

Approved: 2-25-92
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson George Teagarden at 1:40 p.m. on February 13, 1992 in room 541-S of the Capitol.

All members were present except: Representatives Lowther and Adam (Both excused).

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

Conferees appearing before the committee:

Others attending: see attached list.

HB 2707 - Legislative agencies, governor's department, lieutenant governor, attorney general, secretary of state, state treasurer, insurance department.

COMMISSION ON INTERSTATE COOPERATION

Representative Dean presented the FY93 subcommittee report on the Commission on Interstate Cooperation (Attachment 1). The subcommittee concurs with the Governor's recommendation. Representative Dean moved adoption of FY93 subcommittee report on Commission on Interstate Cooperation. Seconded by Representative Heinemann. Motion carried.

LEGISLATIVE COORDINATING COUNCIL

Representative Dean presented the FY93 subcommittee report on the Legislative Coordinating Council (Attachment 2). The subcommittee concurs with the Governor's recommendation. Representative Dean moved adoption of FY93 subcommittee report on the Legislative Coordinating Council. Seconded by Representative Heinemann. Motion carried.

LEGISLATIVE RESEARCH DEPARTMENT

Representative Dean presented the FY93 subcommittee report on the Legislative Research Department (Attachment 3). The subcommittee concurs with the Governor's recommendation. Representative Dean moved adoption of the FY93 subcommittee report on the Legislative Research Department. Seconded by Representative Heinemann. Motion carried.

LEGISLATIVE EDUCATIONAL PLANNING COMMITTEE

Representative Dean presented the FY93 subcommittee report on the Legislative Educational Planning Committee (Attachment 4). The subcommittee concurs with the Governor's recommendation. Representative Dean moved adoption of the FY93 subcommittee report on the Legislative Educational Planning Committee. Seconded by Representative Heinemann. Motion carried.

REVISOR OF STATUTES

Representative Dean presented the FY93 subcommittee report on the Revisor of Statutes (Attachment 5). The subcommittee concurs with the Governor's recommendation. Representative Dean moved adoption of the FY93 subcommittee report on the Revisor of Statutes. Seconded by Representative Everhart. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, room 541-S Statehouse, at 1:40 p.m.
on February 13, 1992.

LEGISLATURE

Representative Dean presented the FY93 subcommittee report on the Legislature (Attachment 6). Representative Helgerson moved to delete House subcommittee recommendation Item #1 removing \$61,075 which provides an increase to legislators' per diem compensation and leadership pay; and Item #2 which adjusts the appropriation bill by removing \$61,075 and the language pertaining to the compensation increases for legislators and including all elected officials. Seconded by Representative Heinemann. Motion failed. Representative Dean moved adoption of FY93 subcommittee report on the Legislature. Seconded by Representative Heinemann. Motion carried.

DIVISION OF POST AUDIT

Representative Dean presented the FY93 subcommittee report on the Division of Post Audit (Attachment 7). The subcommittee's recommendation is to reduce General Fund expenditures by \$56,759 and special revenue fund expenditures by \$4,850. Representative Dean moved adoption of FY93 subcommittee report on the Division of Post Audit. Seconded by Representative Turnquist. Motion carried.

GOVERNOR

Representative Dean presented the FY92 subcommittee report on the Governor HB2705 (Attachment 8). Representative Chronister moved that the amount of \$242,926 for the office of special prosecutor for KPERS be removed from the Governor's budget. Representative Chronister withdrew the motion. Committee will not take action at this time.

Representative Dean presented the FY93 subcommittee report on the Governor (Attachment 9). Representative Chronister move to delete from the Governor's budget \$346,488 for the office of special prosecutor (KPERS-related) and 3.0 paralegal positions. Seconded by Representative Goossen. Motion carried. Representative Dean moved adoption of FY93 subcommittee report on the Governor as amended. Seconded by Representative Turnquist. Motion carried. It was noted that the special prosecutor question will be addressed in HB 2705, along with the FY92 appropriation.

LIEUTENANT GOVERNOR

Representative Dean presented the FY93 subcommittee report on the Lieutenant Governor (Attachment 10). The subcommittee recommends removal of \$590 from estimated expenditures and to amend the bill accordingly. Representative Dean moved adoption of FY93 subcommittee report on the Lieutenant Governor. Seconded by Representative Turnquist. Motion carried.

ATTORNEY GENERAL

Representative Heinemann presented the FY92 subcommittee report on the Attorney General. (Attachment 11). The subcommittee recommends deletion of \$10,321 from the SGF and reappropriate that amount to FY93, and reduce the FY93 appropriation accordingly. Representative Heinemann moved adoption of FY92 subcommittee report on the Attorney General. Seconded by Representative Turnquist. Motion carried.

Representative Heinemann presented the FY93 subcommittee report on the Attorney General (Attachment 12). The subcommittee recommends deletion of \$1,658 from the SGF, which is the 2.5 percent salary increase for the Attorney General. Representative Heinemann moved adoption of FY93 subcommittee report on the Attorney General. Seconded by Representative Everhart. Motion carried.

SECRETARY OF STATE

Representative Everhart presented the FY92 subcommittee report on the Secretary of State (Attachment 13). The subcommittee recommends an increase of \$15,190 for the UCC Fee Fund. Representative Everhart moved adoption of FY92 subcommittee report on the Secretary of State. Seconded by Representative Turnquist. Motion carried.

Representative Everhart presented the FY93 subcommittee report on the Secretary of State (Attachment 14). The subcommittee recommends deletion of \$3,167 from the SGF salary adjustment for the Secretary of State and add a technical amendment to allow vouchers submitted by counties during FY92 to be paid from a FY93 appropriation for the Kansas presidential primary. Representative Everhart moved adoption of FY93 subcommittee report on the Secretary of State. Seconded by Representative Heinemann. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, room 541-S Statehouse, at 1:40 p.m. on February 13, 1992.

DEPARTMENT OF INSURANCE

Representative Turnquist presented the FY92 subcommittee report on the Department of Insurance (Attachment 15). The subcommittee was informed that three full-time positions and one part-time position within the Department did not participate in the group health insurance plan. Therefore, the subcommittee recommends deletion of \$7,699 from the SGF. Representative Turnquist moved adoption of FY92 subcommittee report on the Department of Insurance. Seconded by Representative Heinemann. Motion carried.

Representative Turnquist presented the FY93 subcommittee report on the Department of Insurance (Attachment 16). The subcommittee recommends deletion of \$1,442 from the SGF and language in the bill providing for a 2.5 percent salary increase for the Commissioner of Insurance; deletion of \$8,051 from the SGF for non-participation in the group health insurance plan; introduction of legislation proposed by the agency to make the Department fee-funded; add \$62,884 from the SGF for 2.0 new FTE positions; add \$65,154 from the SGF and 2.0 FTE positions; and add \$2,000 from the SGF for actuarial fees. Representative Turnquist moved adoption of FY93 subcommittee report on the Department of Insurance. Seconded by Representative Heinemann. Motion carried.

