies that get the money and not on the Attorney General. In that way, the Legislature could set the limits to more precisely reflect its policies concerning the expenditure of each agency.

Department of Education

A. Governor's Budget Amendment No. 2, pages 10 and 11, items 22 and 23.

B. FY 1991 Funding for Special Education. By agreement of the Conference Committee on S.B. 340, the supplemental appropriation for special education was deleted from the bill and deferred for Omnibus consideration.

The FY 1991 appropriation for special education is \$125,157,148. The Senate added \$411,815, for a total of \$125,568,963. The House increased the Senate amount by \$1,017,722, for a total of \$126,586,685.

C. Fort Leavenworth School District (USD 207). In order to remain eligible to receive federal P.L. 874 funds for USD 207, Kansas must provide aid to the district on a per pupil basis equal to 65 percent of statewide per pupil aid. That amount cannot be determined until a decision is made regarding the appropriation for general aid to schools.

At the present time, S.B. 70 contains an appropriation for the Fort Leavenworth School District of \$1,524,954, which is the same as FY 1991. Based on the Senate recommendation for general aid to schools, the Fort Leavenworth appropriation would need to be reduced by \$24,804 (for a total of \$1,500,150). Based on the House-approved general aid appropriation, the amount for Fort Leavenworth would need to be increased by \$259,896 (for a total of \$1,784,850).

D. Senate Bill No. 26 (Law). S.B. 26 has a new provision that has the potential to affect certain categorical aid programs and the income tax rebate. The provision concerns low-levying school districts and reduces the amount of categorical aid they receive under certain circumstances.

Specifically, school districts that levy less than three-fifths of the median general fund tax rate statewide would have added to their general fund budgets the additional amount that would be raised if they were levying at three-fifths the state median or an amount equal to the categorical state aid (excluding the income tax rebate) they will receive, whichever is less. If the categorical state

aid entitlement of the district does not exceed the additional amount budgeted, the state retains the state categorical aid. However, if the categorical state aid entitlement of the district exceeds the additional amount budgeted, the State Board deducts only the amount of categorical aid equal to the budgeted amount of the district's entitlement to additional budget authority. S.B. 26 specifies the programs from which deductions could be made: the income tax rebate, school district transportation, school food service (which, on a statewide basis, meets a required match for federal funds), bilingual education, inservice education, parent education, and driver training (which is not a program funded from the State General Fund). The State Board of Education would determine which programs would be reduced.

Because this policy is new, it is not possible to estimate its impact at this time. For example, according to the State Department of Education, some low-levying districts plan to raise their levies in order to avoid a reduction in categorical aid. With regard to possible reductions in specific categorical aid programs, it is not known at this time which programs the State Board might pick to reduce. If the deduction is made in the income tax rebate, for example, no action by the Legislature would be needed since the rebate is a demand transfer from the General Fund to the School District Income Tax Fund which is appropriated with no limitation; the estimate would simply be revised to reflect that less money would be rebated. If the deduction were to affect school district transportation, unless the Legislature changes the present law, any savings from a reduction in aid to one district would most likely be redistributed through the formula to remaining districts and would not be returned to the State General Fund.

As this is being written, the State Department of Education is working to provide more information that will be available when the Legislature returns. In short, no estimate of the impact of this policy is possible at this time and it may be that the Legislature will have to wait until the 1992 Session before the full impact of implementing S.B. 26 can be assessed.

E. Senate Bill No. 33 (Conference). S.B. 33, recommended by the Joint Committee on Economic Development, would provide state matching grants to area vocational schools and community colleges for the following purposes:

1. start-up support for innovative technical courses or programs in emerging technologies, manufacturing, or areas of skill shortages; and
2. internships to enable faculty to work in an industrial setting or to enable industrial employees to work at the schools.

In order to be eligible for funding, a course or program would have to relate to a business or industry located in the service area of the area vocational school or community college. The state grant would have to be matched dollar-for-dollar by support from a private business. (One of the differences to be resolved by the Conference Committee is the nature of the private sector support -- financial or in-kind).

Grants to the schools would be subject to appropriation. The Senate Subcommittee that considered the budget for the State Department of Education reduced a preliminary recommendation for postsecondary aid to area vocational schools from the Economic Development Initiatives Fund (EDIF) by \$500,000 in order to make funding from the EDIF available for state matching grants pursuant to S.B. 33. The Subcommittee report states, "If S.B. 33 is enacted, the Subcommittee encourages the Legislature to fund the grants from the EDIF."

It is not possible to estimate the fiscal impact of the new program, partly because of the difficulties involved in estimating the extent to which the private sector match would be realized. According to the State Department of Education, first-year grant applications could total between \$1.0 and \$2.0 million. Grants would be awarded by the State Board of Education, which would adopt rules and regulations to administer the program and establish grant eligibility criteria. The State Department estimates the cost to administer the program to be \$2,000. These expenses consist of printing, postage, travel, and training sessions to promote the program in the private sector.

F. House Bill No. 2107 (Conference). H.B. 2107, which originally would have reestablished the building-based education program, has been amended to also include provisions relating to alternative teacher certification (S.B. 208), the counting of four-year-old at risk students who participate in preschool programs as 0.25 FTE pupils under the School District Equalization Act (SDEA) (S.B. 191), and a new source of revenue for at risk and innovative programs administered under the Educational Grant Program. The components of the bill that have a fiscal impact are the building-based education program, the preschool programs for at risk students, and the funding source for at risk and innovative programs.

The building-based education program, statutorily created in 1988, provided that four school districts would be selected in FY 1989 and in FY 1990 to implement a building-based education plan, *i.e.*, a plan developed by school building employees to implement strategies and procedures to meet the educational needs of students. For each year of the program, \$20,000 from the State General Fund was appropriated.

H.B. 2107 would reinstitute the program for FY 1992 and FY 1993. The State Department of Education estimates the fiscal impact of reinstituting the program to be \$30,000 in FY 1992 (grants of \$7,500 made to four school districts).

The second component of H.B. 2107 that has a fiscal impact concerns the inclusion of four-year-old at risk children within the definition of "pupil" for the purposes of the SDEA and would allow school districts that provide at risk preschool programs to count at risk four-year-old children as 0.25 FTE for purposes of determining school district general state aid entitlements and budget authority. The fiscal impact of this is estimated to range from \$398,860 (if only 5 percent of the estimated 7,700 at risk four-year-olds participate) to \$1,595,440 (if 20 percent participate). These figures represent the increased cost of providing the service to school districts and would be paid by either increased state aid or local property taxes. In addition, school districts would have increased costs due to transporting more students. These increased local costs are estimated to range from \$67,568 to \$270,270, based on a participation range of from 5 to 20 percent of at risk four-year-olds.

Finally, the bill provides for a transfer of \$800,000 a year from the Kansas Greyhound Breeding Development Fund to the At Risk Pupils and Innovative Program Fund. At present, state aid for at risk and innovative programs administered under the Educational Grant Program is from the State General Fund and the Economic Development Initiatives Fund. Unless further changes are made this session, the total approved for at risk and innovative programs in FY 1991 is \$2,424,625 and \$2,400,000 in FY 1992. Under H.B. 2107, the \$800,000 transfer from the Kansas Greyhound Breeding Development Fund would be made prior to any other expenditures from the Fund. Receipts to the Fund are estimated to exceed \$1.1 million in FY 1992. If the bill passes, the new fund should be appropriated in the Department of Education's budget.

Kansas Board of Regents

A. Governor's Budget Amendment No. 2, page 15, item 31.

Kansas College of Technology

A. Governor's Budget Amendment No. 2, pages 13 and 14, item 29.

Regents' Institutions

A. **Systemwide Recommendation – FY 1991 General Fees Fund Adjustments.** The Conference Committee on H.B. 2456 requested that the FY 1991 general fee adjustments for the Regents institutions be removed from the bill and be considered in the omnibus appropriation bill. The institutions (KU, KSU, ESU, and FHSU) requested a general fee release of \$1,039,838 in the current year based on higher than anticipated enrollment for the Fall, 1990. The request is based on releasing 75 percent of the additional unanticipated fees to the institutions to meet the expenses associated with the additional students. The fee release is a one-time expenditure and not built into the base budgets of the institutions. Two institutions, WSU (\$96,128) and KSUVMC (\$27,823), had a general fee shortfall for the Fall, 1990 and have requested supplemental State General Fund support to address the shortfall of fees. The Governor and the House did not recommend the fee release or the supplemental funding in the current year. The Senate did provide for the release of the increased fees, although because the Governor had already expended the available fee fund balances the Senate utilized State General Fund financing. The following table reflects the requested amount of fee release or supplemental State General Fund support by the institutions.

FY 1991 General Fees Adjustments

<u>Institution</u>	<u>General Fees Fund Requested Adjustment</u>	<u>State General Fund Supplemental Adjustment</u>
KU	\$ 149,500	\$ --
KSU	507,827	--
WSU	--	96,128
ESU	36,671	--
PSU	--	--
FHSU	345,840	--
KUMC	--	--
KSUVMC	--	27,823
KCT	--	--
TOTAL	<u>\$ 1,039,838</u>	<u>\$ 123,951</u>

B. Governor's Budget Amendment No. 2, page 14, item 30.

C. Systemwide Issue -- Computer Center Funding Shift. The House Committee did not recommend the requested shift in computer center funding from a service clearing activity to direct general use funding. The House Committee requested that the House Computers, Communications, and Technology Committee review the issue and report back to the House Committee prior to consideration of the omnibus appropriation bill.

It should be noted that the proposed shift of computer center funding would shift funding from other operating expenditures to salaries and wages. The final decision on other operating expenditures increases compared to the final decision for increases in salaries and wages might require additional adjustments to the institutions budgets. For example, the Governor recommended an average 3.25 percent salary and wage increase in FY 1992 including the computer center staff which was a part of S.B. 395, the state pay plan bill. However, the Governor and the House recommended a 4 percent increase for other operating expenditures on a base which did not include the full computer center costs.

D. Governor's Budget Amendment No. 2, page 13, item 29.

University of Kansas Medical Center

E. University of Kansas Medical Center Hospital Revenue Fund. The Conference Committee on H.B. 2456 requested that the issue of \$2 million in unanticipated receipts to the University of Kansas Medical Center in FY 1991 be removed from the bill and be considered in the omnibus appropriation bill. The House had recommended that the hospital program be permitted to expend \$2,000,000 in the current year to address lower than budgeted shrinkage in nursing; higher than budgeted holiday pay, shift differential, and overtime pay; and higher than anticipated student salaries, mainly nursing students. The Senate recommended that \$1,163,789 in additional Hospital Revenue Fund receipts in the current year be shifted to offset the demand on the State General Fund. The Senate recommended that the balance, or \$836,211 be utilized to meet hospital related salary and wage expenses.

F. University of Kansas Medical Center -- Medical Scholarship Repayment Fund. The Senate Ways and Means Committee requested that the possibility of additional operating expenditures support from the Medical Scholarship Repayment Fund be reviewed again for possible inclusion in the omnibus appropriation bill. The Governor's Budget Report included \$2,090,992 from the Medical Scholarship Repayment Fund for operating expenditures support and \$1,289,008 for financing medical scholarships in FY 1992. The House increased operating expenditures support from the fund in the budget year by \$500,000 or to a total of \$2,590,992. The Governor's Budget Report anticipated receipts of \$3,200,000 in FY 1992. Receipts to the fund as of April 19, 1991, totaled \$3,712,523.

G. Governor's Budget Amendment No. 2, page 17, item 36.

University of Kansas

H. University of Kansas Sunflower Research Landfill, DeSoto, Kansas. The Conference Committee on H.B. 2456 requested that the issue of remediation activities at the Sunflower Research Landfill near DeSoto, Kansas be removed from the bill and be considered in the omnibus appropriation bill. The University of Kansas and the University of Kansas Medical Center used the Sunflower Research Landfill from 1964 through 1982 as a low-level radioactive waste disposal facility. The site was licensed by the U.S. Atomic Energy Commission. Water samples taken from two wells at the landfill in 1982 revealed that three chemicals exceeded their respective acceptable levels established by the Kansas Department of Health and Environment. Since that time the landfill has been closed, additional monitoring wells have been installed and a feasibility study on closure options has been conducted. The agency requests \$30,000 in FY 1991 for predesign investigation planning and \$525,000 in FY 1992 for predesign investigation and remedial action design for the landfill site.

I. Governor's Budget Amendment No. 2, page 15, item 32.

J. Governor's Budget Amendment No. 2, page 15, item 33.

Kansas State University

K. Governor's Budget Amendment No. 2, page 16, item 34.

L. Governor's Budget Amendment No. 2, page 16, item 35.

Kansas Public Employees Retirement System (KPERs)

A. Senate Bill No. 26 (law). S.B. 26 establishes public school budget limitations for the 1991-1992 school year. The school budget limitations could impact the amount of local school employer contributions contained within the KPERs FY 1992 budget. The Governor's FY 1992 recommended amount for local school employers' contributions is \$51,641,054 (State General Fund). The Legislature in H.B. 2049 (Governor) appropriated \$51,641,054 in the budget year for school employers' contributions. The latest data from the Department of Education based on S.B. 26 estimates local school employers' contributions in FY 1992 at \$52,368,998.

B. House Bill No. 2433 (Senate Ways and Means) is the Senate 1991 omnibus retirement bill. The bill provides for the acceleration of the KPERs employer contribution rates from FY 1993 to FY 1992. The KPERs State (school and nonschool) rate in FY 1992 will decrease from the currently budgeted amount of 3.6 percent to 3.3 percent. The estimated savings to the state for the acceleration in FY 1992 is \$6,004,115, of which \$4,965,969 would be from the State General Fund. The Senate in dealing with S.B. 395 (House Appropriations), the state pay plan bill for FY 1992 revised the State General Fund cost of the pay plan revisions downward by \$1,600,000 to reflect the capture of the KPERs state nonschool acceleration savings. However, the KPERs school amount for FY 1992 in H.B. 2049 (Governor) is \$51,641,064, all from the State General Fund, is based on an employer contribution rate of 3.6 percent. If KPERs school employer rate is also accelerated, the potential savings to the state is \$3,334,417 in FY 1992.

C. FY 1991 KPERS School Employer Contribution. H.B. 2456 (Governor) contained supplemental funding from the State General Fund for the KPERS school employer contribution in the amount of \$2,113,003. The total amount for FY 1991 for KPERS school, including the supplemental funding, is \$44,878,518, all of which is from the State General Fund. The latest estimates from KPERS indicates that to fully fund the KPERS school employer contributions, an amount in excess of the \$44,878,518 will be needed. The agency has requested an additional \$1,933,468 in FY 1991, all from the State General Fund, for school employers' contributions.

Department of Health and Environment

A. Senate Bill No. 254 (Law) amends K.S.A. 65-153(f) to eliminate a requirement that the Department of Health and Environment perform over 16,000 prenatal syphilis serology screenings on demand from any private health care provider not certified to perform the test. The agency estimates reduced FY 1992 expenditures of \$12,110 from the State General Fund, including \$8,610 in salaries and wages for a .25 FTE Microbiologist and \$3,500 in testing supplies.

B. House Bill No. 2019 (Governor) establishes three pilot programs to provide outpatient nonemergency primary care medical services to medically indigent persons and Medicaid and MediKan clients. The bill authorizes, within the limitations of appropriations, the allocation of state grant funds for the establishment and operation of three projects conducted through local health departments chosen by the Secretary of Health and Environment from among local departments applying for the grant funds. Each of the three projects would be established in a county or group of counties which serve areas with populations of 15,000 to 50,000, 50,000 to 150,000, and 150,000 and greater. The bill authorizes the local departments that receive grant funds to contract with health care providers, community agencies, organizations, other public bodies, and private persons in order to provide primary care services; to set fees based on the cost of services and on ability to pay; and to apply for financial assistance from governmental sources or the private sector. Finally, the bill requires the Secretary of Health and Environment to submit a report to the Legislature and to the Governor by June 30, 1994 concerning the operation of the pilot programs.

Although the bill would have no fiscal impact on KDHE administrative expenditures, the bill would require additional expenditures for the actual operation of the primary care clinics by the local health departments within the limits of appropriations available therefor. KDHE prepared a set of assumptions to be used to generate estimated costs for the program. KDHE estimates that an urban clinic treating 4,000 individuals would require operating expenditures of \$501,190 in FY 1992, including \$363,940 for salaries and \$137,250 for OOE. The urban clinic would be staffed by one medical doctor, two advanced registered nurse practitioners, two nurses, and five support staff. KDHE estimates that costs for operating clinics in lesser populated areas would be similar to these amounts on a per patient basis.

Using this estimate for the 4,000 patients in the urban clinics and a projection of 2,500 patients in the medium-sized county and 1,500 in a rural county, the estimated total cost of all three clinic operations would be \$1.0 million. Of this amount, KDHE estimates that \$334,127 would be recoverable through Medicaid and Medicare billings. The remaining \$668,253 of this example would be supplied through state and local aid.

C. House Bill No. 2021 (Conference), establishes an Environmental Permit Fund and requires KDHE to develop a schedule of fees (not to exceed \$175,000 per application) for permits

to construct, modify or operate a hazardous waste facility. The bill also establishes a schedule of fees to be paid for by off-site hazardous waste treatment and disposal facilities not to exceed:

1. \$.001 per pound of hazardous waste burned by any facility or a total of \$50,000 per year for any single facility which recycles and utilizes hazardous waste as energy (the bill as amended by the Senate limits the fee to not more than \$.01 per pound or a total of \$50,000);
2. not to exceed \$.05 per pound of hazardous waste disposed of by all other disposal facilities; and
3. not to exceed \$.01 per pound of hazardous waste treated or a total of \$200,000 per year for any single facility.

The agency estimates that under the regulatory framework, receipts to the Environmental Permit Fund will be insignificant in FY 1992 under either the House or Senate version of the bill. The agency requests the inclusion of the following line-item appropriation for FY 1992: "Environmental Permit Fund \$0".

D. House Bill No. 2104 (Conference), would create new law to license and regulate the practice of speech-language pathology and audiology. The bill also creates a five-member Speech-Language Pathology and Audiology Board. KDHE estimates FY 1992 expenditures of \$106,667 from the State General Fund and 2.0 FTE new positions. Salary expenditures of \$65,541 would include \$31,644 for 1.0 FTE Health Planner Project Reviewer, \$23,617 for 1.0 FTE Office Specialist, \$9,680 for fringe benefits, and \$600 for Board per diem. OOE costs would include \$9,426 for communications, travel, rent and supplies, and \$31,700 for capital outlay for two employees (including two computer systems). According to KDHE, estimated FY 1993 costs are \$83,290, for a two-year cost of \$189,957. New receipts credited to the State General Fund for FY 1992 and FY 1993 combined total \$190,350 (\$135 x 1,410 license applicants). Estimated program costs for fiscal years 1993 and 1994 total \$166,580 compared to estimated two-year receipts of \$116,660 (\$118 x 1,400 renewal applicants, \$135 x 17 license applicants, and \$25 x 55 renewal late fees).

E. Substitute for House Bill No. 2407 (Conference), as amended by the House removes the agricultural exemption for the \$.50 excise tax on new tires, which would increase FY 1992 receipts to the Waste Tire Management Fund by approximately \$45,000. The Senate concurred with the House amendment, and further amended the bill to require the tax to be collected for tires sold on new vehicles. Based on the calendar year 1989 sale of 145,665 new cars and trucks x 4 tires x \$.50, new FY 1992 receipts to the Waste Tire Management Fund would be \$291,330. Another Senate amendment would raise the percentage of moneys in the Fund that may be used for administrative costs from not more than 5 percent to not more than 9 percent.

KDHE prepared two alternative fiscal notes for FY 1992 based on the Senate version of the bill (the House version would have no fiscal impact on expenditures). The first (\$90,161 and 2.0 FTE) assumes that KDHE will administer the statewide local grant program and the permit program for waste tire processing facilities, collection centers, and collectors, but will rely heavily on local government to enforce all major provisions of the law with the exception of permit compliance. The second (\$127,789 and 3.0 FTE) includes a technician position to establish a state enforcement and field investigations component to support local government enforcement efforts and to respond to violators. The Governor's FY 1992 recommendation for the administration of the Waste Tire

Management program of \$45,131 and one new special project position could be deleted from each alternative.

Items	Local Enforcement	State Enforcement
Salaries and Wages		
1.0 H & E Analyst	\$ 40,581	\$ 40,581
1.0 Environ. Engineer II	37,024	37,024
1.0 Environ. Tech. IV	--	29,500
Subtotal - Salaries	<u>\$ 77,605</u>	<u>\$ 107,105</u>
OOE		
Travel and Subsistence	\$ 4,000	\$ 8,000
Communications	3,350	5,025
Rents	3,676	5,514
Capital Outlay	1,530	2,145
Subtotal - OOE	<u>\$ 12,556</u>	<u>\$ 20,684</u>
SUBTOTAL	<u>\$ 90,161</u>	<u>\$ 127,789</u>
Delete Governor's Rec.		
1 Special Project Position and OOE	<u>\$ (45,131)</u>	<u>\$ (45,131)</u>
TOTAL FISCAL NOTE	<u><u>\$ 45,030</u></u>	<u><u>\$ 82,658</u></u>

F. Governor's Budget Amendment No. 2, pages 4-7, items 7-13.

Department of Transportation

A. Senate Bill No. 169 (Conference) amends the Highway Advertising Control Act. The Senate version of the bill requires the Secretary of Transportation to remove nonconforming mobile signs at the expense of the owner or advertiser. The FY 1992 fiscal note provided by KDOT on the Senate version totals \$22,552, including \$15,552 for 1.0 FTE new Office Assistant III and \$7,000 for a computer.

The House concurred with Senate amendments, and further amended the bill to prohibit the Secretary from allowing or offering logo signing on interstate highway information panels. All logo signs would have to be removed by July 1, 1991, or at the end of a lease agreement. The FY 1992 fiscal note provided by KDOT on the House version includes \$22,552 for 1.0 FTE Office Assistant III and a computer to enforce the mobile sign amendment, \$18,000 for the removal costs of logo signs, and a loss of rental income of \$30,000. KDOT also notes that because the federal funds provided \$266,850 of the \$296,500 cost of erecting the logo signs, KDOT would be required to reimburse \$266,850 to the federal government.

B. Senate Substitute for House Bill No. 2348 (Conference), as amended by the House, establishes the Rail Service Improvement Program, the Rail Service Improvement Program Loan Fund, and the Rail Service Improvement Program Guarantee Loan Fund. The Secretary of KDOT is authorized to make loans to a qualified entity for the purpose of facilitating the financing, acquisition, or rehabilitation of railroads in Kansas. Such loans would be made from moneys credited

to the newly created fund. All expenditures from the funds would be made in accord with appropriation acts. Moneys received from the federal government under the federal Rail Service Continuation Program would be credited to the fund. Loan agreements entered into by the Secretary may not exceed \$20 million in the aggregate of which not more than \$5 million may be available each fiscal year. The Secretary is required to pay from the fund to a lender of a qualified entity the amounts for any loan which defaults on its payments.

The bill as amended by the Senate, establishes the Rail Service Assistance Program to provide assistance for the preservation and revitalization of rail service in the state, including the guarantee of loans of up to \$5 million in a fiscal year, not to exceed an aggregated principal amount of \$20 million. The bill establishes the Rail Service Assistance Program Advisory Committee consisting of nine members appointed by the Governor, and establishes the Rail Service Assistance Program Loan Guarantee Fund from which expenditures would be made in accordance with appropriations acts. The bill prohibits the Secretary from entering into any agreement to guarantee a loan unless such action has been authorized by act of the legislature or has been approved by the state finance council.

The FY 1992 fiscal note provided by KDOT includes \$3,600 in the Division of Planning for travel and subsistence costs associated with the Advisory Committee established by the Senate version. KDOT also suggests the establishment of a loan guarantee fund in the Omnibus Bill for FY 1992.

C. Governor's Budget Amendment No. 2, pages 11-13, items 24-28.

Kansas Corporation Commission

A. House Subcommittee Recommendation. The House Subcommittee recommended the deletion of Geographic Information System (GIS) expenditures from the budgets of the KCC (\$114,000) and other state agencies until the full House Committee could review such expenditures in more detail. Although the Committee held a GIS hearing and recommended the restoration of funds to state agency budgets, the KCC appropriation bill had already advanced to the Senate. The KCC appropriation bill for FY 1992 (H.B. 2049) as approved by the 1991 Legislature does not include \$114,000 for the requested GIS mapping system.

B. House Bill No. 2439 (Conference), as amended by the House, would increase the numbers of the Citizens' Utility Ratepayer Board (CURB) from five to eight. The House version of the bill would also separate CURB from the KCC for purposes of budgeting, purchasing, and management. FY 1992 expenditures of \$305,640 and 3.0 FTE (as approved by the Legislature in H.B. 2049) would be deleted from the KCC appropriation and placed in a newly created section. CURB expenditures would continue to be made from the Public Service Regulation Fund, transferred from the KCC. CURB estimates additional FY 1992 expenditures of \$2,376 from the Public Service Regulation Fund for per diem compensation, travel and subsistence, and communications for the three new Board members.

H.B. 2439, as amended by the Senate would provide for five Board members and would eliminate the House amendment to separate CURB from the KCC. The bill, as passed by the Senate, would have no fiscal impact.

C. Governor's Budget Amendment No. 2, page 4, item 5.

Emergency Medical Services

A. **Senate Bill No. 271 (Conference)**, as amended by the Senate, requires instructor-coordinators to be certified initially and to be recertified annually. The bill as amended by the Senate Committee would increase receipts to the State General Fund by \$3,875 and would require no additional expenditures.

The bill as amended by the House deletes the Senate's amendments concerning instructor-coordinators. The bill would permit physicians and registered nurses to become instructor-coordinators without taking an examination by paying an application fee set by the Board (estimated at \$15). The EMS Board estimates additional State General Fund revenue of \$750 in FY 1992, assuming 50 nurses and physicians apply to become instructor-coordinators. If more classes are held as the result of the addition of 50 instructor-coordinators, the Board estimates additional FY 1992 expenditures of \$7,500 for travel and examination costs.

Kansas Highway Patrol

A. **Governor's Budget Amendment No. 2**, page 23, item 50.

STATE OF KANSAS

G.B.A. #2



OFFICE OF THE GOVERNOR

JOAN FINNEY, Governor
State Capitol, 2nd Floor
Topeka, KS 66612-1590

913-296-3232
1-800-432-2487
TDD# 1-800-992-0152
FAX# (913) 296-7973

April 18, 1991

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

and

The Honorable George Teagarden, Chairperson
Committee on Appropriations
House of Representatives
Third Floor, Statehouse

Gentlemen:

With this memorandum I submit the attached changes to my budget recommendations. The changes, summarized in the table below, include an increase of \$2,011,883 in FY 1991 and a decrease of \$2,670,000 in FY 1992 for demand transfers resulting from the April 3 revised consensus revenue estimate.

	<u>SGF</u>	<u>All Funds</u>
FY 1991	\$ (2,468,923)	\$(29,910,522)
FY 1992	(25,663,944)	(4,572,211)

Sincerely yours,

Joan Finney
JOAN FINNEY

SWAM
April 22, 1991
Attachment 2

Insurance Department

1. Second Toll-Free WATTS Line

I am amending my budget to add an amount of \$22,347 from the State General Fund for a second toll-free WATTS line for the Insurance Department. The Department currently has one line which was installed in 1973 to allow consumers from across the state to call in at no cost to register their inquiries, concerns, and complaints. The Department reports that over 63,000 calls are now being made annually on the WATTS line, while only 30,000 calls actually make it through or are received.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ 22,347
All Other Funds	--	--
All Funds	\$ --	\$ 22,347

2. Purchase of Building

I amend my budget for FY 1992 to enable the Insurance Department to purchase the building that it currently occupies. Based on the annual lease payments and property tax liability that the agency must currently pay, it would be more cost effective if the State of Kansas were to purchase the building. It is estimated that purchase of this building through the Kansas Development Finance Authority would result in long-term savings of \$1.8 million compared to leasing.

