

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson George Teagarden at 10:15 a.m. on April 27, 1992 in room 514-S of the Capitol.

All members were present except: All present.

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:

Jack Lacey, Secretary, Department of Wildlife and Parks

Others attending: See attached list

Staff distributed the write-up of Items for Omnibus Consideration and the Governor's Budget Amendments for use by the Subcommittees in their deliberations on the Omnibus Bill. Chairman Teagarden asked the subcommittees to consider all the items pertaining to their agencies and prepare to make recommendations to the full Committee when it is reconvened.

INTRODUCTION OF BILLS

Chairman Teagarden requested introduction of a bill concerning the sheep council and recommended that the bill be referred directly to the floor. Representative Hamm moved the bill as requested. Seconded by Representative Chronister. Motion carried.

Chairman Teagarden recessed the full Committee until 3:00 p.m. The Committee reconvened at 3:00 p.m. and was recessed until 8:00 a.m. on April 28, 1992.

The Committee reconvened at 8:05 a.m. on April 28, 1992.

The Committee took up consideration of items for inclusion in the Omnibus appropriations bill following the memorandum on Items for Omnibus Consideration by the Kansas Legislative Research Department (Attachment 1) and the Governor's Budget Amendment Memorandum (Attachment 2).

HOMESTEAD PROPERTY TAX REFUNDS

Items A and B - The subcommittee recommended \$1.5M additional funding for FY92 with language allowing part to be carried over for FY93.
GBA Item #89 - The subcommittee concurred with this item.

DEPARTMENT OF REVENUE

Item A - The subcommittee recommended to add an additional 15 FTE. These positions will be used in the field services.
Items B and C - The subcommittee concurred with both items.
Item D - The subcommittee deleted funding for this item per the Governor's veto.
Items E, F and G - The subcommittee concurred with these items.
GBA Item #25 - The subcommittee concurred with this item.

KANSAS RACING COMMISSION

Item A - The subcommittee concurred with the Governor's recommendation to add 10 FTE. Other operating expenditures were adopted with exception of the \$38,760 for an upgrade to the AS/400 computer.
Item B - After reviewing the recommended additional information relating to simulcasting, the subcommittee concurred with this item.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, room 514-S Statehouse, at 10:15 a.m. on April 27, 1992.

KANSAS LOTTERY

Item A - If the Lottery extends into FY93, the subcommittee recommended that a separate line item be added for a computer needs analysis study at an approximate cost of \$25,000.

Item B - The subcommittee concurred with this item.

GBA Item #18 - The subcommittee did not agree with this item and recommended that the increase in the Lottery sales estimate be increased to \$73.0 million in lieu of \$75.0 million recommended by the Governor.

ATTORNEY GENERAL

Item A - The subcommittee concurred with this item.

Item B - The subcommittee recommended adding 2 FTE positions with salary and benefits amounting to \$103,281 SGF. The subcommittee also recommended to include \$5,000 in disproportionate share for office equipment.

Item C - The subcommittee concurred with this item.

Item D - The subcommittee did not agree with the Attorney General's request to appropriate \$250,000 in FY93 from the SGF to fund the activities of independent counsels, but recommended that this item be handled in the same way as tort claims.

STATE CORPORATION COMMISSION

Item A and B - The subcommittee concurred with this item.

GBA Items #28 and 29 - The subcommittee concurred with these items.

GBA Items #30 and 31 - The subcommittee recommended a reduction in expenditure limitation on the Motor Carrier License Fee Fund of \$20,000 in FY93.

SB 380

Item A - The subcommittee concurred with this item, but recommended to staff that they advise the conference committees of current costs of this bill when in conference.

DEPARTMENT OF EDUCATION

Item A - The subcommittee concurred with this item.

Item B - The subcommittee recommended not to fund the "building-based education program".

Items C and D - The subcommittee concurred with these items taking the House position on in-service education of \$2.0 million.

STATE LIBRARY

Item A - The subcommittee recommended funding the Adult Literacy grants program from EDIF for \$100,000; the Literacy computer and software grants for \$80,000 disproportionate share; and travel expenditures of \$1,850 SGF.

Item B - The subcommittee recommended the appropriation of \$75,000 SGF for the Burlingame Library and come from the State Emergency Fund.

DEPARTMENT ON AGING

Item A - Due to questions as to which provisions will be passed from this bill, the subcommittee did not recommend the addition of \$95,000 at this time, but will review this item later.

BOARD OF COSMETOLOGY

Item A - The subcommittee recommended an increase in the fee fund of \$125,000, but did not recommend any FTE positions.

KANSAS BOARD OF BARBERING

GBA Item 59 - The subcommittee concurred with this item.

ATTORNEY GENERAL - KANSAS BUREAU OF INVESTIGATION

Item A - The subcommittee concurred with this item.