STATE TREASURER

Representative Dean presented the FY92 subcommittee report on the State Treasurer (Attachment 17). The subcommittee recommends to adjust the Local Ad Valorem Tax Reduction Fund to reflect increased expenditures of \$108,000; adjust expenditures from the Local Alcoholic Liquor Fund for distribution to locals to reflect an estimated increase in receipts to \$11,300,000; and reflect estimated expenditures of \$1,850,000 to local units of government from the Rental Motor Vehicle Excise Tax Fund. Representative Dean moved adoption of FY92 subcommittee report on the State Treasurer. Seconded by Representative Turnquist. Motion carried.

Representative Dean presented the FY93 subcommittee report on the State Treasurer (Attachment 18). The subcommittee recommends adding \$7,000 from the SGF for state operations to assist the Treasurer with several areas of the budget; eliminate \$1,467 from the SGF which represents the 2.5 percent salary increase for the State Treasurer; increase expenditures \$170,000 from the City and County Revenue Sharing Fund; reflect estimated expenditures of \$1,850,000 to local units of government from the Rental Motor Vehicle Excise Tax Fund; and adjust expenditures from the Local Alcoholic Liquor Fund for distribution to locals. Representative Dean moved adoption of FY93 subcommittee report on the State Treasurer. Seconded by Representative Fuller. Motion carried.

Representative Dean moved that HB 2707, as amended, be recommended favorably for passage. Seconded by Representative Heinemann. Motion carried.

Representative Wisdom moved to accept the minutes dated February 10, 1992. Seconded by Representative Helgerson. Motion carried.

INTRODUCTION OF BILLS

Representative Helgerson moved introduction of three bills: 1) an act relating to smoking in the state capitol; 2) an act concerning smoking in medical care facilities, declaring certain acts to be unlawful and prescribing penalties for the violation; and 3) an act relating to the taxation of cigarettes and other tobacco products. Seconded by Representative Hamm. Motion carried.

The meeting adjourned at 3:15 p.m. The next scheduled meeting will be February 17 at 1:30 p.m. in Room 514-S.

SUBCOMMITTEE REPORT

Agency: Commission on Interstate Cooperation

Bill No. 2707

Bill Sec. 2

Analyst: Ahrens

Analysis Pg. No. 85

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 214,796	\$ 214,796	\$ --
FTE Positions	0	0	--


Agency Request/Governor's Recommendation

The FY 1993 budget request of the Commission is \$7,677 more than the current year revised estimate. The request includes an additional \$7,783 for membership dues and contributions to national organizations and a net decrease of \$16 for per diem compensation and travel expenses. The Governor concurs with the agency request.

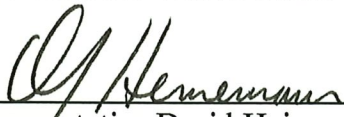
House Subcommittee Recommendation

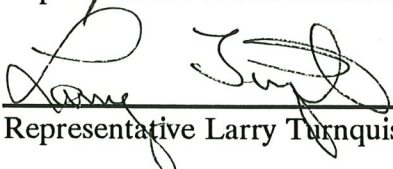
The Subcommittee concurs with the Governor's recommendation.


 Representative George Dean
 Subcommittee Chair


 Representative Denise Everhart


 Representative Wanda Fuller


 Representative David Heinemann


 Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Legislative Coordinating Council

Bill No. 2707

Bill Sec. 3

Analyst: Ahrens

Analysis Pg. No. 86

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 386,658	\$ 389,557	\$ --
FTE Positions	10.0	10.0	--

Agency Request/Governor's Recommendation

The FY 1993 budget request of the LCC is \$80,046 less than the FY 1992 revised request. Nothing is budgeted for the KPERS investigating committee in FY 1993, thus accounting for \$77,031 of the decrease. Expenses for the Division of Legislative Administrative Services would decline by \$3,021 due to retirement of an employee. Estimated expenses for LCC meetings are virtually unchanged from the current year estimate. The Governor recommends expenditures of \$389,557 for FY 1993, or \$2,899 of salaries and wages above the agency request.


House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.


 Representative George Dean
 Subcommittee Chair


 Representative Denise Everhart


 Representative Wanda Fuller


 Representative David Heinemann


 Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Legislative Research Department

Bill No. 2707

Bill Sec. 3

Analyst: Ahrens

Analysis Pg. No. 88

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations: State General Fund	\$ 1,845,383	\$ 1,852,459	\$ --
FTE Positions	35.1	35.1	--

Agency Request/Governor's Recommendation

The FY 1993 budget request of the Legislative Research Department is \$32,436 greater than the revised agency estimate for FY 1991. Of the increase, \$28,936 is for salaries and benefits of the present staff of 35.1 FTE and \$3,500 is for other operating expenditures. The Governor's recommendation adds \$7,076 to the budget request. The amount represents a merit salary pool for employees who are not assigned to the basic state pay plan.

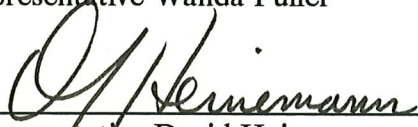
House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.


 Representative George Dean
 Subcommittee Chair


 Representative Denise Everhart


 Representative Wanda Fuller


 Representative David Heinemann


 Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Legislative Educational Planning Committee

Bill No. 2707

Bill Sec. 3

Analyst: Ahrens

Analysis Pg. No. 89

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 35,550	\$ 35,550	\$ --
FTE Positions	0	0	--

Agency Request/Governor's Recommendation

The agency's FY 1993 budget request is \$141 more than the revised agency estimate for FY 1992. The Governor concurs with the agency's request.

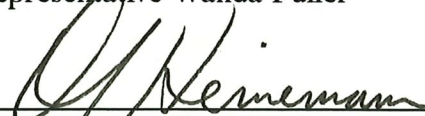
House Subcommittee Recommendation

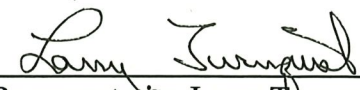
The Legislative Educational Planning Committee is a permanent joint committee established by K.S.A. 46-1208a originally to comply with expired federal requirements for establishment of an educational planning body as a condition to the award of a federal educational planning grant. The Committee now primarily functions, under Legislative Coordinating Council direction, as an interim Committee, although it maintains separate budget status. The Subcommittee recommends the repeal of K.S.A. 46-1208a. Pending passage of such legislation, the Subcommittee recommends no changes to the Governor's recommendation.