For FY 1992, the purchase of this building would result in savings of \$16,882 from my original budget recommendation. Of this amount, \$14,147 is from the State General Fund. In addition to recommending the purchase of this building, I am recommending an amount of \$27,356 for rehabilitation and repair from the proposed General Facilities Building Fund for FY 1992. Therefore, I am recommending a net increase of \$10,474 to the budget of the Insurance Department in FY 1992.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ (14,147)
All Other Funds	--	24,621
All Funds	\$ --	\$ 10,474

State Treasurer

3. County-City Revenue Sharing Fund Demand Transfer

The County-City Revenue Sharing Fund demand transfer for FY 1992 is based upon calendar year 1990 sales and use tax

receipts and totals 3.5 percent of those receipts. These transfers are made on July 15 and December 10 of each year. Because the estimate for the County-City Revenue Sharing Fund demand transfer, as included in the *FY 1992 Governor's Budget Report*, was prepared prior to the close of calendar year 1990, the demand transfer estimate included in the budget for FY 1991 was based upon estimated receipts rather than actual receipts. Therefore, my budget is amended to reflect the estimated transfer based upon actual calendar year 1990 receipts.

Based upon actual receipts, the County-City Revenue Sharing Fund transfer for FY 1991 is \$284 below my original recommendation. The transfer in July will total \$29,460,703, as is reflected in my current recommendations for FY 1992.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ (284)	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (284)	\$ --

4. 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 1991 transfer is based upon 4.5 percent of calendar year 1989 sales and use tax collections and the second transfer is based upon 4.5 percent of calendar year 1990 sales and use tax collections. Adjustments in the demand transfer are necessary because the consensus revenue estimating group, when it met on April 3, 1991, approved a revision in the retail sales and compensating use tax receipt estimates for FY 1991 and FY 1992 and because actual calendar year 1990 data are now available.

It is estimated that the Local Ad Valorem Tax Reduction Fund transfer for FY 1991 will be \$37,164,484, an increase of \$300 over the \$37,164,184 included in my original recommendations. For FY 1992, it is estimated that the Local Ad Valorem Tax Reduction Fund demand transfer will total \$43,757,000, an increase of \$81,000 above the \$43,676,000 included in the *FY 1992 Governor's Budget Report*. I amend my budget to reflect the most recent estimates.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ 300	\$ 81,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 300	\$ 81,000

Kansas Corporation Commission

5. Contractual Services Increase

The State Corporation Commission has received several requests for rate reviews that were not anticipated at the time of its budget submission. Also, the Commission has experienced turnover in several senior accounting positions that has lessened its ability to deal with large projects. Because of the combination of these factors, I amend my budget recommendation by adding \$190,000 for increases in consulting contracts for FY 1992. The amount would finance fees of \$75,000 for a KP&L gas case, \$75,000 for a United Cities gas case, and \$40,000 for a KEPCo electric case, expected to be filed this summer. The proposed action would allow the agency to maintain a \$90,000 contingency amount for FY 1992 that is already in the recommended budget.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
Public Service		
Regulation Fund	<u>--</u>	<u>190,000</u>
All Funds	\$ --	\$ 190,000

6. Oil Overcharge Fund Double Counting

Inadvertently, in the *FY 1992 Governor's Budget Report*, the Kansas Corporation Commission and the Department of Commerce each contain expenditures of \$41,890 for Waste Reduction, Recycling and Market Development. In order to avoid double counting of expenditures, I recommend amounts budgeted from the Energy Grants Management Fund in the Kansas Corporation Commission be reduced by \$41,890.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
Energy Grants		
Management	<u>--</u>	<u>(41,890)</u>
All Funds	\$ --	\$ (41,890)

Department of Health and Environment

7. Water Supply Protection Training

Because of an oversight, a request for \$150,000 by the Department of Health and Environment for aid to the Kansas Rural Water Association for training of water supply operators was not included in my FY 1992 budget recommendations. The funding will assist small water supply operators in meeting

federal regulations contained in new Clean Water Act requirements.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
State Water Plan Fund	--	<u>150,000</u>
All Funds	\$ --	\$ 150,000

8. Clinical Laboratory Improvement Act

My budget recommendation anticipated federal funding of \$285,761 for full implementation of federal Clinical Laboratory Improvement Act (CLIA '88) programming by the beginning of FY 1992. However, that implementation has been delayed, and an adjustment is needed in my recommendation to allow continuing operations in the Laboratory Improvement subprogram of the Department of Health and Environment. I recommend a shift of \$167,185 from clinical laboratory improvement funds to federal Medicare funds.

9. Equipment Replacement

My FY 1992 recommendation for the Department of Health and Environment included funding of \$84,584 from the Power Generating Fee Fund for monitoring the Wolf Creek Power Generating Plant. In planning for this activity, the agency has discovered the need to replace a 16 year old liquid scintillation analyzer now in its inventory. The utility is aware of the need to replace the equipment at a cost of \$19,800.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
Power Generating Fee Fund	--	<u>19,800</u>
All Funds	\$ --	\$ 19,800

10. Federal HIV Clients Home and Community Based Health Services Funding Reduction

For FY 1992, my recommendation included funding of \$150,000 for a federal grant, based on preliminary federal estimates, to provide home health services to individuals infected with HIV. The agency now anticipates that funding for this grant will total only \$95,000. I amend my budget to reflect this reduction.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
HIV Clients Home and Community Based Health Services	<u>--</u>	<u>(55,000)</u>
All Funds	\$ --	\$ (55,000)

11. Federal Ryan White AIDS Program Funding

For FY 1992, I recommend an increase in state operations funding for the AIDS Project - Education and Risk Reduction Program Federal Fund of \$50,175 and 1.0 new FTE position to provide coordination for home based services for HIV infected clients. The funds would be shifted from amounts now allocated to aid to local units and will not require additional expenditures to accomplish. The recommendation would offset the reduction in home and community based services noted above.

12. Office of Rural Health Federal Grant

I recommend authority for the expenditure of a newly approved \$50,000 federal grant to coordinate efforts to improve rural health care delivery systems. This would be the first year of a three year grant. Funding will provide one special projects position to develop models of integrated rural health care delivery systems and technical assistance and community education to assist communities seeking to maintain health care delivery systems.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
Office of Rural Health Federal Grant	<u>--</u>	<u>50,000</u>
All Funds	\$ --	\$ 50,000

13. Federal Juvenile Justice and Delinquency Prevention Funds

The Department of Health and Environment has been named a sub-grantee to receive funding of \$30,000 from the Advisory Commission on Juvenile Offender Programs. This funding would provide 1.0 limited term FTE position to provide licensing services for alternatives designed to implement the state's policy of not holding juveniles in adult jails and lockups. This policy has led to the development of numerous Attendant Care sites and will culminate with the development of four or five new regional detention centers. The position will relieve workload of current Child Care Licensure staff and allow

expedited review of licenses for juvenile facilities. I recommend the funding and additional FTE position be authorized.

Health and Environment:

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
Juvenile Justice Fund	--	<u>30,000</u>
All Funds	\$ --	\$ 30,000

Social and Rehabilitation Services:

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
Juvenile Justice Fund	--	<u>(30,000)</u>
All Funds	\$ --	\$ (30,000)

State Conservation Commission

14. Non-Point Source Pollution

My original recommendation for the State Conservation Commission included funding in FY 1991 of \$1,678,461 for the Non-Point Source Pollution program. The recommendation assumed that not all of this funding would be utilized in FY 1991; therefore, funds would be carried over for use in FY 1992. However, the recommendation included no new appropriation of funding for the program in FY 1992. In order to reflect the anticipated expenditures of the program more accurately, I recommend shifting \$1.0 million from FY 1991 to FY 1992.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
State Water Plan Fund	<u>(1,000,000)</u>	<u>1,000,000</u>
All Funds	\$(1,000,000)	\$ 1,000,000

15. Bone Creek Reservoir Funding

My recommendations for FY 1991 included funding of \$1,900,000 from the State Water Plan Fund for construction of the Bone Creek Reservoir Multi-purpose Small Lake Project in Crawford and Cherokee counties. The current state appropriation is dedicated to flood control and recreation features. I recommend additional State Water Plan Fund appropriations of \$500,000 in FY 1992 and \$500,000 in FY 1993 to assist in construction of the water supply portion of this project. This funding will be repaid to the State General Fund

once the project is completed and water is being purchased by communities.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>500,000</u>
All Funds	\$ --	\$ 500,000

Board of Agriculture

16. Sewer and Water Line Replacement

I amend my FY 1991 budget recommendations for the Board of Agriculture to include a new capital improvement State General Fund account entitled "Plumbing Replacement." Further, I recommend the transfer of \$27,000 into that account from a State General Fund account entitled "Lighting Fixture Replacement." While working on another project, it was discovered that the sewer and water pipes to the Board of Agriculture's laboratory were in poor condition. The estimated cost of the plumbing project is \$27,000. The lighting fixture project was recently completed at a cost of \$27,000 less than what was originally budgeted.

17. Transfer from Operating Expenditures to Capital Improvements

I amend my FY 1991 budget recommendations for the Board of Agriculture to transfer \$3,000 from the State General Fund Other Operating Expenditures account to a State General Fund capital improvement account entitled "Ceiling Replacement." Originally, \$20,394 was recommended for the project. The Board's most recent estimate for the completion of this project is \$23,394.

Department of Wildlife and Parks

18. Renovation of Marais des Cygnes Wildlife Area

I amend my FY 1992 budget recommendations for the Department of Wildlife and Parks to include \$345,440 from the Wildlife Fee Fund for a capital improvement project entitled "Unit A Diversion-Marais des Cygnes Waterfowl Area". The requested project is for Marais des Cygnes Wildlife Area and would divide the largest pool into two separate pools and extend the water transfer canal. This will allow easier management of water levels at the wildlife area. The project was approved for FY 1990, but the Department recently discovered that this amount was drastically short of the funding required to complete the project.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>345,440</u>
All Funds	\$ --	\$ 345,440

19. Creation of a Rent-a-Camp Program

I amend my budget recommendations for the Department of Wildlife and Parks to increase the expenditure limitation on the Park Fee Fund by \$12,000 in FY 1991 and \$20,000 in FY 1992 to permit expenditure of the receipts received from the rental of camping equipment.

A company has donated 15 sets of camping equipment consisting of a tent, stove, lantern, and cooler to the Department of Wildlife and Parks. The Department intends to rent this equipment to campers for a fee of \$15 per night. The receipts would be used to maintain the donated equipment and to purchase additional camping equipment to expand the program.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>12,000</u>	<u>20,000</u>
All Funds	\$ 12,000	\$ 20,000

Department of Revenue

20. Property Valuation Restoration

For FY 1992, I recommended a total of \$5,807,414 from the State General Fund for the Division of Property Valuation. The recommendation included funding of \$2,507,414 for 62.0 FTE positions, \$300,000 for operating expenditures, and \$3.0 million in aid to counties for reappraisal. The recommendation was \$481,829 and 11.0 FTE positions below the FY 1991 budget. After staff review of the Division of Property Valuation, I found the recommended level of funding will not allow the Division to comply with all statutory activities assigned to it.

My amendment would add a total of \$529,426 from the State General Fund and 11.0 FTE positions to the Division of Property Valuation to include: \$413,569 for salaries and wages and \$115,857 for other operating expenditures. The funds and personnel will be utilized to continue the Division of Property Valuation's statutory audit responsibilities in all 105 counties on an annual basis.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ 529,426
All Other Funds	--	--
All Funds	<u>\$ --</u>	<u>\$ 529,426</u>

21. Postage Increase

Annual postage expenditures for the Department of Revenue are approximately \$2.0 million. The Department estimates 3,371,720 pieces of mail will be mailed in FY 1992, including renewal notices for drivers licenses and motor vehicles, income tax refunds, tax notices and licensing. My amendment would increase the FY 1992 total postage recommendation of \$1.8 million by \$317,091 because of the postage increase that took effect February 1991. Of this amount, \$125,979 would be from the State General Fund and \$191,112 would be from the Vehicle Operating Fund.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ 125,979
All Other Funds	--	191,112
All Funds	<u>\$ --</u>	<u>\$ 317,091</u>

Department of Education

22. Washburn University Funding Shift

The *FY 1992 Governor's Budget Report* contained \$667,416 for Washburn University Out-District State Aid and \$3,703,136 in regular credit hour state aid in FY 1991. Based on the latest information received from Washburn and the Department of Education officials, \$590,340 is necessary to fund out-district aid fully, and \$3,739,190 is necessary to fund regular credit hour aid fully. All funding is from the State General Fund. I recommend a decrease in out-district aid of \$77,076 and an increase in regular credit hour aid of \$36,054 for a net reduction of \$41,022 in FY 1991 for Washburn University.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ (41,022)	\$ --
All Other Funds	--	--
All Funds	<u>\$ (41,022)</u>	<u>\$ --</u>

23. School District Income Tax Rebate

Based on the revised consensus revenue estimate of April 3, 1991, the School District Income Tax Rebate estimate is revised

to \$191,904,230 in FY 1991 and \$201,000,000 in FY 1992. The FY 1991 amount is an actual expenditure for the fiscal year. The previous estimate contained in the *FY 1992 Governor's Budget Report* was \$189,720,000 in FY 1991 and \$203,900,000 in FY 1992. Based on these revisions, I increase my recommended expenditures by \$2,184,230 in FY 1991 and decrease the expenditures by \$2,900,000 in FY 1992. It should be noted that no adjustment to appropriation bills is necessary, because the SDIT rebate is a "no limit" appropriation. This is a net decrease of \$715,770 over the two-year period.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ 2,184,230	\$(2,900,000)
All Other Funds	--	--
All Funds	<u>\$ 2,184,230</u>	<u>\$(2,900,000)</u>

Kansas Department of Transportation

24. Public Transportation Aid

I amend my budget to include an additional \$125,000 in federal funds for handicapped accessibility of public transportation. The recent passage of the Americans with Disabilities Act has made available an additional \$125,000 in federal funds to Kansas to provide handicapped accessibility of public transportation. The grant will be passed through the Department's Local Planning Support subprogram as fees -- professional services and administered by the Kansas University Center for Transportation Research. My recommendation would increase the Planning and Development line item by \$125,000 from \$4,446,780 to a total of \$4,571,780.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>125,000</u>
All Funds	<u>\$ --</u>	<u>\$ 125,000</u>

25. Shrinkage

I amend my budget to include \$800,000 from the State Highway Fund in FY 1991 to be added to the Department's Operations line item to reduce shrinkage. My amendment would reduce the shrinkage rate for this division from 4.7 percent to 3.7 percent in the current year.

For FY 1992, I recommend that the five line items in the Department of Transportation's appropriation bill be combined into two lines: salaries and wages and other operating expenditures. Although this recommendation should provide the

agency with the flexibility necessary to manage better the agencywide shrinkage rate of 4.5 percent, it is possible the rate cannot be achieved. If it becomes evident that a lower shrinkage rate is necessary in order to assure the continuation of the Comprehensive Highway Program, I will revise the Department's FY 1992 salary and wage budget and submit that revision to the 1992 Legislature.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	800,000	--
All Funds	<u>\$ 800,000</u>	<u>\$ --</u>

26. Consensus Revenue Estimate Adjustments to Sales Tax Transfer

I amend my budget to reduce the 10.0 percent sales tax transfer by \$97,372 in FY 1991 to reflect the actual amount transferred. In addition, I recommend the FY 1992 10.0 percent sales tax transfer be increased by \$149,000 to reflect the latest consensus revenue estimate.

The April 3, 1991 consensus revenue estimate of \$762,000,000 for sales tax revenues retains the November estimate, but year-to-date transfers to the State Highway Fund total \$74,370,628, a reduction of \$97,372 from my original recommendation of \$74,468,000. The sales tax estimate for FY 1992 of \$790,000,000 also retains the November estimate, but the internal distribution would increase the 10.0 percent transfer to \$78,249,000, an increase of \$149,000 from the original estimate of \$78,100,000.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ (97,372)	\$ 149,000
All Other Funds	--	--
All Funds	<u>\$ (97,372)</u>	<u>\$ 149,000</u>

27. Motor Carrier Property Tax Transfer

I amend my budget to reduce the FY 1991 Motor Carrier Property Tax demand transfer from the State General Fund to the Special City and County Highway Fund by \$74,991. My recommendation would reduce the current amount from \$9,127,000 to \$9,052,009 to reflect the current year's actual transfer amounts.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ (74,991)	\$ --
All Other Funds	--	--
All Funds	<u>\$ (74,991)</u>	<u>\$ --</u>

28. Highway Bond Debt Service Fund and Highway Bond Proceeds Fund

I amend my budget to establish a Highway Bond Debt Service Fund in FY 1991 and a Highway Bond Proceeds Fund in FY 1992, both with "no limit" expenditure authority. Both funds were created by the passage of HB 2014 by the 1989 Legislature, establishing the Comprehensive Highway Program, and have yet to be incorporated within the agency's appropriations.

Regents Institutions

29. Utility Adjustments

The Board of Regents annually submits revised estimates of utility expenditures based on actual expenditures through February or March and estimates for the rest of the fiscal year. For FY 1991, the Board of Regents estimates that six institutions will require supplemental funding for utilities, two will have savings from the Governor's recommendations, and one will not require any adjustment.

I amend my budget to recommend utility funding adjustments for the Regents institutions as requested. I recommend supplemental funding for the underfunded institutions and recommend that the savings at KU and KSU be used to offset the demand on the State General Fund. Total funding adjustments are \$148,983 from the State General Fund as follows:

	<u>FY 1991 Original Recommendation</u>	<u>FY 1991 Revised Estimate of Expenditures</u>	<u>Estimated Surplus (Deficit)</u>
KU	5,596,607	5,362,764	233,843
KUMC	4,822,787	4,954,903	(132,116)
KSU	5,624,625	5,434,390	190,235
KSUVMC	736,886	738,613	(1,727)
WSU	2,663,937	2,975,434	(311,497)
ESU	701,016	723,728	(22,712)
FHSU	825,478	880,158	(54,680)
KCT	122,725	173,054	(50,329)
Total			(148,983)

I also recommend that the same adjustments made in FY 1991 be used for FY 1992 at all institutions. This recommendation will address the ongoing shortfall problem at Wichita State University and, it is hoped, provide a reasonable level of funding for FY 1992 at all the other institutions.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ 148,983	\$ 148,983
All Other Funds	--	--
All Funds	<u>\$ 148,983</u>	<u>\$ 148,983</u>

30. General Fee Fund Adjustments

The Board of Regents has submitted revised fee fund estimates for FY 1991 and FY 1992. I amend my budget and recommend that the General Fees Fund expenditure limitations on the Regents institutions be revised to reflect the latest estimates for both fiscal years. The recommendation will adjust the institutions' funding as follows:

	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Difference</u>
FY 1991:			
Fort Hays State	\$ 5,114,356	\$ 5,050,966	(\$63,390)
Kansas State	27,476,159	27,276,419	(199,740)
Veterinary Medical	3,413,760	3,376,290	(37,470)
Wichita State	16,486,036	16,401,927	<u>(84,109)</u>
			\$(384,709)
FY 1992:			
Fort Hays State	\$ 5,381,535	\$ 5,090,680	(\$290,855)
Kansas State	28,219,614	28,077,550	(142,064)
Vet Med	3,434,746	3,384,753	(49,993)
University of Kansas	49,372,666	49,267,783	(104,883)
Wichita State	17,151,710	17,050,589	(101,121)
KU Medical Center	6,694,472	6,752,120	<u>57,648</u>
			\$(631,268)

The recommendation will reduce fee fund expenditures by \$384,709 in FY 1991 and \$631,268 in FY 1992 and require funds from the State General Fund of the same amounts in each fiscal year.

Generally, the fee estimates are reduced because of the number of students affected by the Desert Storm activity. In addition, the Fort Hays recommendation was overstated by \$203,372 in FY 1992 and must be corrected as a technical matter. Finally, original recommendations for the Kansas College of Technology have not been revised. That institution must collect the significant amount of deferred payments it has outstanding in order to meet my recommendation.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ 384,709	\$ 631,268
All Other Funds	<u>(384,709)</u>	<u>(631,268)</u>
All Funds	\$ --	\$ --

Board of Regents

31. Optometry Seat Purchase

Subsequent to the budget submission, the Board of Regents has renegotiated a reciprocal agreement with Missouri for dental and architecture students. For the first time, the Board was also able to include the optometry students in the reciprocal agreement. That agreement will allow 16 seats at St. Louis to be available to Kansas students at no cost to the state, a savings of \$76,200 to my original recommendations.

I amend my budget to delete \$76,200 from the State General Fund for the optometry scholarship program and endorsement of the Board of Regents reciprocal agreement with Missouri. This agreement is definitely of great benefit to the state of Kansas and should provide additional seats to Kansas students at a lower cost.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ (76,200)
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ (76,200)

University of Kansas

32. Sunflower Landfill Clean-Up

I amend my budget for FY 1991 and FY 1992 to provide funds for the investigation and remedial action design phases of the clean-up at the Sunflower Landfill in Western Johnson County. The amendment will allow expenditures of \$30,000 in FY 1991 and \$535,000 in FY 1992 from the Environmental Remediation Fund of the Department of Health and Environment. The funds are already included in my recommendation for expenditures from the Environmental Remediation Fund in the budget of the Department of Health and Environment.

33. Classified Salary Shortfall

I amend my budget to correct a classified salary funding shortfall of \$99,018 for FY 1992. All funding is from the State General Fund.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ 99,018
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 99,018

Kansas State University

34. Funding Correction

The Division of Budget and budget staff at Kansas State University have reconciled the Governor's recommendations for FY 1992 for the University. During the reconciliation process, it was discovered that the University received a total of \$458,379 too much from the State General Fund, \$262,791 in salaries and wages and \$195,588 in other operating expenditures. I amend my budget to correct the overfunding of \$458,379 from the State General Fund in the Kansas State University budget in FY 1992.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ (458,379)
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ (458,379)

35. Parking Staff and Fees Adjustments

I amend my budget to allow Kansas State University to change the administration organization of the parking staff and of the Parking Fees Fund. The amendment will increase operating expenses from the Parking Fees Fund from \$465,072 to \$630,000 in FY 1992. Funding of \$355,948 for 2.0 unclassified employees and 7.5 classified staff will be included as well as operating expenditures of \$274,052. No new FTE positions are requested and no State General Fund monies are requested. The Parking Fee Fund has sufficient revenues and balances to allow this change.

In addition, the University requests a reduction from \$1,200,000 to \$600,000 in parking capital improvement expenditures from the Parking Fee Fund. This reduction will more accurately reflect the current plans for parking lot improvements and is consistent with the revised plans submitted to the Board of Regents in April 1991.

Finally, although the University does not request any change in the authorized debt service of \$460,000 for FY 1992, it does request the inclusion of a proviso on the Parking Fees Fund line item to clarify that payment may be made for debt service in addition to the expenditure limitation on the fund.

The proviso would also allow the expenditure of funds for capital improvements. I recommend the provisos be added to the proviso already included in the University's appropriation bill as follows:

1. "Provided, That Kansas State University may make expenditures from this fund for parking lot maintenance and improvements."
2. "Provided, That payment of principal and interest shall be in addition to any expenditure limitation imposed on the parking fees fund for fiscal year 1992."

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	--	(435,072)
All Funds	\$ --	\$ (435,072)

University of Kansas Medical Center

36. Medical Scholarship Repayment Fund

The FY 1992 budget of the University of Kansas Medical Center as recommended in the *FY 1992 Governor's Budget Report* includes expenditures from the Medical Scholarship Repayment Fund of \$3,380,000. This amount assumes a reappropriated balance of \$1,468,714 from FY 1991, receipts of \$2,300,000 in FY 1992, and a balance forward to FY 1993 of \$388,714. Of the expenditures recommended, \$2,090,992 is for operating expenditures and \$1,289,008 is recommended for the financing of medical scholarships.

The FY 1992 expenditure estimate as included in the *FY 1992 Governor's Budget Report* assumes receipts in FY 1991 of \$3,200,000. However, receipts to date in the current fiscal year total \$3,590,472, almost \$400,000 more than the estimate for the entire year.

I amend my budget to permit additional expenditures from the Medical Scholarship Fund in FY 1992 for state operations of \$820,000 (for total expenditures of \$4,200,000 from the fund) and to reduce State General Fund expenditures by a like amount. This amendment assumes receipts in FY 1991 will be \$3,970,000, thereby increasing the balance forward to FY 1992 to \$2,238,714. Receipts in FY 1992 are estimated to be \$2,450,000, which approximates actual FY 1990 receipts and assumes that FY 1991 estimated receipts reflect a one-time "windfall." The recommended expenditure level for FY 1992 will result in a balance of \$488,714 in the fund at the end of FY 1992.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ (820,000)
All Other Funds	<u>--</u>	<u>820,000</u>
All Funds	\$ --	\$ --

Kansas Lottery

37. Computer for Financial Reporting

My original recommendation for the Kansas Lottery included financing for the purchase of software designed to correct a lack of financial reporting capability from the agency. Since that recommendation was made, the agency has investigated several options for correcting this problem. However, only an actual replacement of the computer system now appears as the appropriate long term solution. The agency has recommended a three-year purchase process using existing resources in FY 1991 and FY 1992 as well as resources that are anticipated to be available in FY 1992 as a result of the sale of the existing computer. The final payment is anticipated to be made in FY 1993. The estimated FY 1993 payment would range from \$1.15 - 1.65 million.

I therefore amend my FY 1991 budget to allow the agency to spend \$100,000 of capital outlay funds previously budgeted for software for an initial payment for the new computer system. Further, I amend my FY 1992 budget to shift \$125,000 from maintenance to capital outlay and authorize the sale of the existing computer, in accordance with existing law, to provide for a second payment on the system.

Racing Commission

38. Greyhound Breeding Development Fund

The Racing Commission indicates that its original budget submission did not include releases of funds from the Greyhound Breeding Development Fund for purse supplements in the estimates and that the estimates for expenditures for greyhound research studies were greatly understated. To make these adjustments, I amend my budget to include expenses for purse supplements and for research grants, all from the Greyhound Breeding Development Fund.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>935,700</u>	<u>964,900</u>
All Funds	\$ 935,700	\$ 964,900

39. Greyhound Tourism Transfer

The Racing Commission has revised its estimate of the amount which will be transferred on June 30 from the Greyhound Breeding Development Fund to the Greyhound Tourism Fund of the Department of Commerce. A transfer is made at the end of the year in accordance with current law. The agency indicates that the amount to be transferred will be \$156,000.

40. Drug Testing

The Racing Commission indicates that the recommended amount for drug testing in FY 1992 was not based upon the new testing procedures which have been implemented in the current year. This testing procedure provides more reliability and includes procedures which test for a broader range of drugs. I amend my budget to include the additional amount needed to ensure the reliability of the tests and the quality of the race performances.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>61,000</u>
All Funds	\$ --	\$ 61,000

Department of Human Resources

41: Governor's Industrial Safety and Health Conference

I amend my budget to establish a fund entitled "Industrial Safety and Health Conference and Workshops, Attendance, Gift and Donation Fund" for the Department of Human Resources. The fund would be a "no limit" appropriation.

Creation of the proposed fund was recommended by the conference planning committee. This committee, comprising approximately 35 members representing industry, labor, academia and political subdivisions from around the state, all concurred that establishing this fund would be beneficial and possibly vital to ensuring future conferences.

I recommend the following proviso language:

Provided, That the department of human resources is hereby authorized to fix, charge and collect conference and workshop attendance fees for the industrial safety and health conferences and workshops sponsored by the department: Provided further, That the department is

hereby authorized to receive gifts and donations of money for Kansas safety and health conferences and workshops sponsored by the department: And provided further, That such gifts and donations of money shall be deposited in the state treasury and credited to this fund: And provided further, That expenditures may be made from this fund to defray all or part of the costs of such conferences and workshops including official hospitality: And provided further, That expenditures shall be made from this fund for the purpose specified by the donor or contributor, if any.

There is currently a fund in existence entitled "Special Project Funds/Industrial Safety Conference." The fund contains approximately \$2,000. However, the current appropriation bill does not carry language to allow the Department to utilize this fund. Establishing the fund as requested by the Department would allow the Department to administer the annual Safety and Health Conference more efficiently.

42. Federal Indirect Cost Offset Fund Expenditure Limitation Increase

I amend my budget to increase the expenditure limitation for the Federal Indirect Cost Offset Fund by \$60,000 for a total of \$258,341 for FY 1992. This increase will facilitate the reorganization of the Department of Human Resources. This is to bring the agency's organizational structure in line with statutory requirements. KSA 75-5710 requires a Division of Labor and Management Relations and Employment Standards. The requested \$60,000 is to fund the salary plus fringe benefits for a division director.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>60,000</u>
All Funds	\$ --	\$ 60,000

Department of Corrections

43. Women's Education Equity Act - Program Funds

Subsequent to preparation of its budget request, the Department of Corrections was informed that funding for the Women's Educational Equity Act Program would be extended through January of 1991, rather than September of 1990. The revised estimate of federal funding for the program totals \$67,722, an increase of \$43,033 over the original estimate of \$24,689.