Item B - The subcommittee concurred with the recommended standby pay for agents, but recommended an increase of \$150,000 to be placed in the Lottery and Racing Investigations Fee Fund.

Item C - The subcommittee concurred with this item, but recommends funding to come from the Gaming Fund.

Item D - The subcommittee recommended the reduction of 2 FTE positions and deletion of \$1,500,000 for the purchase of Optical Disc. Representative Dean moved that upon review of a needs analysis for the upgrade on the AS400 computer, funding be released subject to the finance council's approval. Seconded by Representative Mead. Motion carried.

Item E - The subcommittee concurred with this item, but recommended the funding of \$6,000 for overtime come from the judicial budget. Representative Everhart moved that the \$6,000 SGF funding for overtime hours be placed in the KBI budget. Seconded by Representative Dean. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, room 514-S Statehouse, at 10:15 a.m. on April 27, 1992.

Item F - The subcommittee recommended that the funding regarding HB 2353 of \$131,728 come from the Highway Fund.

GBA Item #20 - The subcommittee did not concur with this item.

STATE MENTAL RETARDATION HOSPITALS - SYSTEMWIDE ISSUES

Item A - The subcommittee deferred any recommendation on categorical aid and teacher salary increases until the school finance bill is decided upon.

Item B (1), (2), and (3) - The subcommittee did not recommend additional funding for KNI, Parsons, and Winfield due to the disagreement on the calculation of turnover. KNI - the subcommittee agreed with the agency request for FY92 of \$433,517 and the Governor's recommendation for FY93 of \$202,064. Parsons - the subcommittee concurred with the agency's request of \$450,452 for FY92 and the Governor's recommendation of \$139,066 for FY93. Winfield - the subcommittee concurred with the agency's request of \$155,500 for FY92.

PARSONS STATE HOSPITAL

GBA Items 71 and 72 - These items were done in a previous report.

DEPARTMENT OF COMMERCE

Items A and B - The subcommittee concurred with both of these items.

Item C - The subcommittee recommended decreasing the state economic development initiatives fund by \$15,000.

Item D - The subcommittee concurred with this item pending signing of the bill.

GBA Item #15 - The subcommittee concurred with this item.

GBA Item #16 - The subcommittee did not recommend this item.

KANSAS TECHNOLOGY ENTERPRISE CORPORATION

Item A - The subcommittee concurred with this item

Item B - The subcommittee concurs and recommends funding pending passage of the bill.

GBA Item #17 - The subcommittee recommends to shift \$1.5 million to EDIF.

New Item - The subcommittee approved the agency's request to roll over from FY92 - \$114,532.67 into FY93.

ADJUTANT GENERAL

GBA Item #21 - The subcommittee concurred to add 2 FTE positions and recommended to add, per the Governor's veto, \$4,934.01 in payment for architectural services.

SECRETARY OF STATE

Item A - The subcommittee concurred with item pending passage of the bill.

CORRECTIONS OMBUDSMAN BOARD

Item A - The subcommittee agreed with this item.

DEPARTMENT OF CORRECTIONS

Item A - The subcommittee approved the funding for SB479 in FY93 of \$3,011,000, but made no recommendation for FY94.

GBA Item #46 - The subcommittee concurred with the reduction of \$1,797,817.

GBA Item #47 - The subcommittee recommended adding \$322,321 for FY92 and \$1,281,267 for FY93 relating to the increase in inmates.

GBA Item #49 - The subcommittee concurred with this item.

KANSAS SENTENCING COMMISSION

Item A - The subcommittee concurred with this item, but recommended the suggested 1.0 FTE Attorney position be a "special project" position.

LANSING CORRECTIONAL FACILITY

GBA Item #48 - The subcommittee concurred with this item.

EL DORADO CORRECTIONAL FACILITY

GBA Item #50 - The subcommittee concurred with this item.

WINFIELD CORRECTIONAL FACILITY

GBA Item #50 - The subcommittee concurred with this item.



CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, room 514-S Statehouse, at 10:15 a.m. on April 27, 1992.

TOPEKA CORRECTIONAL FACILITY

GBA Item #51 - The subcommittee took no action on this item pending review of the State Building Committee.

DIVISION OF POST AUDIT

Item A - The subcommittee did not agree to fund a fifth audit team at a cost of \$166,168 for FY93.

Item B - The subcommittee made no recommendation on SB 526 per the Governor's veto.

DEPARTMENT OF ADMINISTRATION

Item A - The subcommittee concurred with this item and recommended that the funding amounting to \$156,200 come from disproportionate share dollars.

Item B - The subcommittee concurs with this item.

Item C - The subcommittee concurs with this item, but recommends that the \$2,400 remain in the budget.

Item D and E - No recommendations due to the Governor's veto.

GBA Item #22 - The subcommittee concurred with this item.

GBA Item #23 - The subcommittee did not concur with this item and requested additional language.