 Representative George Dean
 Subcommittee Chair


 Representative Denise Everhart


 Representative Wanda Fuller


 Representative David Heinemann


 Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Revisor of Statutes

Bill No. 2707

Bill Sec. 3

Analyst: Ahrens

Analysis Pg. No. 90

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,234,372	\$ 2,238,067	\$ --
FTE Positions	27.6	27.6	--

Agency Request/Governor's Recommendation

The FY 1993 budget request of the Revisor of Statutes is \$127,711 above the revised expenditure estimate for FY 1992. Salaries and benefits increase \$16,939, and printing of *Kansas Statutes Annotated* is estimated to require an increase of \$126,593. Nonsalary expenses for computing services decrease \$15,921. All other expenses increase \$100. The Governor's recommendation is an increase of \$3,695 to the agency's request. This amount is a merit salary pool for positions not assigned to the basic state salary plan.


House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.


 Representative George Dean
 Subcommittee Chair


 Representative Denise Everhart


 Representative Wanda Fuller


 Representative David Heinemann


 Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Legislature

Bill No. 2707

Bill Sec. 4

Analyst: Ahrens

Analysis Pg. No. 92

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 9,661,756	\$ 9,760,490	\$ (61,075)
FTE Positions	30.0	30.0	--

Agency Request/Governor's Recommendation

The FY 1993 budget request for the Legislature as submitted by the LCC totals \$9,661,756, all of which is financed from the State General Fund. The request includes \$374,313 for legislative computerization and \$130,609 for three positions and supporting expenses to constitute a census data analysis unit (in the current year these three positions are dedicated to the legislative redistricting effort).

The Governor recommends a budget of \$9,760,490 for FY 1993, an increase of \$98,734 of salaries and wages above the requested expenditures. The recommendation removes \$14,070 from the amount requested for full-time and temporary employees, adds a \$47,202 merit pool for full-time and temporary employees (2.5 percent of the adjusted total), adds \$50,120 to the requested expenditures for a \$1.50 addition to legislators' per diem compensation and a 2.5 percent increase to leadership pay, and adds a net of \$15,482 for fringe benefits.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following adjustment:

1. Delete \$61,075 added to the budget by the Governor to provide an increase to legislators' per diem compensation and leadership pay.
2. Adjust the appropriation bill by removing \$61,075 and the language pertaining to the compensation increases for legislators.

As pointed out above, the FY 1993 budget for the Legislature provides for continuation of the computing resources added to assist the Legislature in its redistricting efforts. Continuation of these resources beyond redistricting to assist the Legislature in data analysis and computerization of legislative procedures was contemplated by the Special Committee on Legislative, Judicial and Congressional Apportionment in making its recommendations to the LCC for acquiring the present automated system. The LCC adopted that recommendation. Our immediate recommendation is to

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2-13-92
Attachment 6*

retain these resources in the FY 1993 budget, particularly in view of the fact that the redistricting effort has not been completed. However, the future uses for these computing resources need to be defined in more detail before the Subcommittee is totally satisfied as to the merits of continuing their financing beyond redistricting.



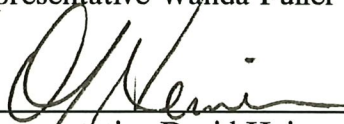
Representative George Dean
Subcommittee Chair



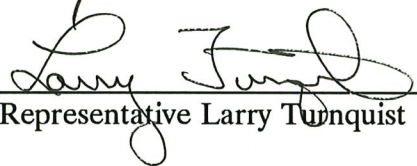
Representative Denise Everhart



Representative Wanda Fuller



Representative David Heinemann



Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Division of Post Audit

Bill No. 2707

Bill Sec. 5

Analyst: Ahrens

Analysis Pg. No. 94

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,537,833	\$ 1,541,548	\$ (61,609)
State General Fund	1,427,833	1,431,548	(56,759)
FTE Positions	19.0	19.0	--


Agency Request/Governor's Recommendation

The FY 1993 budget request of the Division of Post Audit is financed by \$1,427,833 from the State General Fund and \$110,000 from the Audit Services Fund. The General Fund request represents an increase of \$88,261 and financing from the Audit Services Fund decreases \$19,914, so that the net requested budget increase is \$68,347. Expenditures for salaries and wages increase \$17,718 with no change in the current 19 FTE positions. Contracted audits are estimated to require \$366,000 in FY 1993, up \$40,205 from the FY 1992 estimate. There is a net increase of \$10,424 for all other items of expenditure. The Governor recommends an increase of \$3,715 to the agency's General Fund budget request. The additional amount is a merit pool plus related fringes.

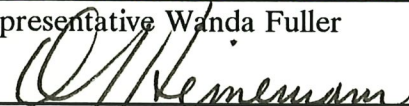
House Subcommittee Recommendation

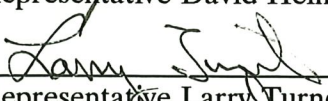
Subsequent to publication of the Governor's Budget Report, the Legislative Post Audit Committee reduced its budget request by \$10,643 of salaries and wages to reflect savings due to turnover and by \$50,700 of contractual services reflecting actual awards for contract audit services. The Subcommittee recommends that these adjustments be made plus \$266 to adjust the 2.5 percent merit pool recommended by the Governor. The net effect of the Subcommittee's recommendation is to reduce General Fund expenditures by \$56,759 and special revenue fund expenditures by \$4,850.


 Representative George Dean
 Subcommittee Chair


 Representative Denise Everhart


 Representative Wanda Fuller


 Representative David Heinemann


 Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Governor

Bill No. 2705

Bill Sec. 3

Analyst: Ahrens

Analysis Pg. No. 96

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,633,028	\$ 1,869,036	\$ --
State General Fund	1,562,874	1,798,882	--
FTE Positions	30.5	34.5	--

Agency Estimate/Governor's Recommendation

A revised FY 1992 budget estimate is submitted which is financed by \$1,562,874 from the State General Fund and \$70,154 from the Special Revenue Program Fund. The General Fund amount is \$168,936 less than the amount the agency is authorized to spend.

The Governor recommends FY 1992 expenditures of \$1,869,036, or \$236,008 more than the request. The increase is financed from the General Fund and is comprised of \$242,926 for the already established office of special prosecutor (KPERS-related matters) and a reduction of \$6,918 for fringe benefits. The special prosecutor's office is recommended to be financed by a supplemental General Fund appropriation of \$174,008 and the remainder from the reappropriated balance. The office of the special prosecutor includes 4.0 FTE positions.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation. It is noted that the recommended supplemental appropriation for the Governor and a supplemental appropriation to the Adjutant General for matching federal disaster relief aid are in a bill separate from other supplementals.