I am amending my FY 1991 budget by increasing the expenditure limitation for the Women's Education Equity Act - Federal Fund by \$43,033 to \$67,722, and reducing State General Fund expenditures by \$18,531. My amendment provides \$24,502 for previously unbudgeted activities in the program.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ (18,531)	\$ --
All Other Funds	<u>43,033</u>	<u>--</u>
All Funds	\$ 24,502	\$ --

44. Federal Grant Award for Education

I am amending my FY 1991 budget to establish a "no limit" special revenue fund entitled "Eisenhower Science and Mathematics Act - Federal Fund" to allow the Department of Corrections to expend an \$842 federal grant award received through the State Department of Education. The funds have been awarded under Title II of the Dwight D. Eisenhower Mathematics and Science Act to provide inservice training in the area of mathematics for teachers at the Hutchinson Correctional Facility.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>842</u>	<u>--</u>
All Funds	\$ 842	\$ --

45. Ellsworth Library Grant

I am amending my FY 1991 budget to establish a "no limit" special revenue fund entitled "Institutional Library Services Grant Fund" to allow the Ellsworth Correctional Facility to expend an Interlibrary Loan Development Grant of \$425 received through the State Library. Of the grant award, \$80 would be used to finance processing fees for services provided by the Central Kansas Library System, while \$345 would be used to acquire books for the inmate library.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>425</u>	<u>--</u>
All Funds	\$ 425	\$ --

46. Transfer Language for Oil Overcharge Funds

My budget recommendation for the Department of Corrections in FY 1992 contains a "no limit" Oil Overcharge Fund appropriation to allow the expenditure of any monies awarded to the Department of Corrections by the federal Department of Energy through the State Corporation Commission for the purchase of vehicles for correctional facilities. SB 141, the appropriation bill for the Department of Corrections, does not contain the necessary language which would allow Accounts and Reports to transfer oil overcharge funds to the Department of Corrections from the Corporation Commission. At this time, it is unknown whether the Department of Corrections will receive any oil overcharge monies. I am amending my FY 1992 budget to include the necessary transfer language in the appropriation bill for the Department of Corrections.

~~47. Establishment of Employed Parolees Fee Fund per SB 146~~

~~SB 146, which was introduced at the request of the Department of Corrections with my endorsement, requires individuals who are under post-release supervision from the Department of Corrections to pay a \$7 monthly employment generation fee upon becoming employed. The fees would be credited to the Employed Parolees Fee Fund, established in the bill, and would be used to pay operating costs for one job development position in each of the five parole districts.~~

~~In order to expend the collected fees for the purpose outlined in the bill, I am amending my FY 1992 budget to include the Employed Parolees Fee Fund with a "no limit" expenditure limitation. I recommend that the Department of Corrections establish special project job development positions to be funded as allowed by the incoming fees.~~

Kansas Bureau of Investigation

48. ASTRA Conversion Costs

The KBI requested additional funding to complete the Automated Statewide Telecommunications Records Access (ASTRA) network system conversion. The system conversion will produce significant communications cost savings beginning in FY 1993. The conversion was originally scheduled for FY 1991 but has since been delayed.

Therefore, I amend my budget to delete \$100,000 from the State General Fund for FY 1991 conversion costs. For FY 1992, I recommend increased State General Fund expenditures of \$117,411 and expenditures of \$155,900 from the State Asset Forfeiture Fund to complete the ASTRA conversion.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ (100,000)	\$ 117,411
All Other Funds	--	<u>155,900</u>
All Funds	\$ (100,000)	\$ 273,311

State Fire Marshal

49. Shrinkage Reduction and Additional Travel

The State Fire Marshal requests a reduced shrinkage rate for FY 1991. The agency had no vacancies for eight months and then experienced three costly retirements. Additional travel funds are requested to allow the agency to complete additional investigations and inspections. I amend the agency's recommended budget to include \$15,974 from the State General Fund to reduce shrinkage and to provide for additional travel.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ 15,974	\$ --
All Other Funds	--	--
All Funds	\$ 15,974	\$ --

Kansas Highway Patrol

50. Vehicle Identification Number (VIN) Program

The Kansas Highway Patrol requested an expenditure limitation and FTE position limitation increase in order to expand the agency's performance in vehicle identification number inspections. I am amending my recommendation to increase the VIN Fee Fund expenditure limitation by \$524,014 to \$824,014 and to increase the FTE position limitation by 20 positions to 821.8. The amended recommendation will allow the Highway Patrol to perform most vehicle inspections which are presently performed by private designees.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>524,014</u>
All Funds	\$ --	\$ 524,014

Youth Center at Beloit

51. Salary of Alcohol and Drug Abuse Director

My recommendation was designed to fund fully the Youth Center at Beloit's Alcohol and Drug Abuse Director position

entirely with receipts from the agency's fee fund. The agency has re-calculated the salaries and wages costs for this position and determined that the amount originally recommended will not completely fund the position. Increased expenditures from the agency's fee fund of \$1,396 in FY 1991 and \$1,524 in FY 1992 were requested by the agency.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>1,396</u>	<u>1,524</u>
All Funds	\$ 1,396	\$ 1,524

State Hospitals - Systemwide

52. Fee Fund Collections

I am amending my budget to offset fee fund expenditures in FY 1991 and in FY 1992 with expenditures from the State General Fund and the Title XIX Fund at five of the state hospitals. For FY 1991, I am reducing the fee fund expenditures at Larned State Hospital and Topeka State Hospital by a total of \$724,737 and increasing respective Title XIX Fund expenditures by an equal amount. For FY 1992, I am reducing fee fund expenditures at Larned State Hospital, Osawatomie State Hospital, Rainbow Mental Health Facility, Topeka State Hospital, and Winfield State Hospital and Training Center by a total of \$2,711,191 and increasing State General Fund expenditures by \$1,741,569 and Title XIX Fund expenditures by \$969,622. Fee fund receipts at the four mental health hospitals have decreased primarily because of utilization review, reduced insurance coverage, and increases in coinsurance and deductibles. A decrease in fee fund receipts at Winfield State Hospital and Training Center is attributable to census reduction.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ 1,741,569
All Other Funds	<u>--</u>	<u>(1,741,569)</u>
All Funds	\$ --	\$ --

Rainbow Mental Health Facility

53. Shrinkage

I am amending my budget recommendation to reduce the agency's shrinkage rates from 5.8 percent to 4.0 in FY 1991 and from 5.5 percent to 4.0 percent in FY 1992. The amendments increase the Title XIX Fund expenditure limitations by \$67,034 in FY 1991 and by \$58,747 in FY 1992. In preparation for a scheduled accreditation survey, the agency has filled positions

held vacant during the first half of the fiscal year; therefore, it does not anticipate meeting the recommended shrinkage rate.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>67,034</u>	<u>58,747</u>
All Funds	\$ 67,034	\$ 58,747

Larned State Hospital

54. Fees -- Other Services and Professional Supplies

I am amending my budget recommendations to increase the Title XIX Fund expenditure limitation by \$70,000 in FY 1991 to meet cost increases for pharmaceuticals and contractual laboratory services.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>70,000</u>	<u>--</u>
All Funds	\$ 70,000	\$ --

Topeka State Hospital

55. Shrinkage

I am amending my recommendations to increase the Title XIX expenditure limitation in FY 1991 by \$105,692 to reduce the agency's shrinkage rate from 7.4 percent to 6.8 percent. Despite cost saving measures by the agency, employee furloughs likely would be necessary without an increase in expenditure authority.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>105,692</u>	<u>--</u>
All Funds	\$ 105,692	\$ --

Kansas Neurological Institute

56. Diapers

I am amending my recommendations to increase the State General Fund appropriation by \$51,309 in FY 1992 to allow additional purchases of diapers. The agency request underestimated real need by inadvertently using an expenditure

base which was not representative of annual consumption.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ 51,309
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 51,309

Department of Social and Rehabilitation Services

57. Regular Medical Savings

I recommend the reduction of \$28,880,016, of which \$20,453,053 is from the SRS Fee Fund, in FY 1991 and \$16,399,880 from all funds and \$29,085,783 from the State General Fund in FY 1992 for the Regular Medical Assistance program. This cost reduction is primarily due to the decreased cost per person, based on the average cost of medical services during the first nine months of FY 1991, as well as minor revisions in expected caseload, again using data available for three quarters of FY 1991.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$(29,085,783)
All Other Funds	<u>(28,880,016)</u>	<u>12,685,903</u>
All Funds	\$(28,880,016)	\$(16,399,880)

58. OBRA 1990 Medicaid Mandate Delay

Because of delays by the federal government in issuing rules and regulations governing implementation of changes in the Federal Medicaid program contained in the Omnibus Budget Reconciliation Act of 1990, the budget for the Department of Social and Rehabilitation Services is overstated by \$4,674,180, of which \$2,045,682 is from the State General Fund in FY 1991.

The *FY 1992 Governor's Budget Report* recommended FY 1991 expenditures of \$3,711,270, of which \$1,630,361 is from the State General Fund, for a change in prescription drug reimbursement and \$3.3 million, of which \$1.4 million is from the State General Fund, for a change in veterans' pensions. These two changes in federal law were expected to take effect January 1, 1991. It now appears that a more likely implementation date will be May 1.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$(2,045,682)	\$ --
All Other Funds	<u>(2,628,498)</u>	<u>--</u>
All Funds	\$(4,674,180)	\$ --

59. Long Term Care Savings

Based on year-to-date expenditures, the funding contained in the *FY 1992 Governor's Budget Report* for Long Term Care is overstated by \$4,492,173, of which \$1,939,234 is from the State General Fund in FY 1991, and \$1,075,999, of which \$442,540 is from the State General Fund in FY 1992.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$(1,939,234)	\$ (442,540)
All Other Funds	<u>(2,552,939)</u>	<u>(633,459)</u>
All Funds	\$(4,492,173)	\$(1,075,999)

60. DRG Recalibration

I recommend the reduction of \$16,712,576, of which \$7,329,837 is from the State General Fund, from the funding budgeted for reimbursement of providers of inpatient hospital services for medical assistance recipients. This reduction would delete the funds contained in the *FY 1992 Governor's Budget Report* for a six percent rate increase for inpatient hospital services (\$9,312,576, of which \$4,279,837 is from the State General Fund) and would further reduce \$7,400,000, of which \$3,050,000 is from the State General Fund, to reduce the average reimbursement to hospitals under the Diagnosis Related Group (DRG) system by five percent. This DRG recalibration is possible because of reductions in the length of stay and reductions in the complexity of patients treated. The planned DRG recalibration will provide hospitals with reimbursement under the state Medical Assistance program of approximately 91 percent of their estimated FY 1992 cost.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ (7,329,837)
All Other Funds	<u>--</u>	<u>(9,382,739)</u>
All Funds	\$ --	\$(16,712,576)

61. Nursing Facility Injunction

I recommend the addition of \$5,175,352, of which \$2,318,558 is from the SRS Fee Fund in FY 1991, and \$18,676,368, of which \$8,058,853 is from the State General Fund in FY 1992, to finance the estimated cost of complying with the federal court injunction against implementation of a new reimbursement system for adult care homes in FY 1991. The court order requires the department to adjust its reimbursement to nursing facilities by reinstating the cost report methodology for reimbursing nursing facilities; increasing reimbursement for 24 hour nursing care; and allowing a pass-through as reimbursement for the increase in the federal minimum wage.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ 8,058,853
All Other Funds	<u>5,175,352</u>	<u>10,617,515</u>
All Funds	\$ 5,175,352	\$18,676,368

62. Continuous Medicaid Eligibility for Infants

The federal Omnibus Budget Reconciliation Act of 1990 requires that newborn infants receive continuous eligibility for Medicaid services throughout their first year of life regardless of increases in the family's income. Previously, any increases in income could result in ineligibility for the child. This program change is expected to cost approximately \$1,013,576, of which \$418,100 is from the State General Fund in FY 1992 in addition to the funding contained in the *FY 1992 Governor's Budget Report*. This estimate presumes continued eligibility for Medicaid benefits for six months for approximately 540 infants who would otherwise have been ineligible.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ 418,100
All Other Funds	<u>--</u>	<u>595,476</u>
All Funds	\$ --	\$ 1,013,576

63. Division of Income

I recommend the addition of \$567,276, of which \$234,001 is from the State General Fund in FY 1992, to finance the estimated cost to the Medicaid program of the spousal impoverishment provisions of the federal Medicare Catastrophic Care Act. Effective July 1, 1991, the level of income a well spouse may retain when an ill spouse enters a nursing home will rise to 133 percent of the federal poverty level from the current maximum of 122 percent of the federal poverty level. This transfer will lower the patients' nursing home liability and, consequently, increase the cost to the state of Medicaid recipients in adult care homes. The Department of Social and Rehabilitation Services estimates that this will affect approximately 577 persons each year.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ 234,001
All Other Funds	<u>--</u>	<u>333,275</u>
All Funds	\$ --	\$ 567,276

64. SRS Fee Fund Receipts

Receipts to the Department of Social and Rehabilitation Services' Fee Fund are expected to exceed the funds contained in the *FY 1992 Governor's Budget Report* by \$1,532,997 by the end of FY 1992. These increased receipts are primarily due to greater than anticipated recovery of current year expenditures. I recommend that the additional available funds be used to reduce the State General Fund required to finance the Medical Assistance program in FY 1992.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$(1,532,997)
All Other Funds	--	<u>1,532,997</u>
All Funds	\$ --	\$ --

65. MediKan to July 1

Based on a planned restructuring of the MediKan program, effective July 1, 1991, approximately \$3.4 million from the State General Fund should be added to the funding for MediKan in FY 1992 contained in the *FY 1992 Governor's Budget Report*.

The budget originally assumed that the MediKan program would be restructured by April 1, 1991, to conform to the program approved by the 1990 Legislature. This restructuring includes eliminating eligibility for persons over age 55 who are not disabled and providing only limited medical services. Because the *Martha Bullock, et al. v. Robert C. Harder, Acting Secretary* court case was not settled until April 9, 1991, the program restructuring has not occurred. The Department of Social and Rehabilitation Services plans to implement the restructured MediKan program effective July 1, 1991. Because of the two month interval between the clients' receipt of hospital services, the payment of provider claims for inpatient hospital services, the department expects to spend approximately \$3.4 million during FY 1992 to pay for services received by MediKan recipients through the end of FY 1991.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$3,400,000
All Other Funds	--	<u>--</u>
All Funds	\$ --	\$3,400,000

66. General Assistance to July 1

Based on year-to-date expenditures and a planned restructuring of the General Assistance program effective July 1, 1991, approximately \$900,000 from the State General Fund

should be added to the funding for General Assistance in FY 1991 contained in the *FY 1992 Governor's Budget Report*.

The budget originally assumed that the General Assistance program would be restructured by April 1, 1991, to conform to the program approved by the 1990 Legislature. This restructuring includes eliminating eligibility for persons over age 55 who are not disabled and reducing the average cash grant by \$9 per person per month. Because the *Martha Bullock, et al. v. Robert C. Harder, Acting Secretary* court case was not settled until April 9, 1991, the program restructuring has not occurred. The Department of Social and Rehabilitation Services plans to implement the restructured General Assistance program, effective July 1, 1991.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ 900,000	\$ --
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ 900,000	\$ --

67. CMRC Special Purpose Grant Savings

Based on anticipated expenditures for new special purpose grant placements in FY 1991, the funding for Community Mental Retardation Center special purpose grants in FY 1991 in the *FY 1992 Governor's Budget Report* is overstated by \$945,843 from the State General Fund. The total amount originally appropriated for 150 additional special purpose grant placements in FY 1991 was \$1,592,746.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ (945,843)	\$ --
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ (945,843)	\$ --

68. HCBS-MR Waiver

I recommend the addition of \$2,310,422, of which \$952,818 is from the State General Fund in FY 1992, to increase the number of persons receiving services from the HCBS-MR waiver from 600 (as contained in the *FY 1992 Governor's Budget Report*) to 942 by June 30, 1992. This will allow the agency to serve an additional 255 developmentally disabled persons during FY 1992. My recommendation will reduce the census of Parsons State Hospital and Training Center by 20, with a resulting savings of \$134,594, of which \$55,506 would be from the State General Fund. The agency would also reduce the number of persons receiving services in private Intermediate Care Facilities for the Mentally Retarded by 67, with a resulting

savings of \$785,441, of which \$323,916 would be from the State General Fund.

Social and Rehabilitation Services:

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ 1,008,324
All Other Funds	--	<u>1,436,692</u>
All Funds	\$ --	\$ 2,445,016

Parsons State Hospital:

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ (55,506)
All Other Funds	--	<u>(79,088)</u>
All Funds	\$ --	\$ (134,594)

69. GA Foster Care Savings

Based on year-to-date expenditures, the funding contained in the *FY 1992 Governor's Budget Report* for foster care for children, not eligible for federal matching funds, is overstated by approximately \$750,000 from the State General Fund.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ (750,000)	\$ --
All Other Funds	--	<u>--</u>
All Funds	\$ (750,000)	\$ --

70. Foster Care Education

Based on year-to-date expenditures and anticipated billings, the funds for out-of-state education for foster care children in FY 1991 contained in the *FY 1992 Governor's Budget Report* are overstated by \$125,507 from the State General Fund. This proposed reduction will allow the Department to expend \$989,461 from the State General Fund for foster care education in FY 1991. These funds are paid to Missouri school districts to reimburse them for the expense of educating Kansas children placed in foster care in Missouri.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ (125,507)	\$ --
All Other Funds	--	<u>--</u>
All Funds	\$ (125,507)	\$ --

71. Postage Rate Increase

I recommend the addition of \$68,955, of which \$34,477 is from the State General Fund in FY 1991, and \$380,546, of which \$231,061 is from the State General Fund in FY 1992, to finance the cost of the 16 percent postage rate increase for the Department of Social and Rehabilitation Services. The majority of postage costs for the agency are associated with the mailing of notices to cash, food stamp, and medical assistance recipients as well as the mailing of benefits to cash assistance and food stamp recipients.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ 34,477	\$ 231,061
All Other Funds	<u>34,478</u>	<u>149,485</u>
All Funds	\$ 68,955	\$ 380,546

72. Zebley Decision Administrative Costs

I recommend the addition of \$79,072, of which \$870 is from the State General Fund, and 8.0 FTE positions in FY 1991 and \$345,081, of which \$3,796 is from the State General Fund, and 8.0 FTE positions in FY 1992 for Disability Determination Services to process a new workload of disability claims resulting from the settlement of the *Zebley v. Sullivan* court case. This case determined that the standards used for denying children eligibility for Social Security benefits in recent years were not valid. The federal Social Security administration has been ordered to reevaluate all the cases of children who were denied eligibility using new standards (the total number of pending cases is estimated to increase by 94,000 cases nationwide because of this decision).

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ 870	\$ 3,796
All Other Funds	<u>78,202</u>	<u>341,285</u>
All Funds	\$ 79,072	\$ 345,081

73. Foster Care Lawsuit Fund

I recommend that whatever funds are unexpended at the end of FY 1991 in the Foster Care Lawsuit Fund reappropriate on an unlimited basis to FY 1992. The agency notes that because the ACLU foster care lawsuit (*Sheila A. v. Hayden*) has been proceeding more slowly than anticipated, expenditures have been less than anticipated.

74. ADAS Block Grant

I recommend the Department of Social and Rehabilitation Services expend an additional \$550,000 in FY 1991 from the federal Alcohol, Drug Abuse, and Mental Health Block Grant for alcohol and drug abuse programming. These funds will be granted to community providers of alcohol and drug abuse services.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>550,000</u>	<u>--</u>
All Funds	\$ 550,000	\$ --

75. ADAS Waiting List

I recommend the Department of Social and Rehabilitation Services expend \$90,417 in federal funds to reduce the waiting lists in existing alcohol and drug abuse treatment programs in FY 1992. An amount of \$216,482 from this federal fund is budgeted in FY 1991 in the *FY 1992 Governor's Budget Report*. No funding was included for FY 1992, because the agency was not aware, at the time the budget was developed, that additional federal funds would be available for FY 1992.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>90,417</u>
All Funds	\$ --	\$ 90,417

76. Child Abuse and Neglect Grant

I recommend the Department of Social and Rehabilitation Services expend an additional \$20,395 from the federal Child Abuse and Neglect Fund in FY 1992. These funds would be granted to community organizations for various programs to prevent child abuse and neglect.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>20,395</u>
All Funds	\$ --	\$ 20,395

77. Youth Independent Living Funds

I recommend the Department of Social and Rehabilitation Services expend an additional \$98,252 in federal Title IV-E

Independent Living funds for grants to community groups during FY 1992. These funds are granted to the Foster Parents Association, group homes, and other community organizations to develop "transition" activities for children who are aging out of foster care.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>98,252</u>
All Funds	\$ --	\$ 98,252

78. Children's Justice Act Grant

I recommend the Department of Social and Rehabilitation Services expend an additional \$49,053 in FY 1991 and \$45,073 in FY 1992 from the Federal Children's Justice Act Grant. These funds would be granted to community organizations to provide training for judges, demonstration projects, and the development of a multi-disciplinary task force.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>49,053</u>	<u>45,073</u>
All Funds	\$ 49,053	\$ 45,073

79. Child Care Federal Funds

I recommend the Department of Social and Rehabilitation Services spend an additional \$14,856 in FY 1991 and \$14,856 in FY 1992 from the federal Child Care Dependent Planning and Development Grant Fund. These additional funds will be granted to a community organization to provide additional subsidized child care slots for income eligible children.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>14,856</u>	<u>14,856</u>
All Funds	\$ 14,856	\$ 14,856

80. McKinney Homeless Act Grant

I recommend the Department of Social and Rehabilitation Services expend an additional \$25,000 from the federal McKinney Act Mental Health Services for the Homeless Block Grant in FY 1992. These funds will be granted to Community Mental Health Centers to provide more services for homeless mentally ill persons.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>25,000</u>
All Funds	\$ --	\$ 25,000

81. DD Council Salaries

I recommend the increase of \$9,752 in federal Developmental Disabilities funds for salaries and the decrease of \$9,752 in federal Developmental Disabilities funds for aid to local units in the Department of Social and Rehabilitation Services' budget in FY 1991. This shift will finance the salary costs of a Secretary II who was hired at a higher step on the pay range than her predecessor.

82. Economic Opportunity Funds

I recommend the Department of Social and Rehabilitation Services expend an additional \$66,500 in FY 1991 and \$843,139 in FY 1992 in federal Economic Opportunity Program funds. These additional federal funds would be used to increase grants to local agencies for weatherization, community action, and homeless services to low income clients statewide.

	<u>FY 1991</u>	<u>FY 1992</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>66,500</u>	<u>843,139</u>
All Funds	\$ 66,500	\$ 843,139

83. Weatherization Assistance

I recommend a reduction of \$68,274 in Weatherization Assistance funding for salaries, an increase of \$6,000 in Weatherization Assistance funding for travel, an increase of \$5,820 for capital outlay, and an increase of \$56,454 in Weatherization Assistance funding for assistance payments in the budget of the Department of Social and Rehabilitation Services in FY 1992. These adjustments are necessary because of the reorganization the agency has undergone during the past few months (i.e. the combining of the Adult Services and Youth Services commissions). The Department is currently utilizing three fewer FTE staff to administer the Weatherization Assistance program than had been utilized in the past, which will allow more funds to be sent to the sub-grantee organizations that provide weatherization assistance to eligible persons.

Department of Administration

84. Property Contingency Fund

The Property Contingency Fund, budgeted in the Division of Facilities Management in the Department of Administration, has been used in recent years to finance moving expenses of state agencies. It has an approved expenditure limitation of \$100,000 for FY 1991. As of April 9, 1991, the unencumbered cash balance in the fund was \$30,707.

The Department of Administration proposes to convert the Property Contingency Fund to a revolving fund, using the balance in the fund at the end of FY 1991. The monies would be advanced to cover the moving costs of agencies to prevent relocation delays and the lowering of occupancy rates, which in turn could result in lost rental receipts. Agencies would be expected to budget repayment of the "loans" in the next fiscal year.

I amend my budget to add a "no limit" appropriation for the Property Contingency Fund for FY 1992 with the following proviso:

"Provided, That any reimbursement for expenditures from this fund shall be credited to this fund."

1991 OMNIBUS BILL EXPLANATION

SWAM
April 23, 1991
Attachment 3

H.B. 2640

House Recommendations

Sub. H.B. 2640

Senate Committee Recommendations

Sec. 2 -- Department of Social and Rehabilitation Services

Sec. 2 -- Department of Social and Rehabilitation Services

1. Make a technical adjustment to a proviso in 1991 Senate Bill No. 162 authorizing expenditure in FY 1992 of certain foster care funds for strategies designed to relieve stresses on the foster care system.
2. Delete 4.0 FTE child protective service positions in FY 1992.
3. Consolidate two federal commodities funds in FY 1992 and transfer the unexpended balance in the surplus food processing fund to the charitable institutional commodity program fund.
4. Clarify that the cash grant increase authorized for FY 1992 shall reinstate a portion of the energy supplement approved in prior years.
5. Delete \$30,000 in federal juvenile justice funds in FY 1992 from SRS and transfer the funding to the Department of Health and Environment as recommended in GBA No. 2.
6. Delete \$3,000,000 from the SRS Fee Fund in regular medical assistance in FY 1991. For FY 1992, delete \$3,000,000 from the

1. Concur.
2. Concur.
3. Concur.
4. Concur.
5. Concur.
6. Concur.

H.B. 2640

House Recommendations

State General Fund and add \$3,000,000 from the SRS Fee Fund.

7. Delete \$747,200 from the SRS Fee Fund (\$1,720,000 All Funds) in FY 1991 from long-term care. For FY 1992, delete \$1,189,700 from the State General Fund (\$1,075,999 All Funds) from long-term care.
8. Add \$3,050,000 from the State General Fund (\$7,400,000 All Funds) in regular medical assistance in FY 1992 to provide hospitals with reimbursement under the state medical assistance program of approximately 91 percent of their estimated cost.
9. As recommended by GBA No. 2, add \$418,100 from the State General Fund (\$1,013,576 All Funds) in FY 1992 in regular medical assistance in response to a federal mandate which requires states to provide continuous Medicaid eligibility for infants without regard to increases in the family's income.
10. As recommended by GBA No. 2, add \$234,001 from the State General Fund (\$567,276 All Funds) in FY 1992 for long-term care in response to changes in the spousal impoverishment provisions of the federal Medicare Catastrophic Care Act.

Sub. H.B. 2640

Senate Committee Recommendations

7. Concur.
8. Add \$1,505,000 from the State General Fund (\$3,650,000 All Funds) in FY 1992 to provide hospitals with reimbursement of approximately 89 percent of their estimated cost.
9. Concur.
10. Concur.

3-2

H.B. 2640
House Recommendations

Sub. H.B. 2640
Senate Committee Recommendations

- | | |
|---|-------------|
| 11. Add \$150,000 from the State General Fund in <u>FY 1991</u> for general assistance to continue the current program until July 1, 1991. | 11. Concur. |
| 12. As recommended by GBA No. 2, delete \$750,000 from the State General Fund in foster care savings in <u>FY 1991</u> . | 12. Concur. |
| 13. As recommended by GBA No. 2, delete \$125,507 from the State General Fund in foster care out-of-state education savings in <u>FY 1991</u> . | 13. Concur. |
| 14. As recommended by GBA No. 2, add \$34,477 from the State General Fund (\$68,955 All Funds) in <u>FY 1991</u> , and \$231,061 from the State General Fund (\$380,546 All Funds) in <u>FY 1992</u> to finance the cost of postal rate increases. | 14. Concur. |
| 15. As recommended by GBA No. 2, add \$870 from the State General Fund (\$79,072 All Funds) in <u>FY 1991</u> and add \$3,796 from the State General Fund (\$345,081 All Funds) in <u>FY 1992</u> for disability determination services staff for administrative costs associated with the Zebley decision which invalidated standards used for denying children eligibility for Social Security benefits. Also add 8.0 FTE positions in both fiscal years. | 15. Concur. |
| 16. As recommended by GBA No. 2, authorize the reappropriation from <u>FY</u> | 16. Concur. |

3-3

3-4

H.B. 2640

House Recommendations

Sub. H.B. 2640

Senate Committee Recommendations

1991 to FY 1992 of unexpended funds in the foster care lawsuit account.