GBA Item #24 - The subcommittee concurred with this item.

GBA Item #25 - The subcommittee did not agree with this item, but recommended that the interest savings be recaptured from the budgets.

New Item - The subcommittee recommended funding for lighting improvements in the state parking lots in the amount of \$246,300.

New Item - The subcommittee recommended to move the motor pool vehicles to the south end of parking lot number one in the capitol complex.

FORT HAYS STATE UNIVERSITY

Items A, B, C, and D - The subcommittee concurred with these items.

PITTSBURG STATE UNIVERSITY

Item A - The subcommittee will concur with the State Building and Construction Committee's recommendation.

BOARD OF REGENTS

GBA Items #35-37 - These items have been done and the subcommittee concurs.

KANSAS ADVISORY COUNCIL ON INTERGOVERNMENTAL RELATIONS

No action taken on this item per the Governor's veto.

STATE TREASURER/POOLED MONEY INVESTMENT BOARD

Item A - The subcommittee concurs with this item, but recommends approval of funding for computer needs after a needs analysis is completed and reviewed by the State Finance Council.

GBA Items #1 and 2 - The subcommittee concurred with these items.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

Item A - The subcommittee concurred with this item.

New Item - The subcommittee concurred with the agency's request to include \$300,000 funding for Special Legal Counsel.

New Item - The subcommittee concurred with the agency's request to include funding for FY92 for the Study Commission's monthly meetings, travel and subsistence at an estimated cost of \$15,000.

New Item - The subcommittee concurred with the agency's request to fund the Study Commission's monthly meeting expenses for FY93 at an estimated cost of \$25,000.

New Item - The subcommittee recommended funding \$99,600 for FY93 elections if SB 526 is vetoed by the Governor and the bill is overridden.

New Item - The subcommittee recommended an increase of \$112,500 for the Investment Related Expenses if HB 2721 is vetoed by the Governor.

REGENTS' SYSTEMWIDE ISSUES

Items A and B - The subcommittee concurred with these items.

KANSAS STATE UNIVERSITY

Item A - The subcommittee, upon the recommendation of the State Building and Construction Committee, will concur.

GBA Item #38 - This item is in the conference committee.

GBA Items #39 and 40 - The subcommittee concurred with these items.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, room 514-S Statehouse, at 10:15 a.m. on April 27, 1992.

KANSAS STATE UNIVERSITY - SALINA

GBA Item #41 - The subcommittee concurs with this item.

GBA Items # 42 and 43 - These items were done in regular meeting.

UNIVERSITY OF KANSAS

Item A - The subcommittee concurs with the technical adjustment.

Item B - The subcommittee will concur with the State Building Construction Committee's recommendation.

UNIVERSITY OF KANSAS MEDICAL CENTER

GBA Item #45 - The subcommittee did not concur with this item. Representative Chronister moved inclusion of the following technical changes: the utility line item needed to be reduced by \$47,000 for FY93; an increase of \$36,000 in the general fees fund; and an increase of \$100,000 in the medical scholarship repayment fund to ensure the family practice program. Seconded by Representative Wisdom. Motion carried.

SYSTEMWIDE MENTAL HEALTH HOSPITALS

Item A - The subcommittee did not make any recommendation pending the recommendations in the education bill.

Items B and C - The subcommittee did not make any recommendations.

Item D - The subcommittee did not recommend funding for the Behavior Treatment Unit and the Enhanced Security Staffing, but concurred with the funding for the Enhanced Exterior Lighting, the Hospital-wide Rekeying, and the Local Area Network. Representative Blumenthal moved to include security requested items for: Larned - modification of nursing stations - Dillon, video monitors, security/safety personnel, security transportation, metal detectors, and rekeying state security hospital; Osawatomie - silent alarm system, replace paging and/or on-call system, lock system replacement, upgrade security radio equipment, exterior lighting enhancement, and increased parking; and Rainbow - enclosed space between two buildings and key replacement; and these items be funded from disproportionate share dollars. Seconded by Representative Wisdom. Motion failed. Representative Blumenthal moved to include security requested items for Larned - modification of nursing stations - Dillon, video monitors, security/safety personnel, security transportation, metal detectors, and rekeying state security hospital; Osawatomie - silent alarm system, replace paging and/or on-call system, lock system replacement, upgrade security radio equipment, exterior lighting enhancement, and increased parking; and Rainbow - enclosed space between two buildings and key replacement; and to include for Topeka State funding for the Behavior Treatment Unit and the Enhanced Security Staffing. Seconded by Representative Everhart. Motion failed. Representative Lowther moved to include funding for enhanced security staffing at Topeka State Hospital which includes 3 FTE Security Officer positions and 1 FTE Secretary II position. Seconded by Representative Everhart. Representative Lowther amended his motion by deleting funding for the 1 FTE Secretary II position. Motion failed.