*HA
2-13-92
Attachment 8*

George R Dean

Representative George Dean
Subcommittee Chair

Denise Everhart

Representative Denise Everhart

Wanda Fuller

Representative Wanda Fuller

David Heinemann

Representative David Heinemann

Larry Turnquist

Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Governor

Bill No. 2707

Bill Sec. 6

Analyst: Ahrens

Analysis Pg. No. 96

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,674,562	\$ 2,021,050	\$ (2,031)
State General Fund	1,592,750	1,939,238	(2,031)
FTE Positions	30.5	34.5	--

Agency Request/Governor's Recommendation

The FY 1993 budget request of the agency is financed by \$1,592,750 from the State General Fund and \$81,812 from the Special Revenue Program Fund. Expenditures for salaries and wages total \$1,175,872, an increase of \$44,294 or 3.9 percent above the revised FY 1992 estimate. The estimated number of positions financed for FY 1993 is 30.5, the same as is financed for FY 1992. Nonsalary expenses total \$498,690 or \$2,760 less than estimated for FY 1992.

The Governor recommends expenditures of \$2,021,050 for FY 1993, all financed from the State General Fund. The Governor concurs with the original FY 1993 requested amounts and adds \$346,488 and 4.0 positions for the office of special prosecutor (KPERS-related). The budget for the special prosecutor includes salaries and wages of \$137,873 for an attorney and 3.0 paralegal positions. The special prosecutor is paid on a contractual basis in the amount of \$69,680. Other budget items for the office include \$67,500 for other contract attorneys, \$22,500 for court reporter services and expert witnesses, \$29,400 for office rental, and \$19,535 for other purposes. The Governor recommends that a 2.5 percent salary increase to her salary for FY 1993 be authorized by appropriation act. The present salary as fixed in accordance with statutes is \$74,235.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation, except as follows:

1. Remove \$2,031 from estimated expenditures which represents the 2.5 percent salary increase, including fringes.
2. Amend the appropriation bill to delete the \$2,031 and strike the language pertaining to the salary increase for the Governor.

HA
2-13-92
Attachment 9

George R Dean
Representative George Dean
Subcommittee Chair

Denise Everhart
Representative Denise Everhart

Wanda Fuller
Representative Wanda Fuller

David Heinemann
Representative David Heinemann

Larry Turnquist
Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Lieutenant Governor

Bill No. 2707

Bill Sec. 7

Analyst: Ahrens

Analysis Pg. No. 97

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State General Fund:			
State Operations	\$ 101,778	\$ 102,127	\$ (590)
FTE Positions	3.0	3.0	--

Agency Request/Governor's Recommendation

The FY 1993 budget request totals \$101,778 of which \$74,933 is for the salaries and benefits of the Lieutenant Governor and two staff positions and \$26,845 is for other operating expenditures, primarily for travel and communications. The Governor recommends FY 1993 expenditures of \$102,127, an increase of \$349 of salaries and wages above the agency request. The Governor recommends appropriation language to provide for FY 1993 only a 2.5 percent increase to the Lieutenant Governor's statutory salary of \$20,998.

House Subcommittee Recommendation

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

1. Remove \$590 from estimated expenditures which represents the 2.5 percent salary increase for the Lieutenant Governor, including fringes.
2. Amend the appropriation bill to delete the \$590 and strike the appropriation language pertaining to the 2.5 percent salary increase for the Lieutenant Governor.

*HA
2-13-92
Attachment 10*

George R Dean

Representative George Dean
Subcommittee Chair

Denise Everhart

Representative Denise Everhart

Wanda Fuller

Representative Wanda Fuller

David Heinemann

Representative David Heinemann

Larry Turquist

Representative Larry Turquist

SUBCOMMITTEE REPORT

Agency: Attorney General

Bill No. --

Bill Sec. --

Analyst: Rampey

Analysis Pg. No. 98

Budget Page No. 86

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 4,834,050	\$ 4,820,620	\$ (10,321)
Aid to Local Units	1,122,704	1,122,704	--
Other Assistance	3,307,724	3,307,724	--
TOTAL	<u>\$ 9,264,478</u>	<u>\$ 9,251,048</u>	<u>\$ (10,321)</u>
State General Fund:			
State Operations	\$ 3,748,491	\$ 3,736,149	\$ (10,321)
FTE Positions	70.3	70.3	--

Agency Estimate/Governor's Recommendation

The Attorney General estimates expenditures of \$9,264,478 in FY 1992, of which \$3,748,491 is from the State General Fund (SGF). The amount available for the current year includes an unlimited SGF reappropriation of \$56,922 from FY 1991. Some of the money (\$16,400) is being used to begin an information systems upgrade that the agency hopes will be continued in FY 1993. Also included is an appropriation of \$483,615 for water litigation with Colorado, which, combined with SGF money carried forward from FY 1991 (\$834,688), results in a total of \$1,318,303 available for water litigation in the current year. Shrinkage is budgeted at 2.5 percent, except for one division that is small and has no anticipated turnover (the Crime Victims Compensation Board).

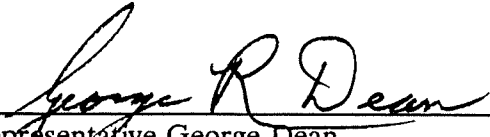
The Governor recommends expenditures of \$9,251,048, a reduction of \$13,430 from the agency's estimate. All of the reduction is in salaries and most of it (\$12,342) is from the SGF. In general, salary savings are due to increasing the shrinkage rate from 2.5 percent as budgeted by the agency to 3.0 percent. Adjustments are made to fringe benefits to reflect current rates, but, in the case of health insurance, lower rates were applied to all employees when, in fact, temporary employees do not qualify for health insurance benefits. As a result, health insurance costs are overstated by approximately \$10,000 in the current year.

House Subcommittee Recommendation

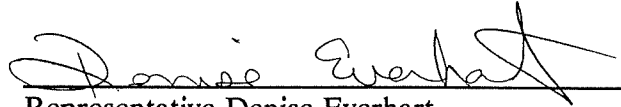
The Subcommittee concurs with the Governor's recommendations, with the following exception:

*HA
2-13-92
Attachment 11*

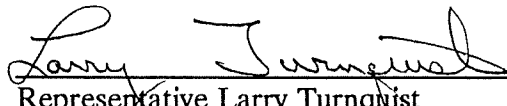
1. Delete \$10,321 from the SGF, reappropriate that amount to FY 1993, and reduce the FY 1993 appropriation accordingly. The deletion corrects an error made in calculating the cost of health insurance benefits.