- 17. As recommended by GBA No. 2, add \$90,417 in federal drug abuse treatment waiting list funds in FY 1992.
- 18. As recommended by GBA No. 2, add \$20,395 in federal child abuse and neglect funds in FY 1992.
- 19. As recommended by GBA No. 2, add \$98,252 in federal youth independent living funds in FY 1992.
- 20. As recommended by GBA No. 2, add \$49,053 in FY 1991 and \$45,073 in FY 1992 from federal children's justice grant funds.
- 21. As recommended by GBA No. 2, add \$14,856 in FY 1991 and FY 1992 from federal child care dependent planning and development grant funds.
- 22. As recommended by GBA No. 2, add \$25,000 from federal funds in FY 1992 for services for the homeless mentally ill.
- 23. As recommended by GBA No. 2, shift \$9,752 in federal developmental disability funds from assistance to salaries in FY 1991 to fiance the salary costs of a clerical position hired at a higher step.

- 17. Concur.
- 18. Concur.
- 19. Concur.
- 20. Concur.
- 21. Concur.
- 22. Concur.
- 23. Concur.

H.B. 2640
House Recommendations

Sub. H.B. 2640
Senate Committee Recommendations

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|---|--|
| <p>24. As recommended by GBA No. 2, add \$66,500 from federal funds in <u>FY 1991</u> and \$843,139 from federal funds in <u>FY 1992</u> due for economic opportunity programs, including funding for community action programs, homelessness and weatherization.</p> <p>25. As recommended by GBA No. 2, shift \$56,454 in federal weatherization funds from state operations to assistance in <u>FY 1992</u>.</p> <p>26. The House made no recommendation on this item.</p> <p>27. The House did not address this item.</p> <p>28. Delete \$1.2 million from the State General Fund associated with the development</p> | <p>24. Concur.</p> <p>25. Concur.</p> <p>26. Appropriate pharmaceutical expenditures in the medical assistance program as a separate line-item.</p> <p>27. Delete \$241,676 from the State General Fund (\$603,765 All Funds) in <u>FY 1992</u> to provide funding of \$1,008,324 State General Fund (\$2,445,016 All Funds) for the HCBS-MR waiver as recommended in GBA No. 2. The recommendation provides services to 342 clients. The Senate Committee recommends a census reduction of 23 at KNI, ten at Parsons, and 30 at Winfield. In addition, 67 clients would be moved from private ICF-MRs (projected savings of \$323,916 State General Fund). A total of 242 new clients would be served from the community waiting list.</p> <p>28. The Senate did not address this item.</p> |
|---|--|

H.B. 2640
House Recommendations

of an automated system for job preparation programs.

Sec. 3 -- Legislature

1. Appropriate \$153,562 from the State General Fund for FY 1992 to purchase 36 desktop computers, 36 laser printers, and related hardware and software. These purchases were the recommendation of the House Committee on Computers, Communication, and Technology (CCT) which studied the issue of computerization of the Legislature. The \$917,908 recommended by the Governor for computerization was removed from the regular FY 1992 appropriation for the Legislature pending the recommendation of the CCT Committee.

Secs. 4, 59 -- State Historical Society

1. Establish State of Kansas Sports Hall of Fame Fund for FY 1991 and FY 1992.
2. Establish a Property Sale Proceeds Fund for FY 1992 with an expenditure limitation of zero to allow for the crediting of moneys from the sale of certain items in the Historical Society's collection to the Historical Society.
3. Increase expenditure limitation on the Land Survey Fee Fund in FY 1991 by

Sub. H.B. 2640
Senate Committee Recommendations

Sec. -- Legislature

1. The Senate Committee does not recommend this item.

Sec. 3 -- State Historical Society

1. Concur.
2. Concur.
3. Concur.

3-6

H.B. 2640
House Recommendations

\$2,500 as a technical adjustment to allow the expenditure of these funds.

4. The House did not address this item.
5. The House added \$125,000 from the EDIF for historic sites rehabilitation and repair in FY 1992 in Sec. 59 of this bill.

Sec. 5 -- Public Broadcasting Commission

1. Delete \$68,000 from the State General Fund contained in 1991 S.B. 87 and add \$68,000 from the EDIF for KHCC-FM (Hutchinson) to expand public radio into unserved areas.
2. Prohibit expenditure of the \$68,000 for KHCC-FM until a study is made by the Legislature to determine if all the areas to be covered are unserved by public radio.
3. Add \$50,429 from the State General Fund for KOOD public television station at Bunker Hill to restore the level of funding to the current year level.

Sec. 6 -- Secretary of State

1. Delete the \$1.2 million appropriated by

Sub. H.B. 2640
Senate Committee Recommendations

4. Add \$80,000 from the State General Fund for FY 1992 for rehabilitation and repair of Constitution Hall.
5. The Senate Committee did not address this item.

Sec. -- Public Broadcasting Commission

1. The Senate Committee did not address this item.
2. The Senate Committee did not address this item.
3. Delete \$50,429 from the State General Fund for KOOD public television station.

Sec. 4 -- Secretary of State

1. Concur.

H.B. 2640
House Recommendations

1991 H.B. 2044 for aid to counties for the FY 1992 presidential primary election.

Sub. H.B. 2640
Senate Committee Recommendations

3-8

**Sec. 7 -- Kansas Governmental Ethics
Commission -- Kansas Public
Disclosure Commission**

**Sec. 5 -- Kansas Commission on Governmental
Standards and Conduct -- Kansas
Public Disclosure Commission**

1. Appropriate the Kansas Governmental Ethics Commission Fee Fund with a limitation of \$0 in FY 1992. Establishment of the Fund is pending passage of 1991 H.B. 2454. The Fund would be credited with revenues collected for existing and additional fees which would be imposed by the bill and for penalties assessed against those who violate provisions of the laws administered by the Commission. In addition, the Fund would be credited with fees collected from persons who request copies of opinions, informational materials published by the Commission, and any public records filed in the office of the Commission. Expenditures from the Fund would be for the state operations of the Commission. Passage of the bill also would change the name of the Kansas Public Disclosure Commission to the Kansas Governmental Ethics Commission. Therefore, include a subsection in the bill of a technical nature relating to the name change of the agency.

1. Concur, except change the name to the Kansas Commission on Governmental Standards and Conduct rather than the Kansas Governmental Ethics Commission.

H.B. 2640

House Recommendations

Secs. 8, 62 -- Youth Center at Topeka

1. Add \$39,926 for fees -- professional services for the agency's FY 1992 education contract. This would allow for a 2.5 percent rise in salaries for the educational staff under contract with the agency.

2. Create a no-limit fund to receive moneys from the Oil Overcharge -- Second Stage Refund Program, to which the agency is applying for moneys for the purchase of motor vehicles.

Secs. 9, 63 -- Youth Center at Beloit

1. Add \$20,951 from the State General Fund for fees -- professional services for the agency's FY 1992 education contract. This would allow for a 2.5 percent rise in salaries for the educational staff under contract with the agency.

2. Increase the agency's General Fee Fund expenditure limitation by \$1,396 in FY 1991 and by \$1,524 in FY 1992 in order to fund fully the agency's Alcohol and Drug Abuse Director position. This increase is in accord with the recommendation in item no. 51 of GBA No. 2.

Sub. H.B. 2640

Senate Committee Recommendations

Sec. 6 -- Youth Center at Topeka

1. Add \$63,882 for fees -- professional services for the agency's FY 1992 education contract. This would allow for a 4.0 percent rise in salaries for the education staff under contract with the agency, in accordance with the Governor's FY 1992 recommendation.

Sec. 7 -- Youth Center at Beloit

1. Add \$33,521 for fees -- professional services for the agency's FY 1992 education contract. This would allow for a 4.0 percent rise in salaries for the education staff under contract with the agency, in accordance with the Governor's FY 1992 recommendation.

2. Concur.

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3. Create a no-limit fund to receive moneys from the Oil Overcharge -- Second Stage Refund Program, to which the agency is applying for moneys for the purchase of motor vehicles.

Secs. 10, 64 -- Youth Center at Atchison

1. Add \$20,653 for fees -- professional services for the agency's FY 1992 education contract. This would allow for a 2.5 percent rise in salaries for the educational staff under contract with the agency.
2. Create a no-limit fund to receive moneys from the Oil Overcharge -- Second Stage Refund Program, to which the agency is applying for moneys for the purchase of motor vehicles.

Sec. 11 -- Kansas Real Estate Commission

1. Add a no limit line item to authorize disbursements from the new Federal Registry Clearing Fund established by S.B. 376.

Sec. 12 -- Kansas Racing Commission

1. Add 6.75 FTE positions as a result of passage of S.B. 375 which provides that

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Sec. 8 -- Youth Center at Atchison

1. Add \$33,044 for fees -- professional services for the agency's FY 1992 education contract. This would allow for a 4.0 percent rise in salaries for the education staff under contract with the agency, in accordance with the Governor's FY 1992 recommendation.

Sec. 9 -- Kansas Real Estate Commission

1. Concur.

Sec. 10 -- Kansas Racing Commission

1. Add 7.5 FTE positions, or .75 FTE more than the House, to reflect that the three

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all racing judges and stewards shall become unclassified state employees in FY 1992.

Sec. 13 -- Kansas Lottery

1. Add a proviso prohibiting the acquisition of any new computer equipment and software in either FY 1991 or FY 1992. Allow repair and maintenance of current equipment and software. The Lottery should submit its request for a new \$1.5 million computer system and software to the 1992 Legislature as part of its budget request in order for a full review of this proposed acquisition to take place.

Secs. 14, 55 -- Department of Revenue

1. Add 12.0 FTE positions and \$462,134 from the State General Fund for operating costs to restore ABC field agents in FY 1992. These positions and funds were originally eliminated as part of programmatic reductions included in S.B. 99 to cut State General Fund expenditures.
2. Add \$125,979 from the State General Fund and \$191,112 from the DOV Operating Fund in FY 1992 as recommended in GBA No. 2-21 for financing the recent postal rate increases.

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greyhound judges at Kansas City (who work from September to May) are full-time employees.

Sec. 11 -- Kansas Lottery

1. Concur.

Sec. 12 -- Department of Revenue

1. Concur.
2. Concur.

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3. Appropriate the Rental Motor Vehicle Excise Tax Clearing Fund as a no limit line item to accommodate collection and distribution of a new excise tax on rental and leased vehicles which is authorized by S.B. 14.
4. Appropriate the Metropolitan Culture District Retailers' Sales Tax Fund as a no limit line item to accommodate collection of a new local option sales tax which is authorized by H.B. 2275.
5. Prohibit any expenditure for collecting or using social security numbers to be used as driver's license numbers on regular drivers licenses (commercial drivers licenses are exempted from this proviso).

3. Concur.
4. Concur.
5. The Senate Committee did not address this item.

Sec. 15 -- Kansas Neurological Institute

Sec. 13 -- Kansas Neurological Institute

1. Add \$75,570 from the State General Fund in FY 1992 to reflect an adjustment for an estimated decrease in the categorical aid rate for special education.
2. Add \$21,768 from the State General Fund in FY 1992 for a 1½ percent teacher salary increase.
3. The House reviewed but did not recommend this item.
4. The House reviewed but did not recommend this item.

1. The Senate Committee makes no recommendation for categorical aid.
2. Add \$36,279 from the State General Fund in FY 1992 to completely restore a 4 percent teacher salary increase.
3. Add \$51,309 from the State General Fund for diapers.
4. Delete \$55,506 from the State General Fund and \$79,088 from Title XIX

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(\$134,594 All Funds) in FY 1992, and reduce the FTE by ten positions on the last day of fiscal year 1992. The recommendation would reduce the census of KNI by 23 clients during the last half of FY 1992.

Sec. 16 – Parsons State Hospital and Training Center

1. Add \$82,062 from the State General Fund in FY 1992 to reflect an adjustment for an estimated decrease in the categorical aid rate for special education.
2. Add \$21,449 from the State General Fund in FY 1992 for a 1½ percent teacher salary increase.
3. Delete \$55,506 from the State General Fund and \$79,088 from Title XIX (\$134,594 all funds) in FY 1992, as recommended by the GBA No. 2. The recommendation would reduce the census of Parsons State Hospital by 20 clients during the last half of fiscal year 1992.

Sec. 17 – Winfield State Hospital and Training Center

1. Add \$76,839 from the State General Fund in FY 1992 to reflect an adjustment for an estimated decrease in the categorical aid rate for special education.

Sec. 14 – Parsons State Hospital and Training Center

1. The Senate Committee makes no recommendation for categorical aid.
2. Add \$35,747 from the State General Fund in FY 1992 completely restore a 4 percent teacher salary increase.
3. Restore \$55,506 from the State General Fund and \$79,088 from Title XIX (\$134,594 all funds) in FY 1992. The Senate Committee recommends that, if feasible, Parsons reduce its census by ten clients during fiscal year 1992.

Sec. 15 – Winfield State Hospital and Training Center

1. The Senate Committee makes no recommendation for categorical aid.

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- 2. Add \$19,076 from the State General Fund in FY 1992 for a 1½ percent teacher salary increase.
- 3. The House reviewed but did not recommend this item.

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- 2. Add \$31,792 from the State General Fund in FY 1992 to completely restore a 4 percent teacher salary increase.
- 3. Add \$181,853 from the State General Fund and \$101,231 from Title XIX (\$283,084 all funds) and make a corresponding reduction in the agency's fee fund, as recommended by GBA No. 2.

Sec. 18 – Department of Wildlife and Parks

- 1. Increase the expenditure limitation of the Wildlife Fee Fund by \$345,440 in FY 1992, as recommended by the GBA No. 2, for a capital improvement project which would continue the renovation of Marais des Cygnes Wildlife Area.
- 2. Increase the expenditure limitation of the Park Fee Fund by \$12,000 in FY 1991 and \$20,000 in FY 1992 to allow the agency to create a rent-a-camp program.
- 3. Add a proviso to the operating account of the Park Fee Fund to ensure that any Kansas company wishing to participate in the rent-a-camp program will be allowed to participate.
- 4. Make technical adjustments to the bill as necessary.

Sec. 16 – Department of Wildlife and Parks

- 1. Concur.
- 2. Concur.
- 3. The Senate did not address this item.
- 4. Concur.

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Sec. 19 -- Larned State Hospital

- 1. The House concurs with GBA No. 2, item 54, which decreases expenditures from the Title XIX fund by \$52,982 in FY 1991. The decrease is reflected as a decrease of \$38,982 from the amount budgeted for salaries and wages and a decrease of \$14,000 for pharmaceuticals and supplies.
- 2. The House concurs with GBA No. 2, item 52, which shifts expenditures of \$4,907 from the Title XIX fund to the hospital fee fund in FY 1991.
- 3. Add \$7,779 from the State General Fund to fund a 1.5 percent teacher salary increase in FY 1992.
- 4. Add \$27,053 from the State General Fund to reflect an adjustment for an estimated decrease in the categorical aid rate for special education in FY 1992.

Sec. 17 -- Larned State Hospital

- 1. Add \$52,982 from the Title XIX fund in FY 1991.
- 2. The Senate Committee does not concur with the shift in FY 1991.
- 3. Concur and add an additional \$12,964 from the State General Fund to fund a 4 percent teacher salary increase totaling \$20,743 in FY 1992.
- 4. The Senate Committee delayed consideration of this item.

Sec. 20 -- Osawatomic State Hospital

- 1. Shift expenditures of \$100,000 from the Osawatomic State Hospital Title XIX fund to the hospital fee fund in FY 1991.
- 2. Add \$13,264 from the State General Fund to fund a 1.5 percent teacher salary increase in FY 1992.

Sec. 18 -- Osawatomic State Hospital

- 1. The Senate Committee does not concur with the shift in FY 1991.
- 2. Concur and add an additional \$22,107 from the State General Fund to fund a

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- 3. Add \$38,830 from the State General Fund to reflect an adjustment for an estimated decrease in the categorical aid rate for special education in FY 1992.

- 4 percent teacher salary increase totaling \$35,371 in FY 1992.
- 3. The Senate Committee delayed consideration of this item.

Sec. 21 -- Rainbow Mental Health Facility

- 1. The House concurs with GBA No. 2, item 53, which decreases expenditures from the Title XIX fund by \$11,779 in FY 1991. The decrease is from the amount budgeted for salaries and wages.
- 2. The House concurs with GBA No. 2, item 53, which adds \$58,747 from the Title XIX fund for salaries and wages in FY 1992.
- 3. Add \$11,150 from the State General Fund to fund a 1.5 percent teacher salary increase in FY 1992.
- 4. Add \$57,175 from the State General Fund to reflect an adjustment for an estimated decrease in the categorical aid rate for special education in FY 1992.

Sec. 19 -- Rainbow Mental Health Facility

- 1. Add \$11,779 from the Title XIX fund in FY 1991.
- 2. Delete \$58,747 from the Title XIX fund.
- 3. Concur and add an additional \$18,583 from the State General Fund to fund a 4 percent teacher salary increase totaling \$29,733.
- 4. The Senate Committee delayed consideration of this item.

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Sec. 22 -- Topeka State Hospital

1. The House concurs with GBA No. 2, item 2, which shifts expenditures of \$100,000 from the hospital fee fund to the Title XIX fund in FY 1991.
2. The House concurs with GBA No. 2, item 55, which decreases expenditures from the Title XIX fund by \$87,110 in FY 1991. The decrease is reflected as a decrease of \$39,999 for salaries and wages and a decrease of \$47,111 for other operating expenditures.
3. Add \$14,438 from the State General Fund to fund a 1.5 percent teacher salary increase in FY 1992.
4. Add \$64,707 from the State General Fund to reflect an adjustment for an estimated decrease in the categorical aid rate for special education in FY 1992.
5. The House did not address this item.

Sec. 23 -- Department of Human Resources

1. The House concurs with GBA No. 2, item 41, which establishes the no-limit Industrial Safety and Health Conference and Workshops, Attendance, Gift, and

Sec. 20 -- Topeka State Hospital

1. Concur.
2. Concur.
3. Concur and add \$24,063 from the State General Fund to fund a 4 percent teacher salary increase totaling \$38,501 in FY 1992.
4. The Senate Committee delayed consideration of this item.
5. Add \$48,156 (\$26,484 SGF and \$21,672 Title XIX) to fund the Clinical Pastoral Trainee Program in FY 1992.

Sec. 21 -- Department of Human Resources

1. Concur.

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Donation Fund for the Department of Human Resources in FY 1992. The fund will contain a proviso which, among other provisions, would allow the Department to expend funds for conferences and workshops and would limit expenditures to the purpose specified by the donor or contributor, if any.

2. The House concurs with GBA No. 2, item 42, which increases the expenditure limitation of the Federal Indirect Cost Offset Fund by \$60,000 in FY 1992, to allow the Department to fund the salary and fringe benefits for the Director of the Division of Labor and Management Relations and Employment Standards.

Sec. 24 -- Department of Commerce

1. Appropriate two special revenue funds associated with the SKILL program created by Sub. H.B. 2536 with no limit on FY 1992 expenditures.
2. The House does not recommend this item.
3. The House did not address this item.

2. Concur.

Sec. 22 -- Department of Commerce

1. The Senate Committee deletes this item pending the Governor's approval of the bill.
2. Authorize the use of existing EDIF appropriations in FY 1991 for official hospitality in order to obviate the need for a State General Fund supplemental appropriation for salaries and wages with a restriction limiting EDIF expenditures for official hospitality to \$25,000.
3. Add \$750,000 from the EDIF in FY 1992 for a grant to assist with the construction

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of a sound studio. The grant is to be repaid within five years.

Sec. 25 -- Kansas Water Office

Sec. 23 -- Kansas Water Office

1. In order to implement S.B. 89, which in part creates the new Water Marketing Fund, the House recommends the following actions for FY 1992:

1. The Senate Committee recommends the following actions to implement S.B. 89 in FY 1992:

a. increase the expenditure limitation on the State Conservation Storage Water Supply Fund by \$125,407;

a. decrease the expenditure limitation on the State Conservation Storage Water Supply Fund to \$116,000.

b. transfer \$487,500 each from the State Water Plan Fund and the EDIF to the Water Marketing Fund in order to capitalize the new fund;

b. transfer revenue attributable to CY 1991 water sales which has been credited to the State General Fund in FY 1991 (estimated to be \$1,251,308) to the new Water Marketing Fund in lieu of EDIF and State Water Plan Fund moneys.

c. appropriate the new Water Marketing Fund with an expenditure limitation of \$975,000 and a proviso transferring moneys from this fund to the State General Fund for the costs of administering the State Water Plan Storage Act in CY 1991; and

c. increase the expenditure limitation on the Water Marketing Fund to \$1,268,040.

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- d. lapse State General Fund appropriations of \$1,100,407 that were included in S.B. 113 for payments to the federal government.

Sec. 26 -- State Conservation Commission

1. Add \$500,000 in FY 1992 and \$500,000 in FY 1993 from the State Water Plan Fund for the Bone Creek multipurpose small lake project, as recommended by the Governor in GBA No. 2.
2. Add \$415,204 in FY 1992 from the State Water Plan Fund for aid to local conservation districts. This restores the veto of the same amount by the Governor in S.B. 113.
3. Add \$780,000 in FY 1992 from the State Water Plan Fund for the High Priority Cost Share program. This restores \$780,000 of the \$2,780,000 vetoed by the Governor in S.B. 113.

Sec. -- Kansas Technology Enterprise Corporation

1. The House did not recommend this item.

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- d. concur.

Sec. 24 -- State Conservation Commission

1. Concur.
2. The Senate Committee did not consider this item.
3. The Senate Committee did not consider this item.

Sec. 25 -- Kansas Technology Enterprise Corporation

1. As a technical adjustment, reduce FY 1992 EDIF transfers to KTEC by \$12,866.

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Sec. 27 -- Department of Corrections

Sec. 26 -- Department of Corrections

1. Addition of \$576,851 (State General Fund) in FY 1992 to provide funding to finance a computer system expansion project for the KDOC computer system. Total cost of the six-year expansion project is estimated at \$2,288,418. The total cost is to be financed through \$424,072 in operating costs in FY 1992, \$100,000 in operating costs in FY 1993, and \$1,764,346 to be repaid to the Kansas Development Finance Authority over the period FY 1992 through FY 1997. The total funding of \$576,851 in FY 1992 is composed of \$424,072 in operating costs and \$152,779 for the first year's annual payment to KDFA. The computer expansion project includes an upgrade of the Department's existing AS/400 computer in the Central Office (Phase I in FY 1992); the purchase of four new AS/400 computers for the facilities at Lansing, Hutchinson, Ellsworth, and Topeka (Phase II in FY 1993); and in both phases, the acquisition of various terminals, printers, software, and personal computers and training and programming for the facilities and the parole offices.

1. Concur.

2. As recommended by the Governor in GBA No. 2, increase the expenditure limitation on the Women's Educational Equity Act -- Federal Fund by \$43,033 in FY 1991 and reduce State General Fund expenditures by \$18,531. The Governor's

2. Concur.

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recommendation increases the expenditure limitation on this federal fund from \$24,689 to \$67,722, as additional federal funds have become available.

3. As recommended by the Governor in GBA No. 2, creation of a no-limit special revenue fund entitled "Eisenhower Science and Mathematics Act -- Federal Fund" to allow the Department of Corrections to expend an \$842 federal grant received in FY 1991 through the State Department of Education. The grant funds were awarded to provide for in-service training in the area of mathematics for teachers at the Hutchinson Correctional Facility.

3. Concur.

4. As recommended by the Governor in GBA No. 2, addition of transfer language regarding oil overcharge funds to allow Accounts and Reports to transfer any such funds that may become available in FY 1992 through the federal Department of Energy to the Department of Corrections for the purpose of vehicles. The Governor's recommendation makes provision for the Department of Corrections to expend any such funds, although at this time it is unknown whether the Department will receive any oil overcharge moneys.

4. Concur.

5. Creation of a no-limit special revenue fund entitled "Agency Special Asset Forfeiture Fund" in FY 1992 to allow the Department of Corrections to expend

5. Concur.

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funding, if any, which might become available under asset forfeitures in drug cases.

Sec. 28 -- Kansas Sentencing Commission

1. Addition of language in a new subsection providing that in FY 1992 the Kansas Sentencing Commission shall conduct a study of consolidating the field services of court services officers, community corrections, and parole services, including an analysis of the caseloads of the field service personnel.

Sec. 29 -- Ellsworth Correctional Facility

1. As recommended by the Governor in GBA No. 2, creation of a no-limit special revenue fund entitled "Institutional Library Services Grant Fund" to allow the Ellsworth facility to expend in FY 1991 a \$425 library grant received through the State Library. Of the total, \$80 would be used for interlibrary loan processing fees and \$345 would be used to acquire books for the inmate library.

Sec. 30 -- Lansing Correctional Facility

1. Shift of the \$236,884 (CIBF) previously appropriated by 1991 S.B. 112 for the

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Sec. -- Kansas Sentencing Commission

1. The Senate Committee has not considered this item.

Sec. 27 -- Ellsworth Correctional Facility

1. Concur.

Sec. -- Lansing Correctional Facility

1. The Senate Committee has not considered this item.

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wastewater treatment plant capital improvement project from FY 1992 to FY 1993, as recommended by the Joint Committee on State Building Construction.

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Sec. 31 -- Kansas Bureau of Investigation

1. Add \$59,198 from the State General Fund and 1.0 FTE Criminalist position in FY 1992 due to the passage of S.B. 329, which authorizes the KBI to establish and maintain a statewide automated DNA databank.
2. Create a "no limit" special revenue fund entitled "Agency Special Asset Forfeiture Fund" in FY 1992 in the KBI's budget.
3. Concur with GBA No. 2 which provides for costs associated with the conversion of the ASTRA law enforcement network; however, the House recommends financing the conversion rather than an outright purchase. The House recommends the reappropriation of \$100,000 (SGF) from FY 1991 to FY 1992 to pay the first year costs associated with completing the ASTRA network system conversion. As recommended by the House, the total cost of the project, excluding any financing costs that may be incurred, would be \$257,796.

Sec. 28 -- Kansas Bureau of Investigation

1. Concur.
2. Concur; however, add a proviso that expenditures of \$213,005 from this fund is for matching federal funds for the Narcotics Strike Force.
3. Concur.

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4. The House did not recommend this item.

4. As recommended by GBA No. 2, add \$38,814 from the State General Fund in FY 1992 for communication costs due to the delay of the ASTRA conversion.

Sec. 32 -- Department of Administration

Sec. 29 -- Department of Administration

1. Add \$4,342,293 from the State General Fund in FY 1992 for the central management systems operations of the Department of Administration. The Conference Committee eliminated this item from the appropriation bill (H.B. 2049) pending the Legislature's review of the status of the KFIS (Kansas Financial Information Systems) and viable options for the Department of Administration's central data processing operations.

1. Concur; however, add a proviso for FY 1992 which limits expenditures from this account for the UNISYS processing center to \$1,665,928, except upon approval of the State Finance Council. The State Finance Council may approve expenditures which exceed the \$1,665,928 limitation only after finding that existing UNISYS equipment must be replaced to avoid a failure of the system to process existing applications. Further, no expenditures may be made to upgrade the UNISYS processing center.

2. Change the account title in 1991 H.B. 2114 for FY 1992 from Statehouse and Judicial Center -- Capital Improvements to Special Maintenance, Repairs, and Improvements -- Statehouse, Judicial Center, and Governor's residence.

2. Concur with the change in account title in FY 1992, but the Senate Committee recommends adding the printing plant in addition to the three buildings (Statehouse, Judicial Center, and Governor's residence) included in the House recommendation.

3. Increase the expenditure limitation in FY 1992 on the Property Contingency Fund from \$0 to \$30,707 and include a section in the bill that provides that any reimbursement for expenditures from this fund is to be credited to this fund.

3. Adjust the expenditure limitation in FY 1992 on the property contingency fund from \$0 to "no limit," and concur with the addition of the section which provides a mechanism for reimbursing the fund.

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- 4. Create a "no limit" special revenue fund in FY 1992 entitled "Wichita Office Space Consolidation Study Gift Fund."
- 5. Authorizes the State Finance Council to authorize the issuance of bonds through the Kansas Development Finance Authority for the purchase of the property at 420 S.W. 9th Street in Topeka (Insurance Department Building). The purchase of this property was recommended by the Joint Committee on State Building Construction.

- 4. The Senate Committee did not address this item.
- 5. The Senate Committee did not address this item.

Nonreportable

- 6. Increase the expenditure limitation on the Motor Pool Service Depreciation Reserve Fund in FY 1992 from \$2,652,045 to \$2,835,384. The House intends that the Department purchase five new vehicles for new parole officers in the Department of Corrections from the total amount recommended.
- 7. Increase the expenditure limitation on the Motor Pool Service Fund in FY 1992 from \$2,155,358 to \$2,222,019.
- 8. Insert the DISC funds that were stricken from H.B. 2049 in FY 1992 (Central Mail Services Fund, Information Technology Fund and Information Technology Reserve Fund). Impose a combined expenditure limitation on all three funds of \$34,804,040.