LARNED STATE HOSPITAL

GBA Item #63 - This item was already done.

GBA Item #64 - The subcommittee concurs only if HB 3182 becomes law.

OSAWATOMIE STATE HOSPITAL

Item A - The subcommittee concurs with this item.

GBA Items #69 and 70 - Already done in regular report.

RAINBOW MENTAL HEALTH FACILITY

Item A - The subcommittee did not recommend the additional funding.

TOPEKA STATE HOSPITAL

GBA Items #65, 66, 67 and 68 - These items were done in regular report.

KANSAS SOLDIERS' HOME

Item A - The subcommittee concurs with the funding of \$20,000 and if this becomes law, the subcommittee recommends funding an additional \$20,000 in FY93.

GBA Item #54 - The subcommittee concurred with this item.

GBA Item #55 - The subcommittee recommended not to use disproportionate share dollars for FY93 due to the additional amount of federal dollars available.

DEPARTMENT OF HUMAN RESOURCES

GBA Item #52 - The subcommittee recommended transferring \$200,000 from the fee account to the SGF.

GBA Item #53 - The subcommittee concurred with this item.



CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, room 514-S Statehouse, at 10:15 a.m. on April 27, 1992.

DEPARTMENT OF ANIMAL HEALTH

Item A - The subcommittee recommended to add \$100,000 with a proviso providing that expenditures shall be made from this account to reduce the fees charged for the Animal Facilities Inspection program.

Item B - The subcommittee concurred with this item.

GBA Item #58 - The subcommittee did not recommend funding of \$46,678 for 2.0 FTE positions.

DEPARTMENT OF WILDLIFE AND PARKS

Item A - The subcommittee concurred with the technical adjustment

GBA Item #3 - The subcommittee concurred with this item.

YOUTH CENTER AT TOPEKA

The subcommittee recommended to reduce the teacher salary increases from 4.0 percent to 2.0 percent.

YOUTH CENTER AT ATCHISON

The subcommittee recommended to reduce the teacher salary increases from 3.8 percent to 1.9 percent.

YOUTH CENTER AT BELOIT

The subcommittee recommended to reduce the teacher salary increases from 5.0 percent to 2.5 percent.

Representative Vancrum moved to reduce teacher salary requested increases by 1/2 for the mental health and mental rehabilitation institutions. Representative Chronister seconded. Motion carried.

BEHAVIOR SCIENCES REGULATORY BOARD

Item A - The subcommittee concurred with this item.

KANSAS INSURANCE DEPARTMENT

Items A, B, C and D - The subcommittee recommended to include 1.0 FTE Policy Examiner Trainee position and 1.0 FTE Consumer Representative position and associated funding. The subcommittee also recommended the lapse of \$50,000 from the FY92 budget. Two technical adjustments were recommended: 1) the subcommittee reduced expenditures by \$7,699 in FY92 and is recommending that this amount be added to the agency's expenditure limitations in their fee fund; and 2) the amount of \$10,855 was previously transferred to other fee funds within the agency and the subcommittee is recommending that this amount be transferred into the agency's new fee fund.

STATE BOARD OF AGRICULTURE

Item A - The subcommittee concurred with this item with a recommendation to add language that the Aquaculture Advisory Council become self-sufficient in FY93.

Items B, C, D and E - The subcommittee concurred with these items.

Representative Mead moved to fund \$30,000 from disproportionate share for the milking parlor construction at the state fair. Seconded by Representative Dean. Motion carried.

JUDICIAL COUNCIL

Items A and B - The subcommittee concurred with these items pending passage of SB 358 and SB479.

JUDICIAL BRANCH

Item A - This item done previously.

Item B - The subcommittee concurred with this item. Representative Patrick moved to remove the Technology Coordinator position and funding of \$35,741. Motion died for lack of a second.

Item C - The subcommittee recommended deleting funding of \$140,000 for Education and Training pending passage of the Kansas Sentencing Guidelines Act.

Item D - The subcommittee concurred with this item.

BOARD OF INDIGENTS' DEFENSE SERVICES

Item A - The subcommittee concurred with this item.

Item B - The subcommittee concurred with this item pending passage of HB 2709.

Item C - The subcommittee concurred with this item.

EMERGENCY MEDICAL SERVICES

Item A - The subcommittee non-concurred to fund approximately \$1.2 million annually for this item.

KANSAS DEPARTMENT OF TRANSPORTATION

GBA Items #60, 61 and 62 - The subcommittee concurred with these items.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, room 514-S Statehouse, at 10:15 a.m. on April 27, 1992.

DEPARTMENT OF HEALTH AND ENVIRONMENT

Items A, B, C, D and E - The subcommittee concurred with these items.

Item F - The subcommittee did not recommend funding for a consultant for FY93 and FY94.

Items G and H - The subcommittee recommended that if the dollar figure by both House and Senate are the same to put in the additional dollar amount pending passage of this bill.