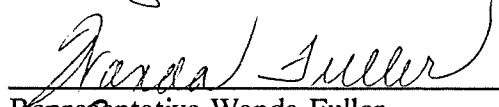
Representative George Dean
Subcommittee Chairperson



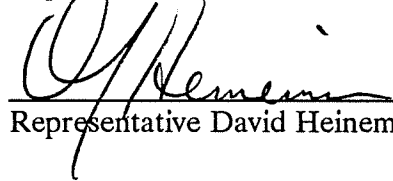
Representative Denise Everhart



Representative Larry Turnquist



Representative Wanda Fuller



Representative David Heinemann

SUBCOMMITTEE REPORT

Agency: Attorney General

Bill No. 2707

Bill Sec. 8

Analyst: Rampey

Analysis Pg. No. 98

Budget Page No. 86

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,988,521	\$ 3,791,194	\$ (1,658)
Aid to Local Units	1,012,100	1,012,100	--
Other Assistance	3,744,120	3,577,143	--
TOTAL	<u>\$ 8,744,741</u>	<u>\$ 8,380,437</u>	<u>\$ (1,658)</u>
State General Fund:			
State Operations	\$ 2,926,011	\$ 2,903,203	\$ (1,658)
FTE Positions	72.3	67.0	--

Agency Request/Governor's Recommendation

The budget request for FY 1993 totals \$8,744,741, of which \$2,926,011 would be from the State General Fund (SGF). The decrease in expenditures from the current year (budgeted SGF expenditures are \$822,480 less in FY 1993 than in FY 1992) is primarily due to lower expenditures for water litigation. (The trial is expected to be over by the end of FY 1992.) In FY 1993 the Attorney General proposes upgrading the agency's information system at an approximate cost of \$163,000. The agency is requesting 2.0 FTE new positions, an Assistant Attorney General I and a Legal Assistant. Shrinkage is budgeted at 1.0 percent.


For FY 1993, the Governor recommends expenditures of \$8,380,437, of which \$2,903,203 would be from the SGF. The recommendation is a reduction from the request of \$364,304 from all funds and \$22,808 from the SGF. Expenditures for continued water litigation with Colorado are approved in the amount requested (\$261,697) and the Governor approves the agency's plans to upgrade its information system at a cost of \$148,638 for capital outlay, plus communications costs. The Governor includes \$29,610 to fund the salaries of 1.2 FTE new positions, but deletes 4.5 FTE positions that are currently filled by nine part-time law clerks. But the Governor funds these positions as temporary employees, the result being that the position limitation is reduced but no reduction is made in expenditures or in the number of staff who actually can be employed. Shrinkage, which is budgeted by the agency at 1.0 percent (\$24,497), is increased to 3.0 percent (\$72,014), which accounts for \$47,517 of the reduction from the request. Step and merit increases generally are approved as requested and a 2.5 percent salary increase is included for the Attorney General.

*HA
2-13-92
Attachment 12*

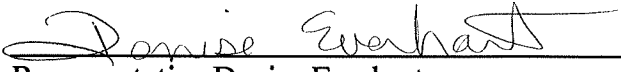
House Subcommittee Recommendation

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


1. Delete \$1,658 from the SGF, which is the 2.5 percent salary increase for the Attorney General recommended by the Governor.



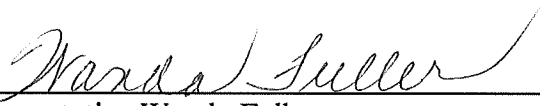
Representative George Dean
Subcommittee Chairperson



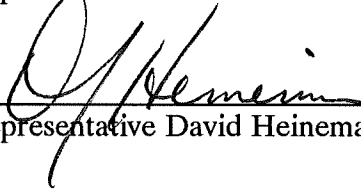
Representative Denise Everhart



Representative Larry Turnquist



Representative Wanda Fuller



Representative David Heinemann

SUBCOMMITTEE REPORT

Agency: Secretary of State

Bill No. 2729

Bill Sec. 6

Analyst: Mah

Analysis Pg. No. 109

Budget Page No. 506

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund:			
Noncensus	\$ 1,479,832	\$ 1,474,941	\$ --
Census	43,558	43,362	--
Uniform Commercial Code			
Fee Fund	690,265	687,907	15,190
Other Special Funds	704,337	702,637	--
Local Aid:			
State General Fund	1,882,000	0	--
	<u>\$ 4,799,992</u>	<u>\$ 2,908,847</u>	<u>\$ 15,190</u>
FTE Positions	61.0	61.0	--

Agency Estimate/Governor's Recommendation

FY 1992. The agency's current year estimate totals \$4,799,992 for all operating expenditures, which is \$1,937,615 more than the authorized budget of \$2,862,377. Total estimated financing from the State General Fund is \$3,405,390 and includes a supplemental appropriation of \$1,882,000 for aid to local units of government to provide for the reimbursement of counties for their 1992 presidential preference primary expenses. Other funding changes from the authorized budget require adjustments to the expenditure limitations for the Uniform Commercial Code (UCC) Fee Fund and the Information and Copy Service Fee Fund. The agency requests \$425,468 from the Information and Copy Service Fee Fund, an increase of \$40,401 from the approved expenditure limitation of \$385,067 for this Fund. Requested expenditures from the UCC Fee Fund, including revisions made by the agency after the budget was submitted, increase expenditures by \$17,548 from the approved expenditure limitation of \$801,290. (The agency revised its estimate after submission of its budget because of the need to shift financing of operating expenditures to allow money from the State General Fund to be available to print *Kansas Administrative Regulations*.) Also included in the agency's current year estimate is \$43,558 from the State General Fund for 11 months of salaries and wages for the state Census Director. (The agency's plan is to abolish the position after this period and to have any activities related to the census picked up by other existing noncensus FTE positions within the agency.) Major noncensus operating expenditures of \$2,874,434 in the current year (excluding the \$1,882,000 for reimbursement of counties for the presidential primary) consist of \$1,850,914 for salaries and wages, \$215,594 for communications, \$244,692 for printing (revisions made by the agency after the budget was submitted would increase this by \$128,573 to provide for printing costs of *Kansas Administrative Regulations*), and \$293,594 for capital outlay (for the final payment on a purchase contract for an AS 400 computer). All other noncensus expenditures total \$269,640.

HA
2-13-92
Attachment 13

The Governor's current year recommendation totals \$2,908,847 for all operating expenditures. The supplemental appropriation of \$1,882,000 for aid to local units to reimburse Kansas counties for costs associated with the presidential primary is not approved, but \$1.5 million from the State General Fund is added to FY 1993 to provide for the costs. Census expenditures of \$43,362 are recommended from the State General Fund. This reduces the agency's estimate for census expenditures by \$196 due to adjustments to fringe benefits costs to reflect current rates. The recommendation for noncensus expenditures totals \$2,865,485 and excludes the agency's revised estimate that was made after the budget was submitted for \$128,573 of additional funds for printing expenditures. The Governor's recommendation for noncensus expenditures is a reduction of \$1,890,949 from the agency's budget document estimate (\$8,949 for salary and wage expenditures and \$1,882,000 for the presidential primary costs). Salary and wage expenditures are reduced in the Governor's recommendation because of adjustments to fringe benefits costs to reflect current rates. The Governor concurs with the agency's current year estimate for all other operating expenses.