- 6. The Senate Committee did not recommend this item.
- 7. Concur.
- 8. Concur with inserting the DISC funds; however, place a "no limit" expenditure limitation on each of the funds.

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Sec. 33 -- State Treasurer

1. Create a "no limit" special revenue fund in FY 1992 entitled "Rental Motor Vehicle Excise Tax Fund" due to the passage of S.B. 14.

Sec. -- Board of Indigents' Defense Services

1. The House did not address this item.

Sec. -- Judicial Branch

1. The House did not address this item.

Sec. 34 -- State Board of Agriculture

1. Add \$260,551 from the State General Fund, \$4,500 from the Legal Services Co-Pay fund, and \$265,051 from federal mediation funds for the Farmers' Assistance Counseling and Training Services (FACTS) program in FY 1992, pending passage of H.B. 2077, which extends the

Sec. 30 -- State Treasurer

1. Concur.

Sec. 31 -- Board of Indigents' Defense Services

1. Add \$8,811 from the State General Fund in FY 1992 to provide a 2.5 percent salary increase for employees of Legal Services for Prisoners, Inc. (LSP).

Sec. 32 -- Judicial Branch

1. Add \$200,000 from the State General Fund in FY 1992 for a contract with the National Center for State Courts to assess the judicial and nonjudicial needs of the state.

Sec. 33 -- State Board of Agriculture

1. The Senate Committee did not consider this item.

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program from its scheduled sunset date of September 30, 1991 to September 30, 1996.

- 2. Transfer \$27,000 from the Lighting Fixture State General Fund capital improvement account to a new State General Fund capital improvement account entitled Plumbing Replacement in FY 1991. During work on another project, it was discovered that the sewer and water pipes to the Board of Agriculture laboratory were in poor condition. The lighting fixture project was recently completed at a cost of \$27,000 less than originally budgeted.
- 3. Transfer \$3,000 from the State General Fund Other Operating expenditures account to the Ceiling Replacement State General Fund capital improvement account in FY 1991. Originally, \$20,394 was recommended for the project. The Board's most recent estimate for completion of the project is \$23,394.
- 4. Pending passage of S.B. 77, appropriate the Kansas Sheep Commission fund in FY 1992 and transfer \$82,588 from the State General Fund to the Kansas Sheep Commission fund for startup costs. The House recommends that this amount be reimbursed to the State General Fund over a three-year period. In addition, increase the agency's position limitation by 1.0 FTE Administrator for the program.

- 2. Concur.
- 3. Concur.
- 4. Concur with the establishment of the Kansas Sheep Commission Fund, but transfer \$3,000 from the State General Fund for startup costs. The Committee recommends that this amount be reimbursed to the State General Fund as soon as sufficient special revenue receipts to the fund allow. The Committee does not recommend the addition of 1.0 FTE Administrator.

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- 5. As the result of passage of H.B. 2360, change the name of the Seed Dealer Registration fund to the Agricultural Seed Fee fund and appropriate the new fund in FY 1992.
- 6. Pending passage of S.B. 323, appropriate the no-limit Soybean Promotion and Research fee fund for FY 1992.
- 7. Increase the expenditure limitation on the Federal Pesticide Enforcement fund by \$16,000 in FY 1992 to allow the agency to expend additional federal funds recently made available.
- 8. Add \$100,674 and 1.0 FTE position (a Civil Engineer II) from the State Highway Fund in FY 1992 in the Division of Water Resources. The Division has experienced a large increase in requests for reviews of bridge and channel change projects as a result of the State Highway Plan and the House believes that the State Highway Fund is an appropriate source of funding.
- 9. The House did not recommend this item.

- 5. Concur.
- 6. Concur.
- 7. Concur.
- 8. Concur and add \$18,426 for 1.0 additional FTE position (a Keyboard Operator I) for the Division of Water Resources.
- 9. Add \$66,545 and 1.0 FTE position (a Civil Engineer II) from the State Water Plan Fund in FY 1992 for the Division of Water Resources. This would establish a small regional office in Wichita to handle water structure issues in Wichita and the surrounding area.

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Sec. 35 -- Board of Healing Arts

- 1. As a technical adjustment, increase the expenditure limitation of the healing arts fee fund by \$5,892 in FY 1991 to reflect legislative intent.

Sec. 36 -- Insurance Department

- 1. Pending passage of H.B. 2001, add \$39,230 from the State General Fund in FY 1992 and increase the agency's position limitation by 1.0 FTE Policy Examiner position.
- 2. The House did not recommend this item.

Sec. 65 -- Behavioral Sciences Regulatory Board

- 1. As the result of passage of H.B. 2077 (registration of marriage and family therapists), increase the expenditure limitation on the Behavioral Sciences fee fund by \$18,710 in FY 1992.

Sec. 34 -- Board of Healing Arts

- 1. Concur.

Sec. 35 -- Insurance Department

- 1. The Senate Committee did not consider this item.
- 2. Add \$22,347 in FY 1992 from the State General Fund to allow the department to add a second consumer assistance toll-free WATS line, as recommended by GBA No. 2.

Sec. 36 -- Behavioral Sciences Regulatory Board

- 1. Concur.

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Sec. 37 – Attorney General

1. Add the "State Special Asset Forfeiture Fund" to the Attorney General's budget to reflect a name change from the "Kansas Bureau of Investigation and Kansas Highway Patrol Special Asset Forfeiture Fund" (S.B. 151). In addition, set an expenditure limitation of \$260,000 on the Fund and stipulate by proviso that expenditures made from the Fund on behalf of the Kansas Bureau of Investigation (KBI) cannot exceed \$213,005 and that the money has to be used by the KBI to match federal funds for the narcotic strike force.

Sec. 38 – Department of Education

1. Add \$500,000 from the Economic Development Initiatives Fund in FY 1992 for grants to area vocational schools and community colleges for the Kansas Technology Innovation and Internship Program (S.B. 33). In addition, add \$2,000 from the State General Fund in FY 1992 for administrative expenses connected with the program.
2. Add \$1,429,537 from the State General Fund in FY 1991 for special education, for a total of \$126,586,685.

Sec. 37 – Attorney General

1. Add the new fund as recommended by the House but make the fund's expenditure limitation "no limit." In addition, delete the proviso relating to the KBI from the Attorney General's budget and add it to the KBI's budget.

Sec. 38 – Department of Education

1. Concur with the addition of \$500,000 from the Economic Development Initiatives Fund for grants, but delete the \$2,000 from the State General Fund for administrative expenses.
2. Delete \$1,017,722 for special education, for a total of \$125,568,963. The total is an increase over the FY 1991 appropriation of \$411,815.

3-3a

H.B. 2640

House Recommendations

Sub. H.B. 2640

Senate Committee Recommendations

- 3. Add \$259,896 from the State General Fund in FY 1992 for the Fort Leavenworth School District, for a total of \$1,784,850. The addition is the amount necessary to maintain compliance with federal requirements for P.L. 874 funds based on the House's recommendation for general aid to schools.
- 4. Add \$36,054 from the State General Fund in FY 1991 for Washburn University credit hour aid and lapse \$77,076 in FY 1991 in Washburn University out-district state aid, for a net reduction from the State General Fund of \$41,022.
- 5. Add \$15,000 from the State General Fund in FY 1992 for educable deaf-blind and severely handicapped children's programs aid, for a total of \$100,000.
- 6. Add \$30,000 from the State General Fund in FY 1992 for building-based education (H.B. 2107).
- 7. The House did not approve this item because it was not in the version of H.B. 2107 that the House passed.

- 3. Recommend a total of \$1,500,150 for Fort Leavenworth, which is a reduction of \$284,700 from the House's recommendation and a reduction of \$24,804 from the amount currently in S.B. 70. The recommendation conforms the appropriation for Fort Leavenworth to the Senate's recommended level of funding for general aid to schools.
- 4. Concur.
- 5. The Senate Committee did not address this item.
- 6. Concur.
- 7. Add the "At Risk Pupils and Innovative Program Fund" as a special revenue fund in the State Department's budget to which will be credited the \$800,000 transferred from the Kansas Greyhound Breeding Development Fund, as provided for in H.B. 2107.

H.B. 2640
House Recommendations

Sub. H.B. 2640
Senate Committee Recommendations

3-33

Sec. -- State Board of Regents**Sec. 39 -- State Board of Regents**

1. The House did not address this item.

1. Add \$58,000 from the State General Fund in FY 1992 for Kansas' membership in the Midwestern Higher Education Commission.

**Sec. 39 -- Kansas State University --
Salina, College of Technology****Sec. -- Kansas State University --
Salina, College of Technology**

1. Add \$189,050 from the State General Fund for FY 1993 for the lease payment for the aeronautical center and aeronautical laboratory addition. The lease agreement, approved by the Joint Committee on State Building Construction, involves lease payments to the Salina Airport Authority over a 20-year period. The state would have the option to buy the building at the end of each annual lease term.
2. Authorize the College of Technology to use available funds in FY 1991 or FY 1992 to raze five buildings as part of the planned renovation of the campus.
3. Create a new fund in FY 1992, the "New Dormitory Construction Fund" from which expenditures will be made for the construction of a dormitory on the Salina campus. In addition, authorize the Kansas Development Finance Authority to issue revenue bonds to pay part of the cost of constructing and equipping the

1. The Senate did not address this item.
2. The Senate did not address this item.
3. The Senate did not address this item.

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House Recommendations

dormitory. (The bonds will be repaid from student fees.) Further, stipulate that proceeds of the Salina sales tax for constructing and equipping the dormitory, plus any other revenues for the dormitory, will be credited to the fund. Total cost of the dormitory is estimated to be \$1.75 million.

Sec. 40 -- Fort Hays State University

1. **Systemwide Recommendation -- FY 1991 General Fee Shortfall.** Based on a shortfall in general fees receipts in the current year decrease the expenditure limitation on the General Fees Fund by \$63,390 and replace the shortfall with State General Fund support of \$63,390, all in FY 1991. The action concurs with GBA No. 2.
2. **Systemwide Recommendation -- FY 1992 Computer Center Funding Shift.** Add \$31,555 (State General Fund) in FY 1992 or a 4 percent base increase to reflect leaving the funding for the computer center as a service clearing function rather than a direct general use expenditure.
3. **Correct an oversight in the Governor's recommendation in FY 1992.** The action decreases general fee expenditures in FY 1992 by \$203,372 and increases State General Fund support by a like amount,

Sub. H.B. 2640
Senate Committee Recommendations

Sec. 40 -- Fort Hays State University

1. Concur.
2. The Senate Committee did not recommend this item.
3. The Senate Committee did not recommend this item.

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H.B. 2640
House Recommendations

or \$203,372. The action concurs with GBA No. 2.

4. The House Committee did not recommend this item.

Sec. 41 -- Kansas State University

1. **Systemwide Recommendation -- FY 1991 General Fee Shortfall.** Based on a shortfall in general fee receipts in the current year decrease the expenditure limitation on the General Fees Fund by \$199,740 and replace the shortfall with State General Fund support of \$199,740, all in FY 1991. The action concurs with GBA No. 2.
2. **Systemwide Recommendation -- FY 1992 Computer Center Funding Shift.** Add \$104,643 (State General Fund) in FY 1992 or a 4 percent base increase to reflect leaving the computer center as a service clearing function rather than a direct general use expenditure.

Sub. H.B. 2640
Senate Committee Recommendations

4. **Systemwide Recommendation -- Fall 1990 General Fee Release.** Release \$345,840 in general fees in the current year. The additional fees are from higher than anticipated enrollment for the fall, 1990. Since the Governor expended the available general fees, the net result is an additional \$345,840 in State General Fund support. Based on item No. 1 above, the net additional State General Fund support is \$282,450.

Sec. 41 -- Kansas State University

1. Concur.
2. The Senate Committee did not recommend this item.

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House Recommendations

Sub. H.B. 2640

Senate Committee Recommendations

- 3. Delete \$458,379 (State General Fund) in FY 1992 to correct an oversight in the Governor's original recommendation. The action concurs with GBA No. 2.
- 4. Increase the expenditure limitation in FY 1992 on the Parking Fees Fund by \$164,928 to reflect a change in the organizational structure of the parking operations on the campus. The action concurs with GBA No. 2.
- 5. Decrease the parking capital improvement expenditures in FY 1992 from \$1,200,000 to \$600,000 or a reduction of \$600,000. The action reflects the latest estimate from the agency. The adjustment also concurs with GBA No. 2.
- 6. Add two provisos to the Parking Fees Fund in FY 1992. The first proviso allows for parking lot maintenance and improvements of not to exceed \$600,000 from the Parking Fees Fund, all of which would be in addition to any expenditure limitation on the fund. The second provides that debt payments required of the Parking Fees Fund would also be in addition to any expenditure limitation imposed on the fund. The action concurs with GBA No. 2.
- 7. Provide for a no-limit expenditure authority in FY 1991 and FY 1992 on the Fertilizer Research Fund. The fund was created by the 1990 Legislature, but due

- 3. Concur.
- 4. Concur.
- 5. Concur.
- 6. Concur.
- 7. Concur.

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House Recommendations

Sub. H.B. 2640
Senate Committee Recommendations

to an oversight no expenditure authority was granted to the agency.

- 8. The House Committee did not recommend this item.

- 8. **Systemwide Recommendation -- Fall 1990 General Fee Release.** Release \$507,827 in general fees in the current year. The additional fees are from higher than anticipated enrollment for the fall, 1990. Since the Governor expended the available general fees the net result is an additional \$507,827 in State General Fund support in FY 1991. Based on item No. 1 above, the net additional State General Fund support is \$308,087.

Sec. 42 -- Kansas State University
Veterinary Medical Center

Sec. 42 -- Kansas State University
Veterinary Medical Center

- 1. **Systemwide Recommendation -- FY 1991 General Fee Shortfall.** Based on a shortfall in general fee receipts in the current year, decrease the expenditure limitation on the General Fees Fund by \$37,470 and replace the shortfall with State General Fund support of \$37,470, all in FY 1991. The action concurs with GBA No. 2.

- 1. Concur.

Sec. 43 -- Emporia State University

Sec. 43 -- Emporia State University

- 1. **Systemwide Recommendation -- FY 1992 Computer Center Funding Shift.** Add \$29,113 (State General Fund) in FY 1992 or a 4 percent base increase to reflect

- 1. The Senate Committee did not recommend this item.

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House Recommendations

Sub. H.B. 2640
Senate Committee Recommendations

leaving the funding for the computer center as a service clearing function rather than a direct general use expenditure.

- 2. The House Committee did not recommend this item.

- 2. **Systemwide Recommendation – Fall 1990 General Fee Release.** Release \$36,671 in general fees in the current year. The additional fees are from higher than anticipated enrollment for fall, 1990. Since the Governor expended the available general fees the net result is an additional \$36,671 in State General Fund support.

Sec. 44 – Pittsburg State University

Sec. 44 – Pittsburg State University

- 1. **Systemwide Recommendation – FY 1992 Computer Center Funding Shift.** Add \$19,746 (State General Fund) in FY 1992 or a 4 percent base increase to reflect leaving the funding for the computer center as a service clearing function rather than a direct general use expenditure.

- 1. The Senate Committee did not recommend this item.

Sec. 45 – University of Kansas

Sec. 45 – University of Kansas

- 1. **Systemwide Recommendation – FY 1992 Computer Center Funding Shift.** Add \$135,484 (State General Fund) in FY 1992 or a 4 percent base increase to reflect leaving the funding for the computer center as a service clearing function

- 1. The Senate Committee did not recommend this item.

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House Recommendations

Sub. H.B. 2640
Senate Committee Recommendations

rather than a direct general use expenditure.

- 2. Transfer \$30,000 in FY 1991 and \$525,000 in FY 1992 from the Remediation Projects Fund of the Department of Health and Environment to the University of Kansas for predesign investigation and remedial action design activities for the Sunflower Research Landfill near DeSoto, Kansas.
- 3. Correct an oversight in the Governor's recommendation in FY 1992. The action provides an additional \$99,018 (State General Fund) support in the budget year to fully fund the Governor's intent. The additional funds concur with GBA No. 2.
- 4. The House Committee did not recommend this item.

- 2. Concur.
- 3. Concur.
- 4. **Systemwide Recommendation -- Fall 1990 General Fee Release.** Release \$149,500 in general fees in the current year. The additional fees are from higher than anticipated enrollment for fall, 1990. Since the Governor expended the available general fees the net result is an additional \$149,500 in State General Fund support.

**Sec. 46 -- University of Kansas
Medical Center**

**Sec. 46 -- University of Kansas
Medical Center**

- 1. **Systemwide Recommendation -- FY 1992 Computer Center Funding Shift.** Add a total of \$92,448 (\$41,029 from the State
- 1. The Senate Committee did not recommend this item.

H.B. 2640

House Recommendations

General Fund and \$51,419 from the Hospital Revenue Fund) in FY 1992 for a base increase to reflect leaving the funding for the computer center as a service clearing function rather than a direct general use expenditure.

2. Increase operating expenditures support from the Medical Scholarship Repayment Fund in FY 1992 by \$320,000 and offset the demand on the State General Fund by a like amount (\$320,000).
3. The House Committee did not recommend this item.

Sec. 47 -- Wichita State University

1. **Systemwide Recommendation -- FY 1991 General Fee Shortfall.** Based on a shortfall in general fee receipts in the current year, decrease the expenditure limitation on the General Fees Fund by \$84,109 and replace the shortfall with State General Fund support of \$84,109, all in FY 1991. The action concurs with GBA No. 2.
2. **Systemwide Recommendation -- FY 1992 Computer Center Funding Shift.** Add

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Senate Committee Recommendations

2. Increase operating expenditures support from the Medical Scholarship Repayment Fund in FY 1992 by an additional \$122,051 (or a total of \$442,051) and offset the demand on the State General Fund by a like amount (\$442,051).
3. **Systemwide Recommendation -- Hospital Revenue.** The Senate recommends that \$1,163,789 in additional Hospital Revenue Fund receipts in the current year be shifted to offset the demand on the State General Fund.

Sec. 47 -- Wichita State University

1. Concur.
2. The Senate Committee did not recommend this item.

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House Recommendations

Sub. H.B. 2640

Senate Committee Recommendations

\$37,778 (State General Fund) in FY 1992 for a 4 percent base increase to reflect leaving the funding for the computer center as a service clearing function rather than a direct general use expenditure.

Sec. 48 -- Kansas Public Employees Retirement System

1. Add \$1,933,468 in FY 1991 for additional State General Fund support for KPERS school employer contributions.
2. The House Committee did not recommend this item.
3. The House Committee did not recommend this item.

Sec. 48 -- Kansas Public Employees Retirement System

1. Concur.
2. Add \$727,944 (State General Fund) in FY 1992 for KPERS school employer contributions based on 1991 S.B. 26 (public school budget limitations).
3. Delete \$3,334,417 (State General Fund) in FY 1992 for KPERS school employer contributions based on accelerating the FY 1993 employer contribution rate to FY 1992.

Sec. 49 -- Department of Health and Environment

1. Due to a delay in the availability of federal funds for the laboratory improvement program, reduce expenditures from the federal Clinical Laboratory Improvement Fund by \$167,185 in FY 1992 and increase expenditures from the federal

Sec. 49 -- Department of Health and Environment

1. Concur.

H.B. 2640

House Recommendations

Sub. H.B. 2640

Senate Committee Recommendations

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Medicare Fund by \$167,185. The shift was recommended in GBA No. 2.

- | | | | |
|----|---|----|--|
| 2. | Increase the expenditure limitation on the Power Generating Facility Fee Fund by \$19,800 in <u>FY 1992</u> to permit the agency to replace a 16-year old liquid scintillation analyzer. The increase was recommended in GBA No. 2. | 2. | Concur. |
| 3. | Due to a reduction in a federal grant, reduce expenditures from the HIV Clients Home and Community Based Health Services federal fund by \$55,000 in <u>FY 1992</u> . The reduction was recommended in GBA No. 2. | 3. | Concur. |
| 4. | Shift \$50,175 of federal AIDS Education and Risk Reduction funds from aid to local units to state operations in <u>FY 1992</u> and add 1.0 FTE limited term position to provide coordination for home based services for HIV infected clients. The shift was recommended in GBA No. 2. | 4. | Concur with the shift of funds, but add one special project position instead of 1.0 FTE limited term position. |
| 5. | Due to the availability of a new three-year federal grant, establish the federal Office of Rural Health Fund in <u>FY 1992</u> with a \$50,000 expenditure limitation and add one special projects worker to develop models of integrated rural health care delivery systems and technical assistance and community education to assist communities seeking to maintain health care delivery systems. This item was recommended in GBA No. 2. | 5. | Concur. |

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House Recommendations

6. Shift \$30,000 in federal grant funds from the Department of Social and Rehabilitation Services to KDHE in FY 1992, establish the Licensure of Alternative Juvenile Offender Facilities Fund, and add one special project position. The new position would provide licensing services for alternatives designed to implement the state's policy of not holding juveniles in adult jails and lockups. The shift was recommended in GBA No. 2.
7. Delete \$12,110 in expenditures from the State General Fund in FY 1992 due to passage of S.B. 254 which eliminates a requirement that KDHE perform over 16,000 prenatal syphilis serology screening on demand from any private health care provider not certified to perform the test. Reductions include \$8,610 in salaries and \$3,500 in supplies.
8. Add \$250,000 in aid to local units from the State General Fund in FY 1992 due to passage of H.B. 2019 which establishes three pilot programs to provide outpatient nonemergency primary care medical services to medically indigent persons and Medicaid and MediKan clients. A proviso is attached to the line item appropriation limiting state expenditures to the expansion of primary health care services rather than as a way to supplant expenditures made by local units of government, requiring KDHE to establish a formula for a local expenditure match, and making

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Senate Committee Recommendations

6. Concur.
7. Concur.
8. Add \$250,000 in aid to local units from the State General Fund in FY 1992 to permit the establishment of three pilot projects for nine months. A proviso is attached to the line item appropriation requiring a local hard or soft match appropriation. An additional \$250,000 in expenditures would be recoverable through Medicaid and Medicare billings for a total of approximately \$750,000 available for the three pilot projects in FY 1992.

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House Recommendations

clear that all three projects do not necessarily have to be established in FY 1992.

- 9. Establish the Environmental Permit Fund with a \$0 expenditure limitation in FY 1992. This item is associated with H.B. 2021 (in Conference) which requires KDHE to develop a schedule of fees to construct, modify or operate a hazardous waste facility. Receipts to the fund are expected to be insignificant in FY 1992.
- 10. Add \$106,667 from the State General Fund and 2.0 FTE new positions in FY 1992 associated with H.B. 2104 (in Conference) which creates a five-member Speech-Language Pathology and Audiology Board. The bill establishes fees (credited to the State General Fund) which are expected to exceed program costs in FY 1992 and thereafter. Recommended expenditures include \$65,541 for the salaries of a Health Planner Project Reviewer and an Office Specialist.
- 11. Place a proviso on the Contamination Remediation account of the Water Plan Special Revenue Fund in FY 1992 to permit the agency to spend unexpended balances from the account.
- 12. Add \$228,963 from the State General Fund in FY 1992 to increase expenditures for the Healthy Start/Home Visitor program to \$893,588 (including \$657,829 from the State General Fund). In the KDHE

Sub. H.B. 2640

Senate Committee Recommendations

- 9. Concur.
- 10. Concur.
- 11. Concur.
- 12. The Senate Committee did not consider this item.

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H.B. 2640
House Recommendations

Sub. H.B. 2640
Senate Committee Recommendations

FY 1992 appropriation bill (H.B. 2045), the increase was recommended by the Senate, was recommended by the House Committee, but was inadvertently deleted from the bill by staff before the bill was approved by the House Committee of the Whole. The Conference Committee agreed to delete the \$228,963 added by the Senate. The House Committee again recommends the amount be added for FY 1992.

13. The House did not address this item.

13. Add 3.0 FTE limited term positions to staff the Child Care Licensure program. KDHE will receive federal Child Care Block Grant funding of \$604,932 in FY 1992, including \$104,932 for salaries and administrative costs for the program. The KDHE FY 1992 appropriation bill (H.B. 2045) includes the funding for three positions, but not the FTE.

14. The House recommended no new expenditures associated with Sub. H.B. 2407 (in Conference), which amends the Waste Tire Management Program.

14. Add \$82,658 and 3.0 FTE positions from the Waste Tire Management Fund in FY 1992 in addition to the existing appropriation of \$45,131, and delete one existing special project position. Total program costs of \$127,789 would provide for the salaries and OOE of one Health and Environment Analyst, one Environmental Engineer, and one Environmental Technician to administer the statewide local grant program and the permit program for waste tire processing facilities.

H.B. 2640
House Recommendations

Sub. H.B. 2640
Senate Committee Recommendations

Secs. 50 & 51 -- Department of Transportation

1. Establish the Rail Service Improvement Program Loan Fund and the Rail Service Improvement Program Guarantee Loan Fund with "no limit" expenditure limitations in FY 1992, both associated with Senate Substitute for H.B. 2348 (in Conference).
2. Add \$125,000 from federal funds for handicapped accessibility of public transportation in FY 1992 due to the recent passage of the federal Americans with Disabilities Act. The addition was recommended in GBA No. 2.
3. Based on a review of salary expenditures-to-date, add \$800,000 from the State Highway Fund in FY 1991 to reduce the salary shrinkage rate from 4.7 percent to 3.7 percent for the current fiscal year. This item was recommended in GBA No. 2.
4. Collapse five line items in the existing KDOT appropriation bill (H.B. 2046) into two line items in FY 1992 (salaries and wages, and other operating expenditures) to provide the flexibility necessary to manage the agencywide shrinkage rate of 4.5 percent. This item was recommended in GBA No. 2.

Secs. 50 & 51 -- Department of Transportation

1. Establish the Rail Service Assistance Program Guarantee Loan Fund with a no-limit expenditure limitation in FY 1992. Add \$3,600 in FY 1992 for travel costs associated with the nine-member Rail Service Assistance Program Advisory Committee established by the Senate version of H.B. 2348 (in Conference).
2. Concur.
3. Concur.
4. Concur.

3-46

H.B. 2640

House Recommendations

5. Establish the Highway Bond Debt Service Fund in FY 1991 and FY 1992 and the Highway Bond Proceeds Fund in FY 1992. Both funds were created in 1989 H.B. 2014 (the Comprehensive Highway Plan) but have yet to be incorporated within the KDOT appropriations. This item was recommended in GBA No. 2.

Sec. 52 -- State Corporation Commission

1. Add \$114,000 from the Public Service Regulation Fund for Geographic Information System (GIS) expenditures in FY 1992. The amount was deleted by the House Committee until a hearing could be held on GIS expenditures. Although the Committee held a hearing and recommended the restoration of the funds, the KCC appropriation bill had already advanced to the Senate and the funds were not restored.
2. Add \$100,000 from the Public Service Regulation Fund in FY 1992 which, in addition to an existing \$90,000 contingency, will provide contracted consulting services associated with three unexpected utility rate cases. GBA No. 2 recommended the addition of \$190,000 (in addition to the existing \$90,000 contingency).
3. Delete \$41,890 from oil overcharge expenditures in FY 1992 which were

Sub. H.B. 2640

Senate Committee Recommendations

5. Concur.

Sec. 52 -- State Corporation Commission

1. Concur.
2. Add \$190,000 in FY 1992 as recommended in GBA No. 2 for contractual consulting services in addition to an existing \$90,000 contingency for such services.
3. Concur.

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House Recommendations

double-expended with the Department of Commerce. This item was recommended in GBA No. 2.

4. Add \$75,000 from oil overcharge funds in FY 1992 for the weatherization of homes through the Mennonite Housing Rehabilitation Services, Inc. Similar expenditures were made in recent fiscal years to weatherize 416 low-income homes in Butler, Harvey, Marion, Reno, Sedgwick, and Sumner counties.

Sec. 53 -- Kansas Highway Patrol

1. Reduce expenditures by \$333,810 (from \$857,824 to \$524,014) from the Vehicle Identification Number (VIN) program in FY 1992 and delete 4.0 FTE inspector positions in concurrence with GBA No. 2. The recommendation includes the deletion of a VIN form scanner (\$182,442) and 4.0 of 24.0 FTE positions (\$151,368) added by the 1991 Legislature in the Patrol's appropriation bill for FY 1992 (H.B. 2048). It was discovered that it would be more cost effective to continue to contract VIN inspections with private designees or local law enforcement agencies in seven counties (Finney, Ellis, Rush, Barton, Stafford, Jackson, and Lyon) than to hire four additional state employees to assume VIN inspection responsibilities in those counties.