GBA Items #4, 5, 6, 7, 8, 9 and 10 - The subcommittee concurred with these items.

GBA Item #11 - This item was vetoed by the Governor and the subcommittee recommends to separate the Infant and Toddler Program and the \$18.5 million and place as a line item in the Omnibus Bill.

GBA Item #12 - The subcommittee concurred with this item.

GBA Item #13 - This item already done.

GBA Item #14 - The subcommittee did not concur with the funding of a Vital Statistics satellite office in the Kansas City area.

Representative Helgerson moved to concur with the Building Committee's recommendation to fund \$259,700 in disproportionate share dollars for the exterior lighting project at Topeka State Hospital. Seconded by Representative Chronister. Motion carried.

Representative Adam moved that per the Governor's veto on HB 2611, the subcommittee recommends the funding be transferred to the SGF, if veto is sustained, and also per the Governor's veto on HB 2722, the subcommittee recommends to place a limit of \$28,600 on the Indirect Cost Recovery Fund, if the veto is sustained. Seconded by Representative Lowther. Motion carried.

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Items A and B - The subcommittee did not concur with the Governor's recommendation in both these items.

Item C - The subcommittee concurred with the technical change.

Item D - The subcommittee concurred with a no limit on this item.

Item E - The subcommittee did not concur with this item.

Item F - This item will be handled in the regular bill.

Item G - The subcommittee recommends to pull out \$1.0 million SGF from this item.

Items H and I - No recommendations were made on these items, as they are in the regular bill.

Item J - The subcommittee concurred with this item.

Items K, L and M - The subcommittee made no recommendations at this time noting SB 507 is now in conference.

Item N - The subcommittee concurred with this item.

Item O - This item has already been done.

Item P - The subcommittee concurred with this item and recommended the funding be placed in the fee fund if passed out of conference.

GBA Item #75 - The subcommittee concurred with this item.

GBA Item #76 - This item has already been done.

GBA Item #77 - This item will be discussed in the conference committee.

GBA Item #78 - The item has already been done.

GBA Items #79 and 80 - The subcommittee concurred with these items.

GBA Item #81 - The subcommittee concurred with this item and recommended that 10% or approve \$76,000 be placed in the Block Grant program.

GBA Item #82 - This item has already been done.

GBA Item #83 - The subcommittee recommended the funding of \$5,447,430 be shifted to available federal funds to service the Youth Program.

GBA Item #84 - This item has been deleted.

GBA Item #85 - The subcommittee did not recommend this item.

GBA Item #86 - The subcommittee concurred with this item.

GBA Items #87 and 88 - The subcommittee did not take any action on these items.

New Item - The subcommittee recommended technical adjustments in the KanWork savings and the OOE for the JOBS Program for FY93.

New Item - An additional \$200,000 from the SRS fee fund was approved by the subcommittee for the Kansas Legal Services Contract.

THE KANSAS HEALTHY KIDS CORPORATION

Item A - The subcommittee concurred with this item and recommended that the electrical work contracted at Topeka State Hospital in the amount of \$206,000 be funded by disproportionate share dollars.

Representative Heinemann moved to fund the fee waiver at 100% for Graduate Teaching Assistants. Seconded by Representative Pottorff. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, room 514-S Statehouse, at 10:15 a.m. on April 27, 1992.

Representative Chronister stated that she received a letter from the Kansas State School for the Visually Handicapped requesting an amendment to the budget to fund an evaluation performed on a student with an approximate cost of \$15,000. Representative Chronister moved to fund the evaluation costs of approximately \$15,000 for the student in question at the School for the Visually Handicapped. Seconded by Representative Wisdom. Motion carried.

Representative Heinemann moved to set aside \$200,000 from disproportionate share dollars to purchase the St. Mary's of the Plains College Library. Seconded by Representative Wisdom. Motion carried.

Representative Everhart moved to include security requested items for Larned - video monitors and metal detectors; Osawatomie - silent alarm system, replace paging and/or on-call system, lock system replacement, upgrade security radio equipment and exterior lighting enhancement; Rainbow - enclosed space between two buildings and key replacement; and to include funding for all items listed. Seconded by Representative Dean. Motion failed.

Representative Kline moved to insert in the Omnibus Bill the following recommendations: a supplemental for the Soldier's Home for a storage tank in the amount of \$20,000 SIBF funding; security lighting at Topeka State Hospital in the amount of \$259,700 in disproportionate share dollars; approve \$246,300 for the capitol parking lot lighting from the State Building and Grounds Fund; and approve replacement of a heating and air conditioning unit for KSBA in Topeka for \$50,000 disproportionate share dollars. Seconded by Representative Solbach. Motion carried.