House Subcommittee Recommendations


The House Subcommittee concurs with the Governor's recommendations with the following exception:

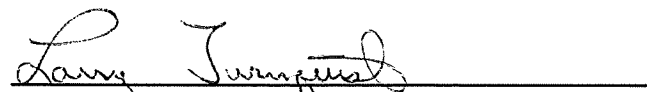
1. Increase the authorized expenditure limitation of \$801,290 to \$816,480 (\$15,190) for the UCC Fee Fund. This will allow the agency to shift financing of operating expenditures within its budget so that money from the State General Fund is available to be used for printing costs of the *Kansas Administrative Regulations* (\$128,573). (When the agency submitted its budget, the agency did not request funds for the printing of *Kansas Administrative Regulations* in FY 1992 because it anticipated paying for the cost from encumbered FY 1991 funds.)


 Representative George Dean
 Subcommittee Chairperson


 Representative Denise Everhart


 Representative Wanda Fuller


 Representative David Heinemann


 Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Secretary of State

Bill No. 2707

Bill Sec. 9

Analyst: Mah

Analysis Pg. No. 109

Budget Page No. 506

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund:			
Noncensus	\$ 1,477,668	\$ 1,479,554	\$ (3,167)
Census	0	0	--
Uniform Commercial Code			
Fee Fund	788,299	707,610	--
Other Special Funds	610,291	556,924	--
Local Aid:			
State General Fund	0	1,500,000	--
	<u>\$ 2,876,258</u>	<u>\$ 4,244,088</u>	<u>\$ (3,167)</u>
FTE Positions	61.0	61.0	--

Agency Estimate/Governor's Recommendation

FY 1993. The agency's FY 1993 request totals \$2,876,258 for all operating expenditures. The request includes \$135,000 to purchase computer software to begin replacing the current computer software for the agency's Uniform Commercial Code Administration Program. The new software would allow the agency to move toward its long range plan for an optical imaging system. All requested funding in FY 1993 is for the agency's noncensus operating expenditures since the agency plans to abolish its subprogram for the Census in FY 1992. Total estimated financing from the State General Fund for all operating expenses is \$1,477,668. Other funding sources include: \$788,299 from the UCC Fee Fund, \$161,420 from the Kansas Register Fee Fund, \$409,375 from the Information and Copy Service Fee Fund, and \$39,496 from other special revenue funds. The agency also requests that two funds, the UCC Fee Fund and the Information and Copy Service Fee Fund, be reestablished as "no limit" funds. Expenditure limitations were established for the UCC Fee Fund and the Information and Copy Service Fee Fund for FY 1992 by the 1991 Legislature. Historically, expenditure limitations have not been placed on either of these Funds.

The Governor's FY 1993 recommendation totals \$2,744,088 for operating expenditures. Census expenditures are not included in the recommendation for operating expenditures since the Governor concurs with the agency's plan to abolish its subprogram for the Census during FY 1992. The Governor's recommendation also includes \$1.5 million for aid to local units in order to provide for total reimbursement to Kansas counties for the 1992 Kansas Presidential Primary. The total FY 1993 recommendation of the Governor equals \$4,244,088, an increase of \$1,335,241 from the Governor's current year recommendation of \$2,908,847. The FY 1993 recommendation removes funding of \$135,000 to purchase computer software to begin replacing the current computer software for the agency's Uniform Commercial Code Administration Program. However, the Governor does provide

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Attachment 14

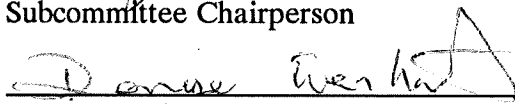
the agency with the flexibility to make this expenditure if receipts to the UCC Fee Fund and the Information and Copy Service Fee Fund are available by reestablishing both of these funds as "no limit" funds. An unclassified merit pool of \$37,179 or 2.6 percent (including funds for a salary increase for the Secretary of State) is included in the recommendation.

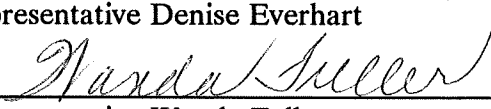
House Subcommittee Recommendations

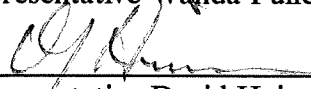
The House Subcommittee concurs with the Governor's recommendations with the following exceptions:

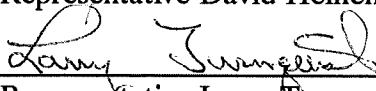
1. Delete \$3,167 from the State General Fund to remove the 2.5 percent salary adjustment for the Secretary of State (\$1,442) and to make a technical adjustment to lower the unclassified merit pool from 2.6 percent to 2.5 percent (\$1,725).
2. Add a proviso to the bill as a technical amendment to allow vouchers submitted by counties during FY 1992 to be paid from an FY 1993 appropriation for the Kansas presidential primary. (K.S.A. 25-4508 allows county officials up to 60-days (which the Secretary of State's Office says officially is until the end of the day of June 8, 1992) to submit their presidential primary costs to the Secretary of State.) The Division of Account and Reports says that current law will require that a proviso be included in the bill in order for the expenses submitted in FY 1992 to be paid from an FY 1993 appropriation.
3. The Subcommittee concurs with the Governor's recommendation of \$1.5 million for reimbursement of counties for the presidential primary. The Subcommittee notes that the most recent estimate from the Secretary of State's Office for the presidential primary is \$1,882,000 and that legislation is currently pending (1992 S.B. 552) which is anticipated to reduce the cost of the presidential primary by approximately \$350,000.