Sub. H.B. 2640

Senate Committee Recommendations

4. Concur.

Sec. 53 -- Kansas Highway Patrol

1. No change is recommended to VIN program expenditures approved in H.B. 2048, the Highway Patrol appropriation bill for FY 1992. The Senate Committee recommends VIN program expenditures of \$857,824 and 24.0 FTE positions.

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House Recommendations

2. Create a no-limit special revenue fund entitled "Agency Special Asset Forfeiture Fund" in FY 1992 to allow the Kansas Highway Patrol to expend funding, if any, which might become available under asset forfeitures in drug cases.
3. The House did not address this item.

Sub. H.B. 2640
Senate Committee Recommendations

2. Concur.
3. Add \$102,630 from the Motor Carrier Inspection Fund in FY 1992 to add 5.0 FTE Communication Operators to the Highway Patrol. The Patrol currently employs 55 Communication Operators in seven troop headquarters locations. The Patrol has experienced an increased workload in recent years with the addition of 123 Motor Carrier Inspectors across Kansas, and the addition of a midnight shift for troopers in the Kansas City, Topeka, and Wichita troops without a corresponding increase in the number of communication operators. The recommendation includes \$96,910 for salaries and \$5,720 for OOE.

Sec. 54 -- Emergency Medical Services Board

1. Add \$7,500 from the State General Fund in FY 1992 for travel and costs to administer additional examinations associated with S.B. 271 (in Conference). The bill permits physicians and nurses to become instructor-coordinators without taking an examination by paying an application fee set by the Board. The agency estimates

Sec. 54 -- Emergency Medical Services Board

1. The Senate Committee does not recommend new expenditures associated with S.B. 271 (in Conference).

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House Recommendations

that approximately 50 additional instructor-coordinators would be conducting additional examinations in Kansas.

Sub. H.B. 2640
Senate Committee Recommendations

Secs. 56, 58 – School for the Visually Handicapped

1. Add \$20,000 from the State General Fund in FY 1992 for a handicapped accessible van. Funding from oil overcharge funds for this item was vetoed by the Governor.
2. Add \$70,000 from the State General Fund for Accessible Arts, Inc., in FY 1992. Funding of \$73,300 from the EDIF was vetoed by the Governor.

Secs. – School for the Visually Handicapped

1. The Senate Committee did not address this item.
1. The Senate Committee did not address this item.

Sec. 57 – School for the Deaf

1. Add \$30,000 from the State General Fund in FY 1992 for a counselor position.

Sec. – School for the Deaf

1. The Senate Committee did not address this item.

Sec. 60 – Animal Health Department

1. Add \$50,000 from the EDIF for the Companion Animal Program.

Sec. – Animal Health Department

1. The Senate Committee did not consider this item.

Sec. 61 – Out-of-State Travel

1. Expenditures by each state agency for out-of-state travel in FY 1992 shall not

Sec. – Out-of-State Travel

1. The Senate Committee did not address this item.

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H.B. 2640
House Recommendations

exceed 50 percent of the amount so expended in FY 1991.

Sec. 66 -- Prohibiting Certain Actions of the LCC and Finance Council

1. The LCC and State Finance Council are prohibited from providing or authorizing expenditures for any project, item, or other matter which was proposed to and rejected by the 1991 Legislature or either House thereof.

Sub. H.B. 2640
Senate Committee Recommendations

Sec. -- Prohibiting Certain Actions of the LCC and Finance Council

1. The Senate Committee did not address this item.

1991 OMNIBUS APPROPRIATIONS BILL

House Bill No. 2640

As Approved by the House Committee

The Omnibus Appropriations Bill decreases FY 1991 operating expenditures by \$1,230,794 from all funds. State General Fund expenditures increase by \$2,895,001, and other funds decrease by \$4,125,795. Capital improvements totaling \$3,000 for FY 1991 are included in the bill, all of which is from the State General Fund.

FY 1992 operating expenditures totaling \$18,808,054 are approved by the Omnibus Bill, of which \$4,817,537 is from the State General Fund. Capital improvement reductions totaling \$491,444 from special revenue funds for FY 1992 are included in the bill.

As Approved by the House

The Omnibus Appropriations Bill decreases FY 1991 operating expenditures by \$1,230,794 from all funds. State General Fund expenditures increase by \$2,995,001 and all other funds decrease by \$4,225,795. Capital improvements totaling \$3,000 for FY 1991 are included in the bill, all of which is from the State General Fund.

FY 1992 operating expenditures totaling \$19,185,942 are approved by the Omnibus Bill, of which \$3,740,837 is from the State General Fund. Capital improvement reductions totaling \$366,444 from special revenue funds are included in the bill.

As Approved by the Senate Committee

The Omnibus Appropriations Bill decreases FY 1991 operating expenditures by \$1,670,177 from all funds. State General Fund expenditures increase by \$1,227,068 and all other funds decrease by \$2,897,245. Capital improvements totaling \$3,000 for FY 1991 are included in the bill, all of which is from the State General Fund.

FY 1992 operating expenditures totaling \$11,902,527 are approved by the Omnibus Bill, including a reduction of \$785,184 from the State General Fund. The Omnibus Bill reduces FY 1992 capital improvements by \$491,444 from special revenue funds.



STATE OF KANSAS

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

915 S.W. Harrison, Docking State Office Building, Topeka, Kansas 66612-1570

JOAN FINNEY, Governor

April 19, 1991

The Honorable August "Gus" Bogina
The State Senate
State House, Room 120-S
Topeka, Kansas 66612

Re: Hospital Reimbursement

Dear Senator Bogina:

Earlier information provided by the Department projected a savings in hospital expenditures of \$7,400,000 (\$3,050,000 SGF). This assumed reimbursement at 91% of their FY 1992 estimated costs.

Further review of the data has revealed that a dollar reduction at this level will result in reimbursement of 86% of their FY 1992 estimated costs. This was a data calculation error, which we regret, but we are dealing with a very complicated reimbursement system which does not lend itself to easy analysis of the outcome.

We have shared this information with the Kansas Hospital Association.

We have considered the question: What level of reimbursement will meet the test of findings which are reasonable and adequate? While there are no sure answers, we believe that a level of 89% of estimated cost for all claims will meet the test. If all claims are reimbursed at this level during FY 1992, then 95% of the claims submitted will be reimbursed at 96% of cost or higher. We believe this is a reasonable outcome.

The funds needed above the conference committee adjustments to meet this level of reimbursement are \$3,650,000 (\$1,505,000 SGF).

In view of the obvious complexities of the hospital reimbursement system we believe it necessary to solicit a contract with a consulting or accounting firm to assist us with future data analysis and rate setting. We intend to immediately work toward such a contract.

Sincerely,

Robert C. Harder
Acting Secretary

RCH/pc

cc: Laura Howard
Sherri Holliday

SWAM
April 23, 1991
Attachment 4

COMMITTEE REPORT

April 9, 1991

TO: House Appropriations Committee; Legislative Leadership
FROM: House Committee on Computers, Communications,
and Technology (CCT)
RE: Legislative Computerization

> INTRODUCTION

Funding of \$917,908 was deleted from the Legislature's FY 1992 budget recommended by the Governor for computerizing the Legislature. Financing of the computerization project was deferred until the CCT Committee had an opportunity to review the proposed plan and the funding requested by the LCC.

> RECOMMENDATION

The CCT Committee makes recommendations for FY 1992 and FY 1993 for acquiring legislative computers which are summarized in Table 1. **These recommendations would provide computers and access to laser printers for all legislative secretaries either in FY 1992 or FY 1993.** The CCT Committee recommends:

1. Appropriate \$153,562 in FY 1992 to purchase 36 Apple Macintosh LC desktop computers, 36 laser printers, and other related hardware and software. (The Committee anticipates that each of the legislative leadership offices will assign nine systems in FY 1992, with the offices being the Speaker, the House Minority leader, the President, and the Senate Minority leader.)
2. Appropriate \$218,281 in FY 1993 (or a lesser amount if prices continue to decline) to purchase an additional 64 Apple Macintosh LC desktop computers, 16 laser printers, seven file servers, and other related hardware and software.
3. Eliminate the typing pool in Legislative Administrative Services once all secretaries are computerized. Cost savings in FY 1993 would range between \$35,000 and \$40,000 per year.
4. Review (by the LCC) of the need for an Information Resource Manager as opposed to contracting with outside vendors for maintenance and consultant services.

SWAM
April 22, 1991
Attachment 5

TABLE 1
REV. EST. COST OF COMPUTERIZING THE LEGISLATURE

	<u>FY 1991</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>Total</u>
Original LCC Request 11/90	\$206,569	\$711,339	--	\$917,908
Apple Computers/Printers	25/13	109/109	--	134/122
Rev. Config. Est. 4/4/91	\$99,843	\$153,562	\$218,281	\$471,686
Apple CPUs/Other Printers	22/10	36/36	64/16	122/62
Difference in Cost Estimates	(\$106,726)	(\$557,777)	\$218,281	(\$446,222)
House Leadership/Secretaries	\$56,931	\$66,881	\$100,444	\$224,255
Senate Leadership/Secretaries	29,932	66,881	59,511	156,324
Joint Hardware/Other Costs	<u>12,980</u>	<u>19,800</u>	<u>58,327</u>	<u>91,107</u>
Totals	\$99,843	\$153,562	\$218,281	\$471,686

For FY 1991, the legislative leadership and several other offices acquired computer technologies they needed, at an estimated cost of \$99,843. Since those purchases were made out of budgeted funds, the Committee does not recommend any additional financing for this phase of computerizing the Legislature.

The last phase of computerization would involve individual legislators, and the Committee has not dealt with that phase nor does it make any recommendation at this time.

> COMMITTEE CONSIDERATION

Needs Assessment

The Committee reviewed the various needs and identified the following areas as important for computerizing the Legislature:

- | | |
|-------------------------|-----------------|
| 1. Word Processing | 5. Bill Text |
| 2. Calendar and Agenda | 6. E-mail |
| 3. Constituent Database | 7. Spreadsheets |
| 4. Bill Status | |

Alternatives Considered

The following options were identified by the Committee as alternatives for computerizing the Legislature:

1. Buy memory typewriters for all secretaries.
2. Buy MS-DOS or Apple desktop computers and laser printers for all secretaries.
3. Use two existing and buy two additional System 36 minicomputers to use as servers for all secretaries.
4. Upgrade the DEC VAX minicomputer to use as server for all secretaries.
5. Connect terminals to the DISC mainframe computer to provide all secretaries with word processing and other applications on that computer.

Other Considerations

The Committee did not have time to explore two other possible alternatives, but would suggest that the LCC could look at each option.

First, the Secretary of Corrections has proposed subleasing the legislative computers used by secretaries for six months when the Legislature is not in session. The Secretary proposes to use them for an inmate training program. The CCT Committee believes that this type of proposal, while offering a good use of legislative computers when not needed by its secretaries who work during the session, should be addressed by the LCC since it has significant policy implications.

Second, the Secretary of Corrections has proposed that Correctional Industries make furniture to accommodate the legislative computers. Once again, the CCT Committee believes that this type of proposal should be reviewed by the LCC since such purchases would not be from the private sector. Furthermore, the LCC did not authorize funding for furniture to accommodate legislative computers and should examine this need which the CCT Committee identified.

> BACKGROUND

Andersen Consulting was engaged by Legislative Administrative Services under the sponsorship of the Legislative Coordinating Council (LCC) to identify information and automation needs and their associated systems implications and develop a strategy for computerizing the Legislature. The following sections are extracted from the Andersen Consulting report, **Kansas Legislature Computerization Study**, August 1990.

CURRENT SYSTEMS

The current systems of the Legislature could be described as "islands of automation." Several of the legislative support groups have successfully automated portions of their areas. The groups have implemented this automation independently and without a coordinated Legislature-wide plan.

INFORMATION AND AUTOMATIC NEEDS

Basic Information and Automation Need: Communications

Currently, legislators communicate with each other and with staff face-to-face, by telephone and through typewritten memos. The current communications process is hampered by telephone tag, reliance on typists to create memos and the delays inherent in distributing paper-based information.

Basic Information and Automation Need: Information Access

Access to information produced within and external to the Legislature will be increasingly important. Most information in the Legislature is only available in paper format, requiring physical distribution and storage. Time spent waiting for paper-based publishing and manual distribution is time spent without required information. With an electronic medium for distributing and sharing available information, information access would be faster, and

access to more information would be possible. An example of information needing expanded access in the Legislature is bill status.

Basic Information and Automation Need: Productivity

Legislators and staff need to accomplish a large amount of work in a short time frame. Letters are currently produced using typewriters. More productive ways are needed for creating letters and memos, communicating with other legislators and staff, and accessing required information.

Future Information and Automation Needs

Once the basic needs are met, other information and automation needs of the Legislature can be addressed. The underlying data required to provide this information is available in the Legislature. A systematic method to access the data across the entire Legislature in a straightforward manner is not currently available.

According to a September 1989 survey of Kansas legislators, increased legislative computerization is needed. Only 23% of the legislators responding indicated that all of their information needs are currently being met. Of the responding legislators, 68% said that they would like to have a State-owned computer or a connection point for their own computer if a legislative network were installed.

The overall goal of this project was to develop a viable, flexible, long-term automation strategy for the Legislature given Kansas' current needs and automation status, existing technology, technology trends, automation trends in state legislatures and existing constraints.

Specific objectives include developing a strategy which:

- . Delivers improved information accessibility and sharing.
- . Improves operational productivity. Leverages the Legislature's current investment in technology.
- . Allows for future demands and new technologies.
- . Is focused on cost-effectively providing business solutions rather than providing a specific type or brand of technology.
- . Is phased to accommodate budget constraints.
- . Minimizes the Legislature's financial, schedule and technological risks.
- . Positions the Legislature to meet its evolving information and automation needs.

BENEFITS

Legislatures around the country are increasing their levels of computerization to help manage the increasing volume and complexity of information needed to make decisions. Individual PCs are being integrated via local area networks to enable legislators and legislative staff to communicate and share information. Computer networks are also used to tie together different vendors' equipment to further enhance information availability.

The other benefits of introducing increased computerization in the Legislature fall into these categories:

- * Improved communications
- * Improved access to information
- * Increased productivity
- * More informed decision making

IMPROVED COMMUNICATIONS

Electronic Mail

Electronic mail is a method of routing memos, short messages and other documents from one computer to one or more other computers. This method of communication would provide several benefits:

Memos and other messages could be exchanged and reviewed without printing. Therefore, paper costs would be reduced.

** Electronic mail memos could be stored on the computer, which would reduce physical file space requirements.*

** Previously stored documents could be attached to electronic mail messages and distributed.*

** Electronic mail systems have effective security. Electronic mail messages could be accessed only by the person to whom the message is addressed. User ID and password codes would be required to access a person's electronic mail.*

** Distribution lists could be developed for any electronic mail message. This feature would be ideal for communications within a committee, party or the entire Legislature.*

** Electronic mail would be distributed instantaneously. The addressee would be notified as soon as mail has arrived.*

** An audit trail of communication can be maintained if desired.*

In summary, electronic mail would allow the Legislature to more efficiently manage the exchange of memos, messages and other documents such as committee minutes, meeting location changes and appointment reminders.

FAX Machines

The Legislature already utilizes FAX machines. An increase in the number of newer generation FAX machines around the capitol would allow increased use of FAX technology, upgrade the readability of documents received by FAX and reduce the walking distance to and from FAX locations in the capitol building. Network-compatible FAX machines would allow users to send and receive FAX documents through a network computer.

IMPROVED ACCESS TO INFORMATION

The automation strategy described in this report would allow authorized legislative personnel to access bill status and other DISC mainframe-based information from any workstation. In addition, the strategy would support the addition of future applications that would allow legislators to access information provided by legislative support functions such as committee minutes and Senate and House calendars and Journals.

INCREASED PRODUCTIVITY

Improved communications and electronic access to information would increase productivity in the Legislature. In addition, desktop computers with word processing and other software would provide productivity improvements throughout the Legislature, especially for personnel currently using typewriters.

The benefits of automated word processing are most significant for repetitive tasks such as filling out forms, typing form letters and corresponding with constituents. Document formatting, merging, spell checking and other features would increase responsiveness and flexibility while saving time.

MORE INFORMED DECISION MAKING

Faster access to an increasing amount of data and the synthesis of information from that data would help legislators and staff make more informed decisions. Computer-based access to and management of facts, statistics and reports would allow legislators and staff to review needed information any hour of the day, whenever they have access to a computer. An integrated automation strategy would provide the opportunity to electronically send and receive communications and documents with other state legislatures and the federal government in the future. Exposure to computer systems could help legislators increase their understanding of and insight into technology-related issues.

Presidential Preference Primary Estimate Report

County	Labor	Ballots & Election Supplies	Transportation of Election Equipment	Voting Place Rental	Legal Publications	Non-itemized Expenses	County Total
Allen	6,213.70	6,252.89	490.00	275.00	350.00		13,581.59
Anderson	6,000.00	300.00		400.00	150.00	50.00	6,900.00
Atchison	6,666.23	12,017.20	540.00	270.00	765.75	202.00	20,461.18
Barber	5,010.00	4,650.00		800.00	45.00	500.00	11,005.00
Barton	8,850.00	14,150.00		1,325.00	500.00	605.00	25,430.00
Bourbon	8,800.00	2,500.00		1,000.00	250.00	100.00	12,650.00
Brown	7,830.00	4,000.00	330.00	400.00	100.00	100.00	12,760.00
Butler	10,500.00	11,000.00	600.00	500.00	300.00		22,900.00
Chase	1,800.00	1,600.00		150.00	200.00		3,750.00
Chautauqua	3,500.00	1,500.00	50.00	300.00	120.00	200.00	5,670.00
Cherokee	10,341.35	12,912.29		853.20	966.71	500.00	25,573.55
Cheyenne	1,512.63	630.00	75.00	70.00	45.00	47.00	2,379.63
Clark	1,500.00	1,000.00	100.00	150.00	125.00	100.00	2,975.00
Clay	6,098.44	3,801.83	260.70	105.00	237.90	340.00	10,843.87
Cloud	6,560.00	6,025.00	175.00	340.00	560.00	505.00	14,165.00
Coffey	6,753.10	2,355.44	154.08	205.00	723.75		10,191.37
Comanche	1,339.25	2,016.86		30.00	556.51	57.38	4,000.00
Cowley	10,828.54	20,444.35	578.33	1,437.70	1,122.76	364.85	34,776.53
Crawford	19,500.00	25,000.00	1,200.00	1,800.00	2,500.00	300.00	50,300.00
Decatur	2,550.00	980.00		225.00	300.00	75.00	4,130.00
Dickinson	8,056.80	10,267.28		425.00	948.53		19,697.61
Doniphan	4,509.90	3,743.35		270.00	26.42		8,549.67
Douglas	15,033.52	28,314.68		1,085.00	2,550.18	1,376.45	48,359.83
Edwards	2,700.00	950.00	50.00		250.00	200.00	4,150.00
Elk	3,000.00	1,000.00			200.00		4,200.00
Ellis	10,500.00	7,000.00		1,100.00	150.00	200.00	18,950.00
Ellsworth	6,200.00	4,000.00	400.00	100.00	240.00	100.00	11,040.00
Finney	6,000.00	6,000.00			200.00		12,200.00
Ford	4,675.00	935.00	30.00		135.00		5,775.00
Franklin	5,364.04	12,357.65		390.00	520.00		18,631.69
Geary	4,750.00	7,204.46	917.29	350.00	167.55		13,389.30
Gove	2,546.00	1,300.00		100.00	150.00	100.00	4,196.00
Graham	3,367.77	2,706.69		75.00	519.05	79.35	6,747.86
Grant	4,112.69	3,083.48			437.53	232.50	7,866.20
Greene	1,900.00	1,600.00			200.00		3,700.00
LeFlore	825.00	500.00			200.00	50.00	1,575.00

SWAM
 April 22, 1991
 Attachment 6

County	Labor	Ballots & Election Supplies	Transportation of Election Equipment	Voting Place Rental	Legal Publications	Non-itemized Expenses	County Total
Good	10,736.66	6,724.02		210.00	474.44	609.60	18,754.72
Hamilton	3,300.00	2,100.00		20.00	200.00	200.00	5,820.00
Harper	3,000.00	2,650.00			450.00	150.00	6,250.00
Harvey	3,525.00	4,500.00		475.00	200.00	150.00	8,850.00
Haskell	1,863.50	2,295.18			666.65		4,825.33
Hodgeman	1,862.00	1,454.31	270.52	150.00	135.00	100.00	3,971.83
Jackson	2,270.00	3,204.70	121.00	420.00	100.00	225.00	6,340.70
Jefferson	3,025.00	2,300.00	300.00	325.00	600.00		6,550.00
Jewell	2,800.00	2,350.00	125.00	200.00	100.00	800.00	6,375.00
Johnson	86,200.00	16,000.00	18,300.00	2,000.00	2,400.00	9,500.00	134,400.00
Kearny	3,500.00	2,500.00		190.00	250.00	150.00	6,590.00
Kingman	6,792.05	6,160.78		589.00	765.00		14,306.83
Kiowa	1,938.00	2,000.00			1,000.00	13.00	4,951.00
Labette	7,662.60	16,309.36	466.00	1,155.00	1,623.19	684.70	27,900.85
Lane	1,320.00	750.00			75.00	50.00	2,195.00
Leavenworth	11,386.00	12,764.25		450.00	300.00	2,930.00	27,830.25
Lincoln	3,056.00	1,716.00	148.20	280.00	225.00	100.00	5,525.20
Linn	5,074.00	3,700.00		400.00	80.00	500.00	9,754.00
Logan	3,810.01	2,476.78	308.50	100.00	150.00	200.00	7,045.29
Lyon	9,167.83	14,654.99	1,712.91	110.00	814.57	330.26	26,790.56
Marion	7,400.00	7,700.00		700.00	175.00	180.00	16,155.00
Marshall	8,670.00	4,200.00	225.00	1,350.00	135.00		14,580.00
McPherson	13,085.00	9,215.00	245.00	685.00	650.00	620.00	24,500.00
Meade	550.00	1,000.00	50.00		60.00	100.00	1,760.00
Miami	11,129.00	10,188.00	277.00	521.00	2,832.00		24,947.00
Mitchell	4,803.59	4,028.55		180.00	974.19	172.80	10,159.13
Montgomery	13,825.00	18,600.00	370.00	155.00	126.00		33,076.00
Morris	4,000.00	2,000.00		400.00	250.00		6,650.00
Morton	2,650.00	2,200.00			600.00	200.00	5,650.00
Nemaha	6,000.00	11,117.00		1,030.00	1,500.00	50.00	19,697.00
Neosho	7,965.00	2,380.00	656.00	750.00	255.00	225.00	12,231.00
Ness	3,201.00	1,700.00	150.00		100.00	100.00	5,251.00
Norton	3,570.00	2,724.00		135.00	30.00	160.00	6,619.00
Osage	7,200.00	3,500.00		200.00	250.00		11,150.00
Osborne	3,000.00	1,500.00	500.00	200.00	500.00	300.00	6,000.00
Ottawa	5,000.00	4,500.00	50.00	100.00	125.00		9,775.00
3	4,300.00	3,000.00			120.00	150.00	7,570.00
3	3,758.59	3,687.83	142.00	151.00	60.00	216.34	8,015.76

6-2

County	Labor	Ballots & Election Supplies	Transportation of Election Equipment	Voting Place Rental	Legal Publications	Non-itemized Expenses	County Total
Adair	7,000.00	12,000.00	850.00	1,500.00	150.00	3,500.00	25,000.00
Pratt	4,000.00	4,000.00		100.00	200.00	500.00	8,800.00
Rawlins	2,600.00	2,000.00		50.00	100.00		4,750.00
Reno	19,956.00	15,827.00	272.00	1,935.00	500.00	125.00	38,615.00
Republic	5,000.00	1,500.00	150.00	900.00	150.00	300.00	8,000.00
Rice	3,610.00	3,820.00		115.00	279.00		7,824.00
Riley	13,100.00	12,963.00	625.00	1,090.00	2,000.00	250.00	30,028.00
Rooks	3,705.00	1,600.00			900.00		6,205.00
Rush	8,400.00	7,000.00	300.00	150.00	400.00		16,250.00
Russell	6,976.27	3,500.00	94.08	135.00	100.00		10,805.35
Saline	8,731.51	4,464.80	914.29	426.67	198.10	502.86	15,238.23
Scott	1,650.00	1,500.00		30.00	150.00	200.00	3,530.00
Sedgwick	89,075.00	34,180.00	20,240.00	9,660.00	2,500.00	1,500.00	157,155.00
Seward	4,550.66	8,428.99		240.00	156.10		13,375.75
Shawnee	67,076.00	11,420.00	18,000.00	5,400.00	2,200.00	1,900.00	105,996.00
Sheridan	2,760.00	2,338.00		120.00	45.00		5,263.00
Sherman	2,800.00	1,200.00		100.00	200.00	700.00	5,000.00
Smith	5,800.00	1,500.00		200.00	200.00		7,700.00
Stafford	4,700.00	3,500.00		400.00	150.00	300.00	9,050.00
Stanton	950.00	2,350.00			600.00		3,900.00
Stevens	3,500.00	1,500.00	70.00	180.00	250.00		5,500.00
Sumner	14,000.00	20,000.00		1,500.00	1,300.00	500.00	37,300.00
Thomas	5,235.00	2,485.00		75.00	200.00	100.00	8,095.00
Trego	1,489.00	762.00	150.00	140.00	80.00	75.00	2,696.00
Wabaunsee	2,550.00	4,100.00		700.00	275.00		7,625.00
Wallace	1,629.39	1,785.90			348.61		3,763.90
Washington	5,460.00	2,500.00		340.00	100.00		8,400.00
Wichita	1,280.00	3,450.00	95.00	50.00	400.00	50.00	5,325.00
Wilson	4,000.00	2,500.00		300.00	100.00	100.00	7,000.00
Woodson	2,800.00	3,200.00	50.00	100.00	250.00		6,400.00
Wyandotte	35,000.00	32,600.00	14,946.00	9,240.00	1,450.00	6,415.00	99,651.00
Expense Totals	837,473.62	633,923.89	87,123.90	63,338.57	52,095.49	42,569.09	
Grand Total							1,716,524.56

6-3

1992 FISCAL IMPACT

H.B. 2454 as Amended by the Senate

REVENUE FROM FEES FOR:

Lobbyists:

Minor Lobbyists (\$1,000 in exp./year and less) 830 x \$15	\$ 12,450
Major Lobbyists (\$1,000 in exp./year and up) 139 x \$100	13,900
Subtotal	<u>\$ 26,350</u>

Political Action Committees (PACs):

Minor PACs (\$2,500 in receipts/year and less) 220 x \$10	\$ 2,200
Major PACs (\$2,500 in receipts/year and more) 30 x \$15	450
Subtotal	<u>\$ 2,650</u>

Candidates for:

Statewide Offices (0 x \$200)	\$ 0
State Senate (120 x \$20)	2,400
State Board of Education (8 x \$20)	160
District Attorney (10 x \$20)	200
Board of Public Utilities (0 x \$20)	0
County Offices (2,102 x \$20)	42,040
House of Representatives (360 x \$20)	7,200
Judgeship (nonretention) (50 x \$10)	500
City of the First Class Offices (0 x \$10)	0
Subtotal	<u>\$ 52,500</u>

Sale of Commission Publications	<u>1,000</u>
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GRAND TOTAL REVENUES	<u><u>\$ 82,500</u></u>
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ADDITIONAL EXPENDITURES:

Printing Costs for Lobbyists' Report Forms	<u>\$ 300</u>
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COST SAVINGS:

Printing Cost for Materials for Distribution to PACS	\$ (760)
Postage Cost for Materials for Distribution to PACS	(440)
TOTAL	<u><u>\$ (1,200)</u></u>

GRAND TOTAL EXPENDITURES PLUS SAVINGS	<u><u>\$ (900)</u></u>
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*SWAM
April 22, 1991
Attachment 7*

1992 FISCAL IMPACT

H.B. 2454 as Amended by the House

REVENUE FROM FEES FOR:

Lobbyists:

Minor Lobbyists (\$1,000 in exp./year and less) 830 x \$15	\$	12,450
Major Lobbyists (\$1,000 in exp./year and up) 139 x \$150		20,850
Subtotal	\$	<u>33,300</u>

Political Action Committees (PACs)*:

Minor PACs (\$2,500 in receipts/year and less) 120 x \$10	\$	1,200
Major PACs (\$2,500 in receipts/year and more) 130 x \$150		19,500
Subtotal	\$	<u>20,700</u>

Candidates for:

Statewide Offices (0 x \$250)	\$	0
State Senate (120 x \$20)		2,400
State Board of Education (8 x \$20)		160
District Attorney (10 x \$20)		200
Board of Public Utilities (0 x \$20)		0
County Offices (2,102 x \$20)		42,040
House of Representatives (360 x \$10)		3,600
Judgeship (nonretention) (50 x \$10)		500
City of the First Class Offices (0 x \$10)		0
Subtotal	\$	<u>48,900</u>

Sale of Commission Publications

1,000

GRAND TOTAL REVENUES

\$ 103,900ADDITIONAL EXPENDITURES:

Printing Costs for Lobbyists' Report Forms	\$	<u>300</u>
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GRAND TOTAL EXPENDITURES

\$ 300

* Based on Kansas Legislative Research Department staff interpretation of the legislative intent.