INTRODUCTION OF BILLS

Chairman Teagarden requested introduction of a bill concerning shifting the administration of the pooled money investment board to the State Treasurer. Representative Turnquist moved to introduce the bill as requested. Seconded by Representative Helgerson. Motion carried.

Representative Goossen moved to introduce a bill concerning SRS support enforcement services and contracts for legal services. Seconded by Representative Pottorff. Motion carried.

Representative Chronister moved to accept the minutes, as amended, for the dates of March 18, 19, 20, 23, 24, 25, 26, 27, 30, 31, and April 1, 2, 3, 6 and 11, 1992. Seconded by Representative Gatlin. Motion carried.

KANSAS DEPARTMENT OF WILDLIFE AND PARKS

Jack Lacey, Secretary, Kansas Department of Wildlife and Parks, gave a briefing before the Committee on the negotiations and possible transfer of U.S. Army Corps of Engineers Parks to the State of Kansas (Attachment 3). Secretary Lacey stated that he held a press conference on April 14, 1992 and announced that all discussions and feasibility studies regarding this item with the Corps of Engineers have ceased.

Meeting adjourned at 4:30 p.m. on April 28, 1992. The next scheduled meeting will be April 29, 1992 at 1:30 p.m. in room 514-S.

GUEST LIST

COMMITTEE: HOUSE APPROPRIATIONS

DATE: 4-28-92

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
Paul Shelby	Topeka	OJA
Jerry Sloan	"	"
Don POUND	"	SRS
James Duffy	Topeka	Revenue
Theresa Smell	Topeka	KLS
William E. Watts	Topeka	KDOT
Mike Lackey	"	KDOT
BERT CANTWELL	"	KHP
Bill Hollenbaker	Pittsburg	PSU
John N. Roberts	Topeka	Kansas Lottery
GARY SAVILLE	"	KANSAS LOTTERY
Deborah L. Sutton	Topeka	Kansas Lottery
Ralph Decker	Topeka	Kansas Lottery
Ron Poff	Hays	FHSU
Ping Enriquez	Topeka	Washburn
John C. Bottemberg	TOPEKA	BOTTEMBERG ASSOC
DAVID HORNBAKER	"	KHP
Steve Shea	KS	KSI
Carl W. Samuel	Topeka	KDOT
Jan Ploger	Topeka	KCC
Sydney Hardman	Lawrence	KS Action for Children

ITEMS FOR OMNIBUS CONSIDERATION

Homestead Property Tax Refunds

A. Senate Bill No. 657 (Law). The bill raises the maximum homestead refund from \$500 to \$600 per household, with an estimated increase in refunds projected at \$1.5 million in FY 1993.

In addition, the bill allows a taxpayer who received a homestead refund in the previous year to assign an anticipated homestead refund to the county in payment of property taxes due. The bill allows the county clerk to determine the eligibility of the claimant, and for the Director of Taxation to pay the assigned homestead refunds to the county as payment of property taxes.

The agency's fiscal note indicates that the \$1.5 million estimate for FY 1993 is based upon experience in FY 1990 when the maximum amount was raised from \$400 to \$500. It further notes that homes had been reassessed during the 1989-90 period, and that revaluation also may have contributed to the increase in FY 1990 refunds.

The agency requests 1.0 FTE position and financing of \$27,501 because of the anticipated increase in workload due to the assignment provision. The agency notes that because assigned claims may be submitted by a county prior to the time an actual homestead property tax refund claim may be filed by an individual (since the claim usually is filed with the personal income tax return), that an increased workload is anticipated to track eligibility of those who file returns after the state has paid the county an amount assigned for taxes. Funding is requested at \$22,400 for 1.0 Tax Examiner II, \$788 for capital outlay, \$2,500 for postage, \$1,245 for floor space, and \$568 for telephone service.

B. FY 1992 Homestead Refunds. The House Appropriations Subcommittee desired to monitor homestead payments through April, and to make any adjustments, if necessary, in the funding of the program during Omnibus. The approved FY 1992 and FY 1993 financing is noted below:

	FY 1992	FY 1993
Reappropriated Balance	\$ 2,015,651	\$ 93,483
Current Appropriation	6,651,230	8,252,412
Total Available	\$ 8,666,881	\$ 8,345,895
Approved Expenditures	8,573,398	8,345,895
Ending Balance	\$ 93,483	\$ --

The Department of Revenue indicates that payments to date this fiscal year (through April 21, 1992) have used 91.8 percent of available funds, and that current approved funding may not be sufficient in FY 1992. Of the \$8,666,881 available for FY 1992 expenditures, refunds of \$7,958,429 have been paid, with a balance of \$708,452 (including the \$93,483 estimated reappropriation) to pay

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Attachment 1*

the remaining homestead claims this fiscal year. The Legislature may wish to consider splitting the funds addressed in item 1 above, with a portion appropriated in FY 1992 (and any unexpended balance to be carried over to FY 1993), if there is concern about a shortfall of FY 1992 funding.