 Representative George Dean
 Subcommittee Chairperson


 Representative Denise Everhart


 Representative Wanda Fuller


 Representative David Heinemann


 Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Department of Insurance

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. 119

Budget Page No. 328

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 12,725,912	\$ 12,686,738	\$ (7,699)
Local Aid	3,828,031	3,828,031	--
Other Assistance	48,346,417	48,346,417	--
Capital Improvements	--	--	--
Total	\$ 64,900,360	\$ 64,861,186	\$ (7,699)
State General Fund:			
State Operations	\$ 4,704,877	\$ 4,674,026	\$ (7,699)
Other Assistance	3,960,000	3,960,000	--
Capital Improvements	--	--	--
Total	\$ 8,664,877	\$ 8,634,026	\$ (7,699)
FTE Positions	156.2	156.2	--

Agency Estimate/Governor's Recommendation

The Insurance Department estimates total expenditures of \$64,900,360, an increase of \$13,232,854 above the amount approved by the 1991 Legislature. The largest increases are in payments from the Workers' Compensation Fund (\$10,627,422), payments from the Health Care Stabilization Fund (\$1,898,938), and payments from the Firefighters Relief Fund (\$252,894). The agency requests state operations expenditures of \$4,704,877 from the State General Fund, the amount approved by the 1991 Legislature, including the reappropriation.

The Governor recommends FY 1992 expenditures of \$64,861,186, a reduction of \$39,174 from the agency's revised request. The recommended reduction is entirely in salaries and wages, and reflects fringe benefit adjustments.

House Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the Governor with the following adjustment:

1. Delete \$7,699 from the State General Fund. The Subcommittee was informed that three full-time positions and one part-time position within the Department do not participate in the group health insurance plan. The Governor's

recommendation for employee health insurance is based on authorized FTE, not on the actual number of participating employees.




Representative George Dean
Subcommittee Chair




Representative Denise Everhart



Representative Wanda Fuller



Representative David Heinemann



Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: Department of Insurance

Bill No. 2707

Bill Sec. 11

Analyst: Robinson

Analysis Pg. No. 119

Budget Page No. 328

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 13,122,421	\$ 12,766,063	\$ 138,545
Local Aid	3,984,575	3,984,575	--
Other Assistance	52,032,230	52,032,230	--
Capital Improvements	7,000	72,000	--
Total	<u>\$ 69,146,226</u>	<u>\$ 68,854,868</u>	<u>\$ 138,545</u>
State General Fund:			
State Operations	\$ --	\$ 4,742,654	\$ 138,545
Other Assistance	4,000,000	4,000,000	--
Capital Improvements	7,000	--	--
Total	<u>\$ 4,007,000</u>	<u>\$ 8,742,654</u>	<u>\$ 138,545</u>
FTE Positions	162.2	156.2	4.0

Agency Request/Governor's Recommendation

For FY 1993, the Department requests expenditures of \$69,146,226, an increase of \$4,245,866 from the revised current year estimate. The requested increases include state operations (\$396,509), Firefighters Relief fund payments (\$161,446), Workers' Compensation fund payments (\$3,180,911), and Health Care Stabilization fund payments (\$500,000). The FY 1993 request also includes \$7,000 for capital improvements on the Department's Topeka office. The state operations increase consists of salaries and wages (\$387,607), commodities (\$5,745), capital outlay (\$47,162) and a reduction in contractual services (\$44,005). The request would fund 162.2 FTE positions, an increase of 6.0 FTE above the currently authorized number. The agency's FY 1993 budget request is based on the proposition that the agency become fee-funded.

The Governor recommends FY 1993 expenditures of \$68,854,868, a net reduction of \$291,358 from the amount requested by the agency. The reductions are primarily in the areas of salaries and wages (\$246,084), and rents (\$173,398). The Governor has recommended a debt service interest payment of \$104,647 on the bonds issued for the purchase of the Department's Topeka office. This largely offsets the reductions in rent expenditures requested by the agency. The Governor does not recommend the addition of 6.0 FTE positions. The Governor's salary and wage recommendation includes step movement for classified employees and an unclassified merit increase equal to 2.5 percent. The recommendation also includes a 2.5 percent increase for the salary of the Commissioner of Insurance.

*HA
2-13-92
Attachment 16*


House Subcommittee Recommendation

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

1. Delete \$1,442 from the State General Fund and language in the appropriations bill providing for a 2.5 percent salary increase for the Commissioner of Insurance.
2. Delete \$8,051 from the State General Fund. The Subcommittee was informed that three full-time positions and one part-time position within the Department do not participate in the group health insurance plan, and that the Governor's recommendation for employee health insurance is based on authorized FTE, not on the actual number of participating employees.
3. The Subcommittee recommends the introduction of legislation proposed by the agency to make the Department fee-funded. The Subcommittee was informed that 23 other state Insurance Departments are fee-funded and others are attempting to become fee-funded. The Subcommittee further notes that this agency is one of the few agencies in the state charged with regulating an industry that is not fee-funded.
4. Add \$62,884 from the State General Fund for 2.0 new FTE positions, a Financial Analyst and a Financial Analyst Trainee, for the financial surveillance division. The Subcommittee believes that these positions are necessary to provide more oversight, given the rising number of insurance company insolvencies. Currently, the Department has 3.0 FTE positions to monitor approximately 1,500 companies.
5. Add \$65,154 from the State General Fund and 2.0 FTE Policy Examiner II positions. One position would be utilized in the accident and health division to review rates for group accident and sickness insurance policies. The other position would be in the consumer division to help resolve consumer life insurance complaints. Currently, the Department has only one life insurance representative and, as a result, life insurance consumer complaints take almost twice as long to resolve as all other types of complaints.
6. Add \$20,000 from the State General Fund for actuarial fees. This increases the Governor's recommendation from \$30,000 to \$50,000. The Subcommittee was informed that from FY 1988 to FY 1990, the average actuarial expenses of the Department totaled \$42,267.



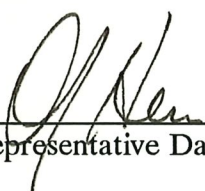
Representative George Dean
Subcommittee Chair



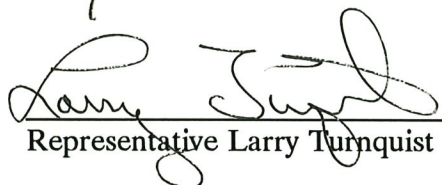
Representative Denise Everhart



Representative Wanda Fuller



Representative David Heinemann



Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: State Treasurer

Bill No. NA

Bill Sec. NA

Analyst: Duffy

Analysis Pg. No. 129

Budget Page No. 574

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,028,210	\$ 2,022,065	\$ --
Aid to Local Units	78,434,000 *	76,516,256	4,375,840
Debt Service	666,995	666,995	--
Total	\$ 81,129,205	\$ 79,205,316	\$ 4,375,840
State General Fund:			
State Operations	\$ 1,914,710	\$ 1,908,565	\$ --
Aid to Local Units	67,634,000 *	67,634,096	108,000
Total	\$ 69,548,710	\$ 69,542,661	\$ 108,000
FTE Positions	51.5	51.5	--

* Expenditures for Aid to Local Units reflect the estimates made by the Consensus Estimating Group on November 14, 1991.