FY 1991 AND 1992 LEGISLATIVE RECOMMENDATIONS AS COMPARED WITH GOVERNOR'S BUDGET ITEMS

	Legislature Added for FY 91 Operating	GBA Recommendation FY 91 Operating	Legislature Added for FY 91 Fees	GBA Recommendation FY 91 Fees	Gov. Rec. Fees Increase/ or Decrease
Larned	\$122,982	\$70,000	\$380,006	\$375,099	(\$4,907)
Osawatomie	0	0	100,000	0	(100,000)
Rainbow	78,813	67,034	138,975	0	(138,975)
Topeka	192,802	105,692	249,638	349,638	100,000
TOTALS	394,597 Title XIX	242,726 Title XIX	868,619 Title XIX	724,737 Title XIX	(143,882) Title XIX

FY 1992

	Legislature Added for FY 92 Operating	GBA Recommendation FY 91 Operating	Legislature Added for FY 92 Fees	GBA Recommendation FY 92 Fees	Gov. Rec. Fees Increase or Decrease
Larned	\$0	\$0	\$(170,952) Title XIX (185,037) SGF (250,000) Fees—delete positions (605,989) Fees	\$(219,185) Title XIX (393,749) SGF Do not delete positions (612,934)	\$48,233 Title XIX 208,712 SGF (250,000) 6,945 Fees
Osawatomie	0	0	(86,952) Title XIX (71,277) SGF (150,000) Delete positions (308,229) Fees	(158,356) Title XIX (284,473) SGF Do not delete positions (442,829)	71,404 Title XIX 213,196 SGF (150,000) 134,600 Fees
Rainbow	0	58,747	(41,699) Title XIX (56,117) SGF (50,000) Delete positions (147,816) Fees	(22,007) Title XIX (39,535) SGF Do not delete positions (61,542)	(19,692) Title XIX (16,582) SGF (50,000) (86,274) Fees
Topeka	0	0	(132,651) Title XIX (187,569) SGF (150,000) Delete positions (\$470,220) Fees	(468,843) Title XIX (841,959) SGF Do not delete positions (\$1,310,802) Fees	336,192 Title XIX 654,390 SGF (150,000) 840,582 Fees

SWAM
April 22, 1991
Attachment 8

	<u>Legislature Added for FY 91 Operating</u>	<u>GBA Recommendation FY 91 Operating</u>	<u>Legislature Added for FY 91 Fees</u>	<u>GBA Recommendation FY 91 Fees</u>	<u>Gov. Rec. Fees Increase/ or Decrease</u>	
FY 92 Totals		\$58,747	Tit (\$1,532,254) Fees tle XI X	(\$2,428,107)	Fees	895,853 Fees

The Legislature's recommendations allow for a Title XIX Fund FY 1991 ending balance of \$2,428,229 and an FY 1992 ending balance of \$604,735.
91-420/KP



KANSAS

DEPARTMENT OF COMMERCE

Joan Finney
Governor

Laura E. Nicholl
Secretary

April 23, 1991

The Honorable Augusta Bogina
The Honorable George Teagarden
State Capitol Building
Topeka, KS 66612

Dear Chairman Bogina and Chairman Teagarden:

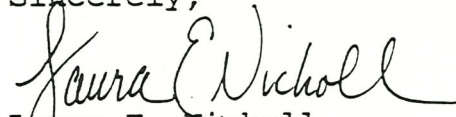
The Department of Commerce submits for your consideration, a request for a technical adjustment on the Department's Fiscal Year 1991 budget. We ask that this adjustment be included in the omnibus bill.

Currently, the Department's proviso for official hospitality is within the State General Fund appropriation. It is our understanding from Paul West that official hospitality was intended to be funded from EDIF in FY 1991, but inadvertently included in SGF funding.

The State General Fund is the only source of salary and wage funding other than federal and fee funds. The Department will need to absorb additional costs for accrued leave time payments in the current fiscal year to those employees who will be layed off due to legislative deletion of these positions for FY 1992. It will be possible for us to do so without additional funding only if the official hospitality proviso is transferred to the EDIF State Operation Fund and the general funds left to cover this unexpected expense.

Thank you for your consideration in this matter.

Sincerely,


Laura E. Nicholl
Secretary

LEN:jg

cc: Paul West
Walt Darling

Proposed Amendment

Sec. .

DEPARTMENT OF COMMERCE

(a) There is appropriated for the above agency from the following special revenue fund for the fiscal year specified, all moneys now or hereafter lawfully credited to and available in such fund, except that expenditures other than refunds authorized by law shall not exceed the following:

	<u>Fiscal Year</u> 1991	<u>Fiscal Year</u> 1992
Sound studio construction grant -- EDIF fund.....		\$750,000

Provided, That expenditures from this fund shall be made for a grant to a private entity for the construction of a sound studio in Lawrence, Kansas: Provided, however, That moneys may be expended from this fund for such grant only if matched on a dollar-for-dollar basis by the grantee: Provided further, That money may be expended from this fund for such purpose only if a contract, which is hereby authorized and approved, is entered into by the secretary of commerce and the grantee in which the grantee agrees to pay to the department of commerce in installment payments within five years subsequent to the transfer of moneys under subsection (b) of this section all moneys expended from this fund for such grant subject to such conditions and limitations, including interest on such moneys at the rate prescribed by the contract, as such contract may prescribe: And provided further, That any money paid to the department of commerce pursuant to such contract shall be deposited in the state treasury to the credit of the state economic development initiatives fund.

(b) On July 1, 1991, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$750,000 from the Kansas economic development endowment account of the state economic development initiatives fund of the department of commerce to the sound studio construction grant -- EDIF fund of the department of commerce.

SWAM
April 22, 1991
Attachment 10



STATE OF KANSAS

OFFICE OF THE ATTORNEY GENERAL

2ND FLOOR, KANSAS JUDICIAL CENTER, TOPEKA 66612 1597

ROBERT T. STEPHAN
ATTORNEY GENERAL

April 18, 1991

MAIN PHONE: (913) 296-2215
CONSUMER PROTECTION: 296-3751
TELECOPIER: 296-6296

The Honorable August Bogina
Chairman, Senate Ways and Means Committee
Capitol, Room 120-S
Topeka, Kansas 66612

The Honorable George Teagarden
Chairman, House Appropriations Committee
Capitol, Room 514-S
Topeka, Kansas 66612

Dear Senator Bogina and Representative Teagarden:

Two items have arisen from the 1991 Legislative Session which affect my office and appear to be candidates for consideration in the Omnibus Appropriations Bill. The first would result from passage of House Bill 2614, which has been recommended favorably by the Senate Ways and Means Committee and awaits action of the Senate. It would allow us to charge municipalities to recoup costs associated with municipal bond review effective July 1. I would propose placing a No Limit expenditure limitation on the Bond Transcript Review Fee Fund which would be created by the bill. There will be a lag in collection of the fees; however, being able to spend some of the money collected will allow us to make up for some of the across-the-board General Fund cuts made in our budget.

Secondly, a discrepancy exists between the KBI's Fiscal Year 1992 appropriations in House Bill 2048 and our appropriations in House 2044 relative to the KBI and Highway Patrol Special Asset Forfeiture Fund. The KBI has been told to seek its match for a federal drug grant from this fund in the amount of \$213,005. Three difficulties exist with this:

- 1) K.S.A. 1990 Supp. 65-4173 restricts the Attorney General to not make payments from the fund for ordinary operating expenses. If we were to pay expenditures to meet the match from this fund, such payments would be for salary and wages and other operating expenses, which appear to be proscribed.

SWAM
April 23, 1991
Attachment II

2) We estimate that insufficient revenue will be available for the match. It is only anticipated that \$50,000 to \$100,000 will be received to the credit of the KBI during Fiscal Year 1992.

3) An expenditure limitation of \$50,000 was placed on the fund. This obviously must be lifted. We would again suggest no limit; however, if a limit is to remain on the fund, we would suggest \$250,000, which would allow expenditure of the match, if it becomes available, plus \$36,995 for any other expenditures of the KBI, Highway Patrol or Department of Corrections. (Senate Bill 151, approved by the Governor, added the Department of Corrections to agencies authorized to use the fund and changed its name to the State Special Asset Forfeiture Fund. The name of the fund also should be changed in the Omnibus Bill.)

In addition to changing the expenditure limitation, I would suggest providing for a fund under the KBI's supervision into which my office could transfer funds in a lump sum to be used as grant match. This will not only help administratively by properly assigning expenditures to the KBI and not require that this office handle each of the individual operating expenditures and salary items, but it also would be helpful in designating expenditures as something other than ordinary operating expenditures, which are proscribed by law.

A final issue is not the result of legislation. However, it was noted in our budget that more money may be required in the Litigation Cost Account dependent on the outcome of the appeal in State v. Owen, criminal cases being handled by special prosecutors relating to campaign finance act violations. Only today, the Kansas Supreme Court decided the cases remanding many of the charges back to district court for trial. At this time, only approximately \$2,000 remains encumbered for the special prosecutors' contracts. The account has only approximately \$5,000 in unencumbered funds available, which is estimated to be necessary for other purposes. It is difficult today to say exactly how quickly the cases will proceed or what may happen, but the cases could conceivably go to trial in the remaining months of this fiscal year, in which case billings of the special prosecutors and other costs of prosecution could be as high as \$20,000. This would require a supplemental appropriation of \$18,000 to the Litigation Cost Account to pay the costs of special prosecution. Your consideration of this request is appreciated to assist in handling this case.

Thank you for your consideration of all of the above.

Very truly yours,



Robert T. Stephan
Attorney General

RTS:crw
cc: Sabrina Wells
Carolyn Rampey

STATE OF KANSAS

JOAN FINNEY

Governor



DEPARTMENT OF ADMINISTRATION
Division of Information Systems
and Communications

DIRECTOR

900 S.W. Jackson, 7th Floor
Landon State Office Building
Topeka, Kansas 66612-1275
(913) 296-3463

Deputy Director
Information Systems
(913) 296-3463

Deputy Director
Administrative Services
(913) 296-3463

Deputy Director
Information Resource Management
(913) 296-3463

Deputy Director
Telecommunications
(913) 296-3463

MEMORANDUM

TO: Steve Starr, Kansas Bureau of Investigation

FROM: Virgil F. Basgall, Deputy Director *VFB*

DATE: March 18, 1991

SUBJECT: ASTRA Conversion Project

Andy Scharf has now prepared a final version of the schedule for the ASTRA Conversion Project which doesn't schedule those users with budget problems until after January 1992. The plan still allows completion of the project in FY92, if everything goes well, at a total cost for the network for the year between \$501,488 and \$656,592 depending on whether some of the costs are financed over a 5 year period. The software work would be scheduled for the period July 1991 through September 1991, and the circuit conversion part of the project would be scheduled for the period October 1991 through June 1992. I have enclosed a set of the schedules for your reference, and a spreadsheet with all of the relevant numbers on a single page.

As we discussed in our meeting on February 25, 1991, it is a better plan for the project to obtain some up front funding support, rather than assume we can pull off a perfect conversion within existing funds when it is so tight. With so many units of local and state government involved in the project, it would be a miracle to pull that off. The budget analyst at our meeting, Mark Manning, suggested that we might consider a Governor's Budget Amendment to request additional funding for FY92, and the timing to submit that would be about the third week of March.

I talked with Louis Chabira, Deputy Director, Division of the Budget, about the options for placement of the appropriation. Option 1 was to create an agency of the ASTRA Board and appropriate to them. Louis does not want to do that at all. Option 2 was to appropriate to DISC with restrictions on the use of the funds. Louis does not want to do this either because he would rather avoid state general fund appropriations to DISC. He would prefer DISC remain off-budget and rely totally on cost recovery, thus avoiding some confusion in the legislature. Option 3 was to appropriate to either KBI or KHP, and this is the option Louis favors. For the kinds of expenditures we propose to request up front funding for, it probably does not make sense to split the appropriation between KBI and KHP, so I suggest that KBI make the request for a Governor's Budget Amendment.

SWAM
April 23, 1991
Attachment 12

Herewith are the funds that should be requested as one-time expenditures for the project. There are two options to consider. One is to finance some of the expenditures over 5 years and the other is to make full outright payment.

Full Outright Payment

	<u>FY92</u>
1. Modifications to message switching software	\$110,000
2. Network hardware for circuit concentration and miscellaneous message switch hardware	95,000
3. Installation costs for new SNA circuits	29,346
4. Contingency funds at 10%	<u>23,450</u>
Total GBA for FY92	<u>\$257,796</u>

Partially Financed Payment at 8% Interest

	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>	<u>FY95</u>	<u>FY96</u>
1. Message switch software	\$26,772	\$26,772	\$26,772	\$26,772	\$26,772
2. Network hardware	23,124	23,124	23,124	23,124	23,124
3. Circuit installation costs	29,346				
4. Contingency funds	<u>23,450</u>				
Total GBA	<u>\$102,692</u>	<u>\$49,896</u>	<u>\$49,896</u>	<u>\$49,896</u>	<u>\$49,896</u>

The remaining costs of the ASTRA Conversion Project are to pay for the old circuits/drops and the new circuits/drops during the life of the project. My analysis of Andy's spread sheet indicates that KBI and KHP should comfortably be able to accommodate those costs within their proposed budgets for a full year of the existing network circuits/drops, and still show a savings. KBI would save \$28,602 in FY92 and \$123,660 in FY93. KHP would save \$4,506 in FY92 and \$32,100 in FY93.

I believe a GBA takes the form of a mini-budget with all the normal budget forms. It is transmitted to the Governor's office with a cover letter explaining the need, and copies go to the Budget Division and Legislative Research.

If you have any questions, or I can be of any help in this process just let me know.

VB:dag/vb31891

Attachments

- cc: Russell Getter, DISC
 Jim Malson, KBI
 Bert Cantwell, KHP
 Dave Hornbaker, KHP
 Allan Havercamp, KBI
 Dale Johnson, DISC
 Andy Scharf, DISC
 Mark Manning, Division of the Budget
 Diane Duffy, Legislative Research Division
 Scott Rothe, Legislative Research Division

March 25,

DEPARTMENT OF ADMINISTRATION COMPUTING COSTS

Differences Between Cost Data Presented to
House Appropriations Subcommittee on February 25
and
Cost Data in March 25 Report of Status Quo Costs

	<u>2/25/91</u>	<u>3/25/91</u>	
	<u>FY 92</u>	Status Quo Costs <u>FY 92</u>	<u>Difference</u>
<u>KIPPS</u>			
I. Computer Processing Charges (Unisys Center)	1,640,551	1,665,928	25,377
II. Programming (7 FTE) Unisys	290,000	299,763	9,763
III. D of A Connects	132,180	132,180	-
IIIA. Programming Office Costs		178,404	178,404
IV. Office Space	56,761	70,965	14,204
V. Other DOA Applications (IBM) Processing	74,796	128,640	53,844
<u>KFIS</u>			
VI. Peat Marwick - direct pmt	50,000	50,000	-
*PMM - debt	331,573	330,998	(575)
ISI - direct pmt	10,500	10,500	-
*ISI - debt	<u>21,590</u>	<u>21,590</u>	-
Subtotal	413,663	413,088	
VII. BIT - direct pmt	-		
*BIT - debt	<u>238,640</u>	<u>232,948</u>	(5,692)
Subtotal	238,640	232,948	
VIII. DOA Programming Staff (12.0 FTE)	530,044	510,529	(19,515)
IX. KAHRS Consultant	-		
X. Processing			
1. STARS	994,959	1,217,623	222,664
2. KAHRS	-		
3. ADPICS	-		
TOTAL	4,371,594	4,850,068	478,474

DISC Loan \$1,219,876 (7 yr payout) 174,268
\$5,024,336

* The companies noted with "debt" above have been paid in full, the payments are owed Kansas Development Finance Authority to the company that provided financing for the KFIS project.

8982A

SWAM
April 23, 1991
Attachment 13

Explanation of Differences

- I. \$25,377 Increase in KIPP Processing
The February estimate contained no funds to purchase technical service from Unisys. The revised status quo amount contains \$25,000 for this purpose.
- II. \$9,763 Increase in Programming Unisys
February data used too low an estimate, March dates used actual current wages and includes FY 92 step movement and COLA.
- III. No change
- III.A. \$178,404 Programming Office Costs
Includes office equipment, telephones, copier, postage, receptionist salary that in the past been paid by DISC fee funds rather than from the SGF appropriation for Dept. of Administration computing (CMSO Fund).
- IV. \$14,202 Increase in Office Space
Office rent number understated in February estimate. March recommendations are based on FY 92 rates of \$12.45 per square foot for 5,700 square feet.
- V. \$53,844 Increase in other Department of Administration IBM Data Processing Charges
These changes are for non-STARS and non-KIPP data processing activities (PMIB, Accounts and Reports, Personnel, etc.). The March recommendation is based on an average using the actual data for December 1990, and January and February of 1991.
- VI. and VII. \$6,267 Decrease in Finance Costs
February data used estimated debt service, March data used actual debt service schedule.
- VIII. \$19,515 Decrease in Department of Administration Programming Staff
February estimate overstated salary costs.
- IX. No change
- X. \$222,664 Increase in STARS Processing
February estimate understates costs. March data is based on the actual February 1991, data processing changes times 12 months.



DEPARTMENT OF ADMINISTRATION
State Capitol
Room 263-E
Topeka 66612-1572
(913) 296-3011

Office of the Secretary

Joan Finney, Governor

MEMORANDUM

TO: House Committee on Appropriations
FROM: Arthur H. Griggs *AG*
Acting Secretary of Administration
DATE: April 10, 1991
SUBJECT: FY 92 Appropriations for Department of
Administration Computing

Our Department is recommending that \$5,030,199 be appropriated for Department of Administration computing for FY 92. The House CCT Committee report that will be presented soon to the House Appropriations Committee recommends \$4,342,293, or \$687,906 less than the Department recommends.

There are three main areas that account for this difference:

1. Processing Charges

These are computer usage charges for STARS and other DOA applications that run on the IBM compatible computer center. The estimate is based on the most recent processing charges we have been incurring. \$276,508

2. Programming Office Costs

This includes office equipment, telephones, copier, postage, receptionist salary that in the past have been paid by DISC fee funds rather than from the SGF appropriation for Department of Administration computing. \$178,404

3. Unisys Center Upgrade

This amount includes \$460,541 for new equipment less the reduced maintenance and floor space costs we gain from the upgrade. \$180,131

SWAM
April 23, 1991
Attachment 14

House Appropriations Committee
April 10, 1991
Page Two

Each of these three areas are separate policy issues. On the above Processing Charges, we are merely pointing out that a supplement appropriation will be necessary next session in the event our estimates are accurate. On the Programming Office Costs, we are advocating these costs be paid from the appropriation for Department of Administration computing rather than paying them from user fees charged to other agencies.

A significant policy choice is whether to fund the Unisys Center Upgrade. We believe this should be done. Attached is a spreadsheet that displays costs for maintaining the Status Quo and costs for the Unisys Center Upgrade. Note that the Unisys Center Upgrade costs for maintenance (line G) has the state paying only \$226,048 for maintenance versus over \$521,000 for the Status Quo. This represents a difference of over \$295,000. We believe paying for new equipment versus paying high maintenance costs on the old equipment and software represents a wiser expenditure for the state and assures reliable hardware. Also note that new hardware would reduce utility costs for this mainframe center by an estimated \$108,000 annually.

As the KFIS Subcommittee report notes, the State has no choice but to continue the KIPPS payroll and personnel system for at least the next three years. This being the case, we need to have hardware that is reliable to operate the existing payroll system. (An annual payroll over \$1.3 billion and over 42,000 FTE.) Attached at the back of this handout is an inventory of the current Unisys center equipment and the equipment's manufacturer date. It demonstrates that replacement of the central processors for the Unisys Center is long overdue.

AHG:dp
9168A

I. Unisys Processing Center - Processing Charges for FY 92

	<u>Status Quo</u>	<u>Unisys Center Upgrade</u>
<u>Internal Costs</u>		
A. Operations Salaries	\$427,621	\$427,621
B. Computer Room Space	169,135	142,073
C. Indirect Cost (DISC Overhead)	<u>336,604</u>	<u>336,604</u>
Subtotal of A - C	933,360	906,298
<u>Potential Payments to Unisys</u>		
D. Professional Services	25,000	66,897
E. Existing Software Obligation	31,275	31,275
F. Existing Hardware Obligation	155,000	155,000
G. Maintenance		
Software/license	266,159	160,500
Hardware	<u>255,134</u>	<u>65,548</u>
Subtotal of G	521,293	226,048
H. New Hardware	<u>0</u>	<u>460,541</u>
Subtotal of D - H	732,568	939,761
TOTAL OF I (A - H)	\$1,665,928	\$1,846,059
GRAND TOTAL OF I THROUGH XI	\$4,850,069	\$5,030,199

New Equipment Being Purchased Above:

Status Quo:

No equipment being purchased

Unisys Center Upgrade

Central Processing Unit	\$ 659,019
Communication Controller (DCP 35)	252,653
Two Printers	81,000
Two Disk Drives	567,374
Replacement for Six Tape Drives	<u>355,255</u>
Total	\$1,915,301

(Annual Cost for Five-Year Financing = \$460,541)

NOTE: Estimated Utility Savings = \$108,492 Annually

Division of Information Systems and Communications
Unisys Report

Model	Serial Number	Description	Install Date	Manufacture Date	Normal Replacement Date
0776	F2030	Printer	1981	1979	1991
0776	F2105	Printer	1981	1979	1991
3038	R7386	System Support Processor	1981	N/A	1987
3038	R8333	System Support Processor	1983	N/A	1987
3042	A935	Central Processor	1982	09/82	1987
3042	A3181	Central Processor	1983	05/83	1987
3042	Q335	Central Processor	1981	01/81	1987
	3551	Central Processor	1990	07/84	1987*
U200	R61978R	Console	1981	N/A	1987
UTS20	R34033	Console	1983	N/A	1978
5042	F2452	Tape Controller	1981	12/81	1989
5042	F200R	Tape Controller	1981	10/77	1989
5056	61695036	Disc Controller	1990	12/89	1994
5056	K20078	Disc Controller	1990	06/86	1994
5056	K20319	Disc Controller	1990	02/88	1994
7053	13856	Cache Controller	1990	1985	1994
7053	13857	Cache Controller	1990	1985	1994
7053	1098	Cache Controller	1990	1985	1994
8481	46288020	Disc Drive	1990	12/87	1994
8481	46295348	Disc Drive	1990	10/88	1994
8481	F466	Disc Drive	1990	10/86	1994
8481	F498	Disc Drive	1990	12/86	1994
8481	F510	Disc Drive	1990	01/87	1994
0874	3246	Tape Drive	1981	11/80	1990
0874	3250	Tape Drive	1981	11/80	1990
0874	3253	Tape Drive	1981	11/80	1990
0874	3255	Tape Drive	1981	11/80	1990
0874	3256	Tape Drive	1981	11/80	1990
0874	4883	Tape Drive	1983	05/82	1990
0874	617R	Tape Drive	1983	09/82	1990
0874	13854	Tape Drive	1981	05/81	1990
0874	13855	Tape Drive	1981	09/81	1990
0874	13871	Tape Drive	1983	05/82	1990
	A15779	Communication Controller	1988	06/87	1997

* Installed solely for capacity increase

COMMITTEE REPORT

April 9, 1991

TO: House Appropriations Committee

FROM: House Committee on Computers, Communication,
and Technology (CCT)

RE: KFIS/KAHRS Project Funding

> INTRODUCTION

The House Committee on Computers, Communication, and Technology (CCT) reviewed the Department of Administration's KFIS (Kansas Financial Information Systems) project as requested by the House Appropriations Committee.

> CONCLUSIONS AND RECOMMENDATIONS

The CCT Committee makes the following recommendations on KFIS (Kansas Financial Information Systems):

1. The Committee concludes after reviewing the Price Waterhouse report and other information furnished during committee meetings that it is evident that the State has no choice but to continue the KIPPS payroll and personnel systems on Unisys equipment for at least the next three years. The Committee believes that the KAHRS system development should be "halted" in its entirety and that the Department should start again to improve the state's payroll and personnel system in an orderly and methodical manner. The CCT Committee further:

1a. Concurs with the House Appropriations Subcommittee recommendation for FY 1992 data processing expenditures of \$4,302,293 million for the Central Management Systems Operations, including \$1,640,551 million for the Unisys center to keep operating KIPPS, the current payroll and personnel system.

1b. Recommends adding \$40,000 for data processing expenditures in FY 1992 as a technical correction to the original amount recommended by the House in H.B. 2049.

2. The Committee supports strengthening the authority of the Secretary of Administration and feels that the Secretary should centralize control over computer acquisitions. Specifically, the Committee believes there should be one individual appointed to oversee all computer purchases and applications.

3. The Committee recommends that an interim committee be charged with providing continued legislative oversight over this project. The Committee strongly supports the provisions of 1991 H.B. 2579, specifically the process which requires state agencies to submit proposed acquisitions to the proposed Joint Committee on Computers and Telecommunications. The Committee believes that passage of this legislation is a critical step in improving legislative oversight over computer projects and avoiding situations such as KFIS. Additionally, the Committee believes that this legislation will aid in alleviating legislative concern over the perceived proliferation of computers.

SWAM
April 23, 1991
Attachment 15

> COMMITTEE CONSIDERATION

The Committee reviewed the Department of Administration's recommendations of which direction the State should take regarding the payroll and personnel system. Those recommendations were formulated after the Department reviewed the results of the Price Waterhouse study and after analyzing the pricing information on a hardware upgrade (Unisys) of the existing payroll and personnel system (KIPPS).

A number of proposed new options were discussed with the Committee. The Department indicated two options emerged as the primary ones. The first option has new hardware costs to be repaid over a time span of five years, while the second option has a time span of three years for repayment of new hardware costs.

1. Option 1 has an estimated Unisys center operating cost of \$1,846,059 in FY 1992. New equipment costs would total \$1,915,601, including hardware payments of \$460,541 in FY 1992 and for four subsequent years. Total Central Management Systems Operations would be \$5,030,199 under this option.

2. Option 2 has an estimated Unisys center operating cost of \$1,864,388 in FY 1992. New equipment costs would total \$355,255, including hardware payments of \$132,612 in FY 1992 and for two subsequent years. Total Central Management Systems Operations would be \$5,048,528 under this option.

In addition, the Committee considered the original recommendation made by the House Appropriations Subcommittee on the Department of Administration:

3. This option has an estimated Unisys center operating cost of \$1,640,551 in FY 1992. No purchase of new equipment is included in this option. Total Central Management Systems Operations would be \$4,342,293 under this option.

> BACKGROUND

KFIS encompasses three individual software systems: STARS (Statewide Accounting and Reporting System) to replace the old CASK accounting system; ADPICS (Advanced Purchasing and Inventory Control System) to support the Division of Purchases; and KAHRS (Kansas Automated Human Resource System) to replace the KIPPS personnel/payroll system.

In regard to the financing of KFIS, the Division of Purchases was approved a total of \$371,828 in FY 1988 and FY 1989 from the State General Fund for acquiring a purchasing system and the Division of Personnel Services was approved expenditures of \$350,000 from the Central Management Systems Operations Account (SGF) in FY 1989 for a personnel package to replace KIPPS. The phaseout of KIPPS and CASK and the acquisition of the new systems also was to involve the phaseout of the Unisys mainframe computer center and the transfer of these applications to the IBM compatible center.