Governor's Budget Amendment No. 4, Item 89, addresses this on page 38.

Department of Revenue

A. Property Valuation Division (PVD) Staffing. The Senate Ways and Means Subcommittee deleted 10.0 FTE positions and \$225,828 of the FY 1993 funding for new PVD positions, suggesting that the matter be revised during Omnibus to take into account the need for the 10.0 FTE positions relative to a statewide school finance mill levy. The House Appropriations Subcommittee removed an additional 15.0 FTE positions and \$681,224 of the financing for new staffing and other operating, noting that a post audit report on PVD staffing would be available during Omnibus for review. Legislative reductions were \$655,452 for salaries and \$251,600 for other operating, for a total reduction of 25.0 FTE positions and \$907,052 of state operations financing from the State General Fund.

The agency originally requested an enhancement of its ability to monitor county-level appraisers with both field and office staff. An increase in expenditures of \$1,353,935 was requested in FY 1993 to add 19 new staff and operating support. The Governor's FY 1993 recommendations included 25.0 new FTE positions for PVD and financing of \$1,118,556 from the State General Fund.

Funding of \$655,452 (salary only) was recommended by the Governor in FY 1993 for the following positions: 9.0 FTE Property Appraiser I positions, 7.0 FTE Property Appraiser II positions, 1.0 FTE Property Appraiser III positions, 2.0 FTE Tax Examiner II positions, 2.0 FTE Accountant II positions, 1.0 FTE Administrative Office II position, 2.0 Office Assistant III positions, and 1.0 FTE Office Specialist position. Additional funding was recommended in FY 1993 amounting to \$251,600 for travel and subsistence for new staff. Capital outlay funding of \$57,660 was recommended in FY 1993, including \$30,355 for laptop computers, \$12,800 for software, \$7,800 for portable printers, and \$6,705 for desktop computers.

House Bill No. 2816 (Law). The bill establishes the Kansas Real Estate Ratio Study Act, providing for statutory deadlines for PVD to compile information about property sales. The agency verbally has indicated that this bill has administrative impact, but no written fiscal note with detailed information was available when this memorandum was being prepared. The agency reports that 8.0 FTE positions, \$225,000 for salaries and benefits, and \$76,081 for other operating expenditures are to be requested to implement provisions of this bill. No other details were available.

B. Senate Bill No. 549 (Law). The bill amends current law pertaining to interstate motor fuel use and establishes the International Fuel Tax Agreement Clearing Fund. The Legislature should appropriate this fund in the Omnibus bill for both FY 1992 and FY 1993. This bill is effective upon publication in the *Kansas Register*.

C. House Bill No. 2812 (Law). The bill pertains to funds appropriated under K.S.A. 79-1478 (the appraisal cost-sharing provision for counties to maintain updated property valuations) and allows the PVD Director to withhold state aid if any county is not in compliance with property tax administration laws. The bill requires that withheld funds be deposited in a "Special Training Fund" to be utilized by the PVD Director to correct the problem and to provide training for county

officials. The Legislature should appropriate this fund in the Omnibus bill for FY 1993. The provisions of H.B. 2812 become effective on January 1, 1993.

D. Senate Bill No. 339 (Governor). The bill amends the statute which sets the interest rate on most delinquent state taxes. The new interest rate will be 3.0 percentage points above the prime lending rate, to be determined early each calendar year. This variable feature needs to be reprogrammed into the agency's computer software, in particular the agency's Accounts Receivable Management System (ARMS).

The agency indicates that programming and testing costs are estimated at \$140,065 to write new programs and to rewrite the principal and interest module of the ARMS. The agency plans to contract with an outside vendor to perform the work which is estimated to cost \$135,495. Another \$4,570 is estimated for on-line testing of the software modifications.

E. House Bill No. 2681 (Governor). The bill would redefine the Kansas Enterprise Zone Act, providing for manufacturing industries to claim state sales tax exemptions and income tax credits relative to job expansion and business relocation.

The agency requests 2.0 FTE positions to handle the corporate and individual taxpayer questions about these exemptions and credits. Funding is requested for 1.0 Tax Examiner III (\$25,536) and 1.0 Tax Examiner II (\$22,400). In addition to salaries of \$47,936, the agency requests capital outlay of \$4,652 and contractual services of \$6,321 for these positions. Total FY 1993 costs are \$58,909.

F. Senate Bill No. 683 (Conference). This bill would permit cities (Class A, B, or C) or counties having a local city sales tax on July 1, 1990, to adopt an additional tax in the amount of 0.25 percent, as well as 0.50 percent which is the current minimum increment.

The agency indicates that notification of retailers would be the main cost associated with the bill. The fiscal note assumed 25,000 notices might be required, at a cost of \$9,057 for printing and mailing notices to retailers.