Agency Estimate/Governor's Recommendation

The revised FY 1992 expenditure estimate for state operations totals \$2,028,210. The revised estimate includes expenditures of \$54,850 from the Unclaimed Property Contract Fund above the amount estimated by the 1991 Legislature. The Unclaimed Property Contract Fund is a "no limit" fund. The agency's revised request includes funding for 51.5 FTE positions, 0.5 FTE (Office Assistant II) less than the 52.0 FTE authorized by the 1991 Legislature.

The Governor recommends FY 1992 expenditures for state operations of \$2,022,065 which is \$6,145 less than the amount estimated by the agency. The reduction is in salaries and wages and reflects the current year adjustment to health insurance rates.

House Subcommittee Recommendation

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

1. Based on actual FY 1992 distributions to local units, adjust the Local Ad Valorem Tax Reduction Fund (LAVTRF) to reflect increased expenditures of \$108,000.


*HA
2-13-92
Attachment 17*

- 2. Based on the most recent consensus estimate for the Private Club and Liquor Drinking Tax, adjust expenditures from the Local Alcoholic Liquor Fund for distribution to locals to reflect an estimated increase in receipts from \$8,882,160 (estimated by the Governor) to \$11,300,000.

- 3. Based on current law (1991 S.B. 14), reflect estimated expenditures of \$1,850,000 to local units of government from the Rental Motor Vehicle Excise Tax Fund. Because of an oversight the expenditures from this special revenue fund were not included in the agency's budget request or the Governor's recommendation.




Representative George Dean
Subcommittee Chair



Representative Denise Everhart



Representative Wanda Fuller



Representative David Heinemann



Representative Larry Turnquist

SUBCOMMITTEE REPORT

Agency: State Treasurer

Bill No. 2707

Bill Sec. 10

Analyst: Duffy

Analysis Pg. No. 129

Budget Page No. 574

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,175,084	\$ 2,042,616	\$ 5,533
Aid to Local Units	82,670,000 *	82,670,000	2,820,000
Debt Service	294,759	294,759	--
Total	<u>\$ 85,139,843</u>	<u>\$ 85,007,375</u>	<u>\$ 2,825,533</u>
State General Fund:			
State Operations	\$ 1,940,519	\$ 1,893,642	\$ 5,533
Aid to Local Units	71,470,000 *	71,470,000	170,000
Total	<u>\$ 73,410,519</u>	<u>\$ 73,363,642</u>	<u>\$ 175,533</u>
FTE Positions	51.5	48.5	--

* Expenditures for Aid to Local Units reflect the estimates made by the Consensus Estimating Group on November 14, 1991.

Agency Request/Governor's Recommendation

State Operations. The agency requests FY 1993 expenditures for state operations of \$2,175,084 (excluding debt service of \$294,759), an increase of 7.2 percent or \$146,874 over the agency's revised FY 1992 request. The State Treasurer's FY 1993 request is financed from the State General Fund (\$1,940,519); Unclaimed Property Contract Fund (\$120,700) and a new initiative to create a new fee fund and divert fees currently credited to the State General Fund for servicing certain bonds (\$113,865). The FY 1993 request for salaries and wages totals \$1,435,204 for 51.5 FTE positions, the same number included in the agency's revised request for FY 1992.

The Governor recommends FY 1993 expenditures for state operations of \$2,042,616, which is \$132,468 less than the amount requested by the agency. The Governor's FY 1993 recommendation is financed from the State General Fund (\$1,893,642), Unclaimed Property Contract Fund (\$122,974), and the Bond Services Fee Fund (\$26,000). The Governor does not recommend the creation of the new fee fund proposed by the State Treasurer.

Local Aid. Under the current distribution formulas and assuming no change in the distribution formula, payments from the Local Ad Valorem Tax Reduction Fund (LAVTRF) and the City and County Revenue Sharing Fund (CCRSF) are as follows:

*HA
2-13-92
Attachment 18*

LAVTRF AND CCRSF			
(In Thousands)			
	Actual FY 1991	Actual FY 1992	FY 1993*
LAVTRF	\$ 37,164	\$ 38,576	\$ 40,487
CCRSF	\$ 28,351	\$ 29,166	\$ 31,153

* For FY 1991 and FY 1992 the figures reflect actual distributions. The FY 1993 CCRSF figure is actual and the LAVTRF figure is based upon the consensus estimate of sales and compensating use taxes as spread by month by the Legislative Research Department.

The Governor's budget includes the estimates made on the basis of the November consensus estimates -- \$38,468,000 for the LAVTRF in FY 1992 and \$40,487,000 in FY 1993 and \$30,983,000 for the CCRSF in FY 1993.

House Subcommittee Recommendation


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


1. Add \$7,000 from the State General Fund for state operations to assist the Treasurer with several areas of the budget including communications, rent, travel and office supplies. The Subcommittee notes that the additional funding results in an overall increase of 1.4 percent from FY 1992 to FY 1993 compared to the Governor's recommendation of 1 percent. Further, the increase recommended by the Subcommittee represents an increase of \$4,939 (0.9 percent) in other operating expenditures in contrast to the FY 1992 recommendation.
2. Eliminate \$1,467 from the State General Fund which represents the 2.5 percent salary increase for the State Treasurer and the language in the appropriation bill which provides for the increase.
3. Based on actual sales and use tax receipts for calendar year 1991, increase expenditures \$170,000 from the City and County Revenue Sharing Fund.
4. Based on current law (1991 S.B. 14), reflect estimated expenditures of \$1,850,000 to local units of government from the Rental Motor Vehicle Excise Tax Fund. Because of an oversight the expenditures from this special revenue fund were not included in the agency's budget request nor the Governor's recommendation.
5. Based on the most recent consensus estimate for the Private Club and Liquor Drinking Tax, adjust expenditures from the Local Alcoholic Liquor Fund for

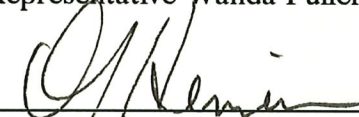
distribution to locals to reflect an estimated increase in receipts from \$11,200,000 to \$12,000,000.

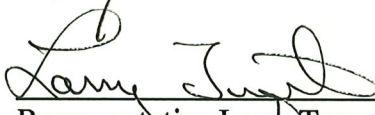
- 6. The Subcommittee notes that several bills (S.B. 480, S.B. 481, and S.B. 482) pertaining to a municipal investment pool, local investment authority, state moneys law, expansion of the Pooled Money Investment Board, qualifications of the State Treasurer, designation of the State Treasurer as official cash manager, and other provisions may have an impact on the State Treasurer's budget.


 Representative George Dean
 Subcommittee Chair


 Representative Denise Everhart


 Representative Wanda Fuller


 Representative David Heinemann


 Representative Larry Turnquist