During the 1990 Session, the Department appeared before the Legislature and discussed the KFIS project, but did not request additional funding for the KFIS project beyond the existing level of appropriation in the Central Management Systems Operations account (\$3,478,209). At that time, the Department testified that the KFIS project could be implemented over the next couple of years as long as this annual level of funding was sustained.

The State contracted with Peat Marwick Main for software (accounting and purchasing) and management services for the entire project. Peat Marwick subcontracted with Integral Systems Inc. for the personnel/payroll (KAHRS) system. In addition to the contract with Peat Marwick (total financed obligation of \$3,719,446), the Department engaged Business Information Technology (total financed obligation of \$1,423,367) for programming work on KAHRS. STARS was implemented February, 1990, and is the accounting system of record. As of January, 1991 the project was substantially over budget and behind schedule. At the recommendation of the acting Secretary of Administration, all development of KAHRS and ADPICS was halted.

In 1991, the Department contracted with Price Waterhouse to conduct a "benchmark" study of KAHRS and submitted a request for information to gather pricing data on upgrading the Unisys center where KIPPS resides. The study was completed March 15. The Price Waterhouse consultants reported to the Committee the following:

- * The State has a problem with KAHRS. According to the Price Waterhouse consultant report, KAHRS is approximately 38-40 percent completed. Among the problems, the consultants emphasized that no needs assessment was conducted prior to implementation of the project and no systems methodology was used. The consultants told the Committee that it is unlikely KAHRS, as the project was conducted, would meet the human resource needs of the State.

- * Despite the many problems, the State should continue to improve its human resource system.

- * The State must proceed differently than it did with KAHRS. The State needs to use an approved implementation methodology; consultants may be useful, but state employees must be more involved; more attention must be given to the management structure of the project; consensus as to the "technical platform"; and a requirements definition must be developed.

The Price Waterhouse report concludes that the State should continue with a payroll/personnel initiative and believes that there are two viable alternatives: (1) upgrade of the Unisys data center followed by an effort to enhance the capabilities of the Unisys data center followed by an effort to enhance the capabilities of the KIPPS system; or, (2) implement a new human resource system using the IBM platform; evaluate the use of an existing software package, data base management systems and the reengineering of existing software. The results of the evaluation could be the recommendation that the KAHRS system be continued.

M E M O R A N D U M

TO: Senate Ways and Means Committee
House Appropriations Committee

FROM: Arthur H. Griggs, Acting Secretary of Administration

DATE: April 19, 1991

SUBJECT: Items for Omnibus Bill Consideration - FY 92

It is hoped you will consider the following during your review of omnibus bill items.

I. **REQUESTED ACTION:** Increase Central Motor Pool Depreciation Fund to No Limit or to \$2,835,384

Background: The reduction adopted by the Conference Committee is penny-wise and pound-foolish. It will actually increase in-state travel costs by approximately \$27,000. For employees who must travel (typically field staff employed by Revenue, KCC, KDHE and others), agencies can save by using assigned Motor Pool vehicles at \$.18 per mile rather than paying private mileage reimbursement rates of \$.26 per mile (FY91 rates). The requested increase allows for purchase of needed vehicles. (Detail attached.)

II. **REQUESTED ACTION:** Increase Central Motor Pool Service to No Limit or to \$2,222,019

Background: Current Legislative reductions of \$66,661 will not allow the Motor Pool to provide supplies, parts or gasoline to agencies that own their own vehicles but still take advantage of lower costs that Motor Pool can provide through bulk purchases of those items.

III. **REQUESTED ACTION:** Change Appropriation Language from "Statehouse and Judicial Center-Capital Improvements" to "Special Maintenance, Repairs and Improvements-Statehouse, Printing Plant, Judicial Center and Governor's Residence"

Background: These funds are used for a variety of scheduled maintenance and improvement projects, as well as a contingency for unanticipated emergencies. We believe it essential to have some flexibility to address the minor problems that inevitably arise. Fire safety, water heater replacement and sewer line problems were a few of the areas we dealt with last year.

IV. **REQUESTED ACTION:** Return Central Mail Services Fund to No Limit status or to \$3,684,404

Background: Striking all DISC funding from the bill also eliminated funding for Central Mail. The Central Mail Services Fund has always been a no limit fund, since the bulk (90%) of expenditures are driven by agency mailings. Central Mail simply buys postage at bulk rates and bills agencies at cost. An expenditure limitation on this fund should at least reflect the Governor's recommended amount (\$3,684,404), which takes into account the increased rates that went into effect in February.

V. **REQUESTED ACTION:** Fund the Central Management Systems Operations Fund at \$5,030,199

Background: The requested amount allows the Department to upgrade our Unisys center to a level that is believed to be important to maintain system reliability for payroll. Otherwise \$4,850,069 is still required to meet current obligations and maintain the status quo.

VI. **REQUESTED ACTION:** Restore the Information Technology Fund and the Information Technology Reserve Fund to No Limit or to a combined limit of \$32,411,156

Background: This level of funding is required to accommodate agency demands for data storage, network usage and telephone parts and services over which DISC has no direct control.

9217A

SWAM
April 23, 1991 APR 22 1991
Attachment 16

The Governor recommended the purchase of 50 additional vehicles in FY92 at a projected purchase cost of \$478,711. Thirty-four (34) of the additional vehicles are for existing employees currently performing state business in their private vehicles (see attached detail). Sixteen (16) of the additional vehicles are for FY92 positions which do not currently exist (see attached detail).



RON TODD

COMMISSIONER OF INSURANCE

April 22, 1991

The Honorable August "Gus" Bogina
Chairman of the Senate Ways and Means Committee
State Capitol, Room 120-S
Topeka, KS 66612

Dear Senator Bogina:

As you are aware, the Senate approved one new financial analyst position and a second consumer toll-free WATS line for the Insurance Department for FY 1992. To fund these items, our Senate Ways and Means Subcommittee recommended restoring \$42,000 of the 3% across-the-board cut made to our state general fund appropriation by the House of Representatives. In conference committee, the FTE for the new position and the \$42,000 were eliminated from our budget. Therefore, I would like to request that you consider restoring both these items in the Omnibus Bill.

Additionally, I would like to request that in the Omnibus Bill you approve a second new position contingent on House Bill No. 2001 passing the Legislature and being signed into law by the Governor. House Bill No. 2001 will require the Insurance Department to review group accident and health insurance rates to make sure they comply with certain rating standards set forth in the Act. We anticipate the enactment of this legislation will require our department to review an additional 11,000 rate filings per year. This review will generate the need for one new policy examiner at a cost to the general fund of \$39,230. Of this amount, \$33,194 is for salaries and wages and the remaining \$6,036 is for operating expenditures.

I would sincerely appreciate any help you can provide in these matters.

Very truly yours,

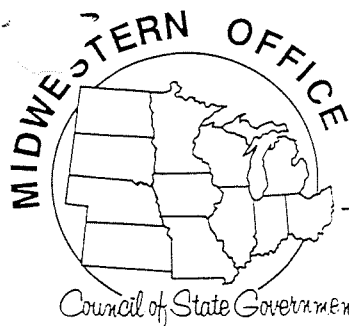
Ron Todd
Commissioner of Insurance

RT:cras
1302rn

APR 23 1991

SWAM
April 23, 1991

Attachment 17



708/810-0210
641 East Butterfield Road
Suite 401
Lombard, Illinois 60148-5651

Virginia D. Thrall
Director

LEXINGTON
PO Box 11910
Lexington, Kentucky 40578-1910
606/231-1939

ATLANTA
3384 Peachtree Road, NE
Atlanta, Georgia 30326
404/266-1271

NEW YORK
270 Broadway, Suite 513
New York, New York 10007
212/693-0400

SAN FRANCISCO
121 Second Street
San Francisco, California 94102
415/974-6422

WASHINGTON, D.C.
444 North Capitol Street
Washington, D.C. 20001
202/624-5450

MIDWESTERN HIGHER EDUCATION COMMISSION

641 EAST BUTTERFIELD ROAD, SUITE 401

LOMBARD, ILLINOIS 60148

708/810-0210

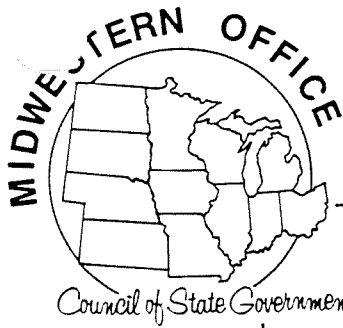
INVOICE

Mr. Stanley Z. Koplik
Executive Officer
State Board of Regents
400 SW Eighth Street, Suite 600
Topeka, Kansas 66603

Annual Dues\$58,000.00

Please remit payment to above address. Thank you.

SWAM
April 23, 1991
Attachment 18



March 29, 1991

708/810-0210
641 East Butterfield Road
Suite 401
Lombard, Illinois 60148-5651

Virginia D. Thrall
Director

LEXINGTON
PO Box 11910
Lexington, Kentucky 40578-1910
606/231-1939

ATLANTA
3384 Peachtree Road, NE
Atlanta, Georgia 30326
404/266-1271

NEW YORK
270 Broadway, Suite 513
New York, New York 10007
212/693-0400

SAN FRANCISCO
121 Second Street
San Francisco, California 94105
415/974-6422

WASHINGTON, D.C.
444 North Capitol Street
Washington, D.C. 20001
202/624-5450

Mr. Stanley Z. Koplik, Executive Director
State Board of Regents
400 SW Eighth Street, Suite 600
Topeka, Kansas 66603

Dear Mr. Koplik:

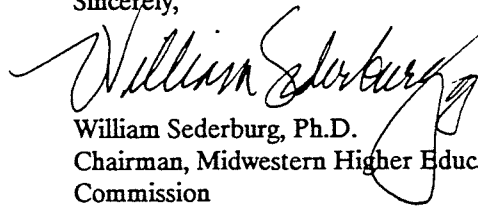
Five states have now adopted the Midwestern Higher Education Compact, including Kansas through KSA 1990 Supp. Article 60b. The Midwestern Higher Education Commission (MHEC) held its first meeting on March 10, and the MHEC Executive Committee held its first meeting on March 27 via conference call. The summaries of these first two meetings, the Commission Bylaws and the duly approved temporary budget for the operation of the Commission office are enclosed.

As these documents show, the Executive Committee has approved a temporary 15 month budget beginning April 1, 1991 through June 30, 1992. Based on this budget, the Executive Committee has set each state's dues at \$58,000. An invoice for this amount is enclosed.

Once funding has been received from the compacting states, the first action will be to begin a search for candidates for President of the Commission. A consulting agreement has been entered into with Dr. Phil Sirotkin, retired Director of the Western Interstate Commission on Higher Education, to conduct this search. Once a President is hired, planning will begin in earnest to develop a comprehensive program of benefit to higher education in the Midwest.

Your support for this effort is greatly appreciated. We will continue to keep you apprised of our efforts. In the meantime, if you have any questions, please let me know.

Sincerely,



William Sederburg, Ph.D.
Chairman, Midwestern Higher Education
Commission

Enclosures

cc: Senator Joseph Harder
Representative Rick Bowden
Ms. Connie Hubbell
Senator Ross Doyen
Governor Joan Finney

Joan Finney
Governor

Jim Robinson
Chairman

Keith R. Henley
Commissioner

Rich Kowalewski
Commissioner

Judith McConnell
Executive Director

Brian Moline
General Counsel



Kansas Corporation Commission

February 19, 1991

The Honorable Henry M. Helgerson, Jr.
State House
Topeka, Kansas 66612

Dear Representative Helgerson,

I have enclosed a copy of a letter from Tom Bishop, Executive Director of Mennonite Housing Rehabilitation Services, Inc. which requests \$75,000 to continue its housing weatherization project in Fiscal Year 1992.

It appears that Mr. Bishop's proposed services would meet the requirements of DOE's Office of Hearings and Appeals. However, the KCC's Fiscal Year 1992 oil overcharge appropriation does not include sufficient funding for this project.

Last year, upon your recommendation, we were able to fund the program with \$100,000 of Stripper Well funds that were available through the \$1,016,098 appropriation to the State Energy Conservation Program (SECP). The recommended SECP appropriation for Fiscal Year 1992, \$283,680, includes projects that have already been designated. They include federally mandated rideshare services in Wichita and Kansas City, technical assistance from Kansas State University's Engineering Extension Service and the statewide recycling coordinator's salary.

Please call me at (913) 271-3260 if you have any further questions.

Thank you.

Emily Wellman

Emily Wellman
Energy Programs Supervisor

cc: Tom Bishop, Executive Director
Mennonite Housing
Judith McConnell, Executive Director
Kansas Corporation Commission

1500 S.W. Arrowhead Rd.
Topeka, KS 66604-4027
Telephone (913) 271-3100

SWAM
April 23, 1991
Attachment 19



Mennonite Housing Rehabilitation Services, Inc.

2145 N. Topeka
Wichita, KS 67214
Tel. (316) 265-7558



To: Ms. Emily Wellman, Energy Programs Section
Kansas Corporation Commission
From: Tom Bishop, Executive Director
RE: Continuation of Weatherization Project
Date: January 7, 1991

As you requested, the following is an update on the services provided by the MHR S Weatherization Program funded by KCC with Oil Overcharge monies.

Program Design-

To weatherize homes that do not qualify for the SRS program because the homes require extensive repairs prior to weatherization. MHR S provides these needed repairs through other funding sources and completes weatherization measures while in the process of making these other repairs.

Service Area-

The primary service area is Butler, Harvey, and Sedgwick counties. We have also assisted families in Marion, Reno, and Sumner counties.

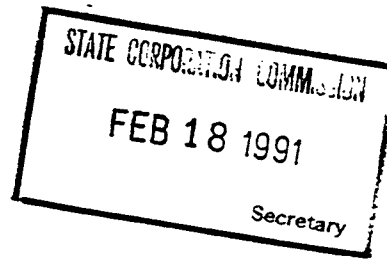
Target Population-

Low income home owners whose homes cannot be served in the SRS weatherization program because of the substandard condition of the home. For example, if a home needs a roof replacement you cannot insulate the attic as the insulation becomes wet and the ceilings collapse.

Program Results-

102 households were assisted during the last grant year and the average age of the homeowner was 67 years of age. Average household income was \$7,048.
64 households have been assisted through January 31, 1991, the first seven months of the present year contract.

A Non-profit Construction Company



KCC Weatherization
page 2

Funds Requested for FY '92

MHRS is requesting \$75,000 to continue this program an additional year, a reduction of \$25,000 from the present year contract. If \$100,000 were available, the need definitely exists for that level of funding.

MHRS presently has 432 households waiting for home repair assistance. It is estimated that 375 of those households are in need of weatherization and would be eligible for services in this program.

If you need additional information, please let me know.

**Oil Overcharge Expenditures and Balances –
FY 1991 and FY 1992**

Agency and Project	Warner/Non-Warner Funds	
	Gov. Rec. FY 1991	Amount Approved By 1991 Legislature FY 1991
July 1, 1990 Cash Balance	\$ 21,166,886	\$ 21,166,886
FY 1991 Oil Overcharge Receipts	1,287,023	1,287,023
Estimated Interest - FY 1991	1,357,929	1,357,929
Estimated Cash Available - FY 1991	<u>\$ 23,811,838</u>	<u>\$ 23,811,838</u>
Board of Agriculture		
Conservation	\$ 90,000	\$ 90,000
Noxious Weeds	40,000	40,000
Corporation Commission		
Energy Extension	76,357	76,357
State Conservation Program	1,016,098	1,016,098
Mennonite Housing	100,000	100,000
Institutional Conservation	1,679,583	1,679,583
Department of Education		
Foundation for Agriculture	30,000	30,000
Department of Transportation		
Highway and Bridge Safety	2,500,000	2,500,000
Social and Rehabilitation Services		
Low Income Energy Assistance (LIEAP)	3,000,000	3,000,000
Weatherization	1,500,000	1,500,000
Department of Commerce		
Commission on Waste Reduction, Recycling & Market Development	40,343	40,343
Subtotal Expenditures - FY 1991	<u>\$ 10,072,381</u>	<u>\$ 10,072,381</u>
Prior Year Encumbrances to Be Expended in FY 1991	<u>8,616,622</u>	<u>8,616,622</u>
Total Expenditures - FY 1991	<u>\$ 18,689,003</u>	<u>\$ 18,689,003</u>
Expected Cash Balance - June 30, 1991	<u>\$ 5,122,835</u>	<u>\$ 5,122,835</u>

*SWAM
April 23, 1991
Attachment 20*

Agency and Project	Warner/Non-Warner Funds	
	Gov. Rec. FY 1992	Amount Approved By 1991 Legislature FY 1992
July 1, 1991 Estimated Cash Balance	\$ 5,122,835	\$ 5,122,835
FY 1992 Oil Overcharge Receipts	1,000,000	1,000,000
Estimated Interest - FY 1992	313,601	313,601
Balance Forward From SRS - LIEAP	2,500,000	2,500,000
Estimated Cash Available - FY 1992	<u>\$ 8,936,436</u>	<u>\$ 8,936,436</u>
Board of Agriculture		
Conservation	\$ 90,000	\$ 90,000
Noxious Weeds	14,648	14,648
Corporation Commission		
Energy Extension	38,300	38,300
State Conservation Program	283,680	283,680
Mennonite Housing	0	0
Institutional Conservation	650,000	650,000
Department of Education		
Foundation for Agriculture	30,000	0 ^(a)
Social and Rehabilitation Services		
Low Income Energy Assistance (LIEAP)	5,300,000	5,300,000
Weatherization	2,000,000	2,000,000
Department of Commerce		
Commission on Waste Reduction, Recycling & Market Development	41,890	41,890
Total Expenditures - FY 1992	<u>\$ 8,448,518</u>	<u>\$ 8,418,518</u>
Expected Cash Balance - June 30, 1992	<u>\$ 487,918</u>	<u>\$ 517,918</u>

- a) The Department of Education's appropriation bill (S.B. 70) was still in Conference Committee when the table was completed. Expenditures for the Foundation for Agriculture were recommended at \$0 by the Senate and \$15,000 by the House.

KANSAS HIGHWAY PATROL

Service—Courtesy—Protection

Joan Finney
Governor



Col. Bert Cantwell
Superintendent

April 8, 1991

Re: Fiscal Year 1992 Budget

Senator Gus Bogina, Jr.
120-S, Statehouse
Topeka, Kansas 66612

Dear Senator Bogina:

We certainly appreciate the effort that you and your committee have made in behalf of the Highway Patrol for both the Fiscal Year 1991 and 1992 budgets.

Perhaps we failed to identify or clearly explain one request in our Fiscal Year 1992 budget, which was our top priority "personnel" request for additional Communication Officer positions to be funded from Motor Carrier License Fees in our Program 7300 - Motor Carrier Inspection Troop.

The Governor's budget recommended the removal of 13.7 positions from our Capitol Area Security Patrol (CASP) budget for those positions at the New Museum that were replaced by Benchmark, private security company last July. If eight (8) of those positions could be ~~replaced~~^{added} by your committee and additional funding in the amount of \$207,160 transferred from the Motor Carrier License Fees, this added coverage could greatly benefit the protection of our Troopers who are so dependent upon the Communication Operators for not only routine linkage with their Troop Headquarters for routine information but also in life-threatening circumstances.

We are adding 800 MHZ radios in Olathe, Wichita and Topeka, which is estimated to double the communication's traffic due to the added capability of receiving messages from City Police, Sheriffs, and other agencies, on their radio frequency. If properly staffed, this should greatly increase our agency's ability to respond to emergency situations that these other agencies are experiencing, if necessary or possible.

<u>Add</u>	<u>Total</u>
1 - Topeka	10
2 - Olathe	11
2 - Wichita	10
1 - Garden City	8
1 - Chanute	8
1 - Hays	8
0 - Salina	8
<u>8</u>	<u>63</u>

122 SW SEVENTH STREET
TOPEKA, KANSAS 66603-3847
(913) 296-6800 FAX (913) 296-5956

SWAM
April 23, 1991
Attachment 21

KHP-FISCAL IMPACT FOR FY92
 8 CASP POSITIONS REINSTATED AND RECLASSIFIED
 TO COMMUNICATION OFFICER I, IN PROGRAM 7300 -
 MOTOR CARRIER INSPECTION PROGRAM (HIGHWAY FUNDS)
 AS OF 4-5-1991

OBJECT CODE	INFORMATION	R A N G E	S T E P	MONTHLY RATE	TOTAL FY92	TOTAL FY93
	COMMUNICATION OPERATOR I (6 MO.)	16	A	\$1,501	\$ 9,006	
	COMMUNICATION OPERATOR I (6 MO.)	16	B	1,540	9,240	
	COMMUNICATION OPERATOR I (12 MO.)	16	C	1,576		\$ 18,912
	SUBTOTAL				18,246	18,912
	OVERTIME PAY (20 Hrs. @ 1.5%)				263	273
	HOLIDAY PAY (5 days @ 1.5%)				526	546
	SHIFT DIFFERENTIAL (2/3 x 2,080 Hrs. @ \$.25/Hr.)				347	347
	SUBTOTAL				19,382	20,078
	ADD: KPERs @ 3.6%				698	723
	FICA @ 7.65%				1,483	1,536
	WCI @ 1.16%				225	233
	UCI @ .20%				39	40
	EMPLOYEE GHI @ \$2,339				2,339	2,339
	DEPENDENT GHI @ \$585				585	585
100	TOTAL - S & W				24,751	25,534
200	CONTRACTUAL SERVICES				445	273
300	COMMODITIES				534	371
400	EQUIPMENT				\$ 165	-0-
	TOTAL - COST PER C.O.I POSITION				\$ 25,895	\$ 26,178
	TOTAL COST FOR 8 C.O.I'S				\$207,160	\$209,424



KANSAS STATE BOARD OF AGRICULTURE

GARY L. HALL, Acting Secretary

DIVISION OF WATER RESOURCES

901 S. Kansas Avenue, Second Floor
TOPEKA, KANSAS 66612-1283

DAVID L. POPE, Chief Engineer-Director
(913) 296-3717

Respond to: 913-296-3710
FAX: (913) 296-1176

April 19, 1991

RE: Budget Needs, Division of Water Resources, Kansas State Board of Agriculture

[REDACTED]

Reference is made to our recent telephone discussion regarding staff needs by the Division of Water Resources to carry out our regulatory responsibilities in the water structures area, particularly as they relate to activities in the floodplain. In this regard, the Division currently has responsibilities to administer certain aspects of the floodplain management program under K.S.A. 12-734 and 735 regarding the approval of locally adopted floodplain management ordinances and to approve plans and issue permits related to the construction of levees and fills in the floodplain under K.S.A. 24-126. In addition, some such projects also involve changes to the course, current or cross section of streams or watercourses which require approval of plans and the issuance of permits under K.S.A. 82a-301 through 305a, the Obstructions in Streams Act.

This office is greatly concerned about the large increase in the number of projects requiring permits from our office under the statutes referred to above and the resultant time delays that have resulted from this workload due to our inadequate staff to deal with all of these matters. Of course, this has also caused great concern to applicants for permits and others that are interested in this matter. Accordingly, the Division has made proposals through its budget requests for each of the last several years to enhance our staff capabilities to deal with these issues. Unfortunately, these efforts were not successful during the 1990 legislative session nor were such enhancements approved in our FY 1992 budget recently approved by the 1991 Legislature.

In response to your request, the following information is provided to summarize those aspects of our budget request that we feel are necessary to deal with the backlog issue for these types of permits and to establish a regional office in Wichita to work with local sponsors and applicants so as to enhance our ability to administer the law in that area of the state. These items relate to the Regulation of Water Resources program, Water Structures Subprogram 6713, within the Board of Agriculture budget for the Division of Water Resources:

SWAM
April 23, 1991
Attachment 22

1. The Water Structures Section reviews and permits construction of projects related to streams and water courses. This includes a review of the engineering design and hydraulic requirements to prevent additional flood damage or other adverse impacts to effected landowners. Consideration is also given to comments in accordance with the Environmental Coordination Act and the requirements of the National Flood Insurance Program, where applicable. Increased funding for the State Highway Construction Program has led to a 200% to 300% increase in review of bridge and channel change projects. In addition, the agency is receiving more complaints from individuals and entities as a result of an apparent greater awareness of state law and/or increased concerns about environmental problems or other potential adverse effects caused by such projects. All of this has resulted in more workload for the Division of Water Resources and has resulted in considerable delays in the issuance of project permits due to an inadequate staff to address these issues. The Kansas Department of Transportation, cities, counties and private entities are concerned about these delays and the impact on their ability to proceed with needed projects.

In our FY92 proposed budget the Agency requested a Civil Engineer II, Keyboard Operator I and an Intermittent Keyboard Operator I to expedite the review process and respond to permit applications. The total cost would be \$119,100 including \$63,341 for salaries and wages and \$39,347 for other operating. This includes \$16,412 for capital outlay.

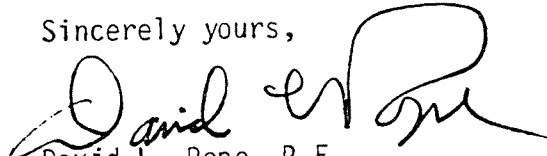
2. Currently, the Division of Water Resources does not have staff located in the Wichita area. Its closest field office is located in Stafford, Kansas, which serves a major irrigated area in that region of the state. Consequently, it primarily deals with water right issues. The Stafford Field Office does not have the staff time or expertise to provide the resources to deal with water structures issues in the Wichita area and other surrounding locations. Therefore, there is a definite need to provide staff in the field in that area of the state to conduct inspections, assist project sponsors with permitting activities and otherwise deal with the administration of laws in the water structures program.

In the Agency's FY 1992 proposed budget, staff was requested for a small regional office in Wichita which would have included one Civil Engineer II and one Keyboard Operator Intermittent I. Total cost would be \$66,545 including \$44,293 for salaries and wages, \$24,548 for other operating which include \$13,496 in capital outlay.

I hope this information is helpful. I sincerely appreciate your efforts to provide the additional funding through a possible amendment to the Omnibus Bill so that the Division of Water Resources can administer these important programs in such a way as to avoid delays in the permitting process.

Thank you very much. Please let me know if you have any questions.

Sincerely yours,



David L. Pope, P.E.
Chief Engineer-Director

DLP:dr

pc: Don Jacka, Assistant Secretary
Wayland Anderson, Assistant Chief Engineer

Billie

doa

PROPOSED SECTION FOR OMNIBUS BILL

Sec. .

DEPARTMENT OF ADMINISTRATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year specified, the following:

	<u>Fiscal Year</u> 1991	<u>Fiscal Year</u> 1992
Central management systems operations.....		\$4,342,293

Provided, That any unencumbered balance in excess of \$100 as of June 30, 1991, is hereby reappropriated for fiscal year 1992: Provided, however, That expenditures from such reappropriated balance shall be made only upon approval of the state finance council: Provided further, That expenditures from this account for the UNISYS processing center shall not exceed \$1,665,928 except upon approval of the state finance council acting on this matter which is hereby declared to be a matter of legislative delegation and subject to the guidelines prescribed by subsection (c) of K.S.A. 75-3711c and amendments thereto and acting only upon a finding by the state finance council that certain existing data processing equipment of the UNISYS processing center must be replaced to avoid a failure of the UNISYS system to process data under existing applications as a result of equipment failure: And provided further, That no expenditures may be made from this account to upgrade the UNISYS processing center.

SWAM
April 23, 1991
Attachment 23

SUBCOMMITTEE RECOMMENDATION

HCBS-MR Waiver Expansion

Concur with the funding in the Governor's Budget Amendment for SRS which serves 342 new waiver clients in FY 1992

However, recommend that this include 63 from the state hospitals (including 30 from Winfield already funded under the existing waiver, 67 from private ICF-MR's and 242 from the community waiting list.

The cost in the GBA for the waiver expansion totals \$1,008,324 from the State General Fund. This includes \$1.3 million from the State General Fund for the expanded waiver and a reduction of \$323,000 from the State General Fund due to savings in the ICF-MR medical budget due movement of 67 clients.

This recommendation is a net reduction of \$241,676 SGF from the Conference Committee recommendation, but serves 342 clients under the waiver rather than 222 as recommended by the Conference Committee.

State Hospitals

KNI -- Reduce census by 23 clients
Movement to occur by January 1, 1992
Reduce 10 FTE on June 30, 1992 (same date as Winfield)
Delete \$55,506 SGF (\$134,594 all funds) - 6 months
funding

Parsons -- Reduce census by 10 clients (total movement of 30 clients)
No reduction in funding

Winfield -- Reduce census by 30 clients
Original Gov. rec. took money out
Winfield has 6 months funding for 120 positions
plus \$133,000.

SWAM
April 23, 1991
Attachment 24