G. Senate Bill No. 723 (Conference). This bill would amend provisions allowing Class D cities to impose a local retailers sales tax and allow optional rates in increments of 0.25 percent.

The agency indicates that notification of retailers would be the main cost associated with the bill. The fiscal note assumed 50,000 notices might be required, at a cost of \$16,114 for printing and mailing notices to retailers.

H. Governor's Budget Amendment No. 4, Item 25, page 11.

Kansas Racing Commission

A. Pittsburg License/Operations. The House Appropriations Subcommittee directed the Racing Commission to submit for Omnibus review a supplemental FY 1993 budget indicating the staffing (FTE positions and part-time positions) and financing (revenues and expenditures) for Pittsburg. The Racing Commission issued a license to the proposed new race track on April 3, 1992.

Governor's Budget Amendment No. 4, page 8, item 19.

In a letter dated April 10, 1992 (revised April 17 1992), the Kansas Racing Commission provides the following FY 1993 estimates, based on the assumption that the Pittsburg facility will open on October 21, 1992:

	<u>Racing Fund</u>	<u>Reimburs. Fund</u>	<u>All Funds Total</u>
Estimated Revenue	\$ 1,176,900	\$ 199,010	\$ 1,375,910
Requested Expenditures	511,198	199,010	710,208
FTE Positions Requested	7.0	5.0	12.0
Gaming Fund Transfer	\$ 665,702	\$ --	\$ 665,702

The State Gaming Revenues Fund transfer is derived by subtracting the requested expenditures from the estimated revenue for the State Racing Fund and the monthly transfer estimate is calculated for eight months (November to June).

The request for a total of 12.0 FTE positions includes nine to be based in Pittsburg and three in Topeka. Financing is prorated between the Racing Fund (\$187,503) and the Reimbursable Fund (\$175,907) for total salaries and benefits of \$363,410. The three new positions requested for Topeka include a Director of Racing (\$50,000), Office Assistant IV (\$17,172) and Office Assistant I (\$12,948). The Pittsburg positions include a Chief Judge (\$48,000), two Associate Judges (\$30,400 each), a Senior Animal Health Officer (\$28,000), an Associate Animal Health Officer (\$24,800), a Licensing Clerk (\$23,706), a Security Officer (\$18,614) and an Auditor (\$20,530).

Other operating expenditures totaling \$347,695 are requested, including \$272,021 for contractual services, \$7,796 for commodities, and \$67,878 for capital outlay. The major expenditures include funding of \$180,000 for drug testing services; \$54,292 for computer equipment, including \$38,760 for an upgrade to the AS/400 computer; \$29,034 for communications; \$24,000 for fingerprint checks; and \$16,337 for travel and subsistence. Financing is prorated between the Racing Fund (\$323,695) and the Reimbursable Fund (\$24,000) for the fingerprint checks.

B. Senate Bill No. 383 (Law). The House Appropriations Subcommittee flagged for Omnibus review S.B. 383 which would authorize simulcasting. It is estimated that passage of the bill will generate additional revenues of \$250,000 in FY 1993, assuming \$10.0 million of handle associated with simulcasting races. The Racing Commission was directed in the House Appropriations Subcommittee report to prepare a new fiscal note and submit it for Omnibus review showing its projections for additional revenue. A letter with this information was submitted to the Budget Division on March 31, 1992. No request for additional administrative costs was included in that letter.

Kansas Lottery

A. New Computer System. For FY 1993, the Governor recommended \$930,000 to purchase a new computer system, consisting of two IBM AS/400 computers and ACCLAIMS

software. This system would replace the existing Tandem computer and LottoSTARTS software as well as an IBM System 36 computer used for office applications.

The Senate Ways and Means Subcommittee recommended removing the financing for the proposed computer system and revisiting this question during the Omnibus period. The Senate Ways and Means Committee and the House Appropriations Committee asked to House Computers, Communications and Technology (HCCT) Committee to review this matter and make recommendations.

After hearing from the Kansas Lottery on March 18, 1992, that the maximum cost of the proposed new computer system could be as high as \$1,426,326, the HCCT Committee asked for a 100 hour audit by the Legislative Division of Post Audit to examine the computer acquisition issue. Based on that audit, the HCCT Committee makes two recommendations for Omnibus consideration in its report:

"The CCT Committee concurs with the Legislative Post Audit report's conclusion that ACCLAIMS may well be the system that best serves the Lottery's needs. It is being used by six other state lotteries. But because the **needs analysis** for this project apparently was done solely with respect to what ACCLAIMS had to offer, there is much less assurance that the Lottery's true needs were evaluated. A more independent assessment would give the Kansas Legislature a basis for evaluating how well different products or alternatives might meet the Lottery's needs.

"1. The CCT Committee recommends that an independent contractor be hired to perform a **needs analysis** as defined by the Legislative Post Audit report in its elements included in a **needs assessment** (pages 7-8 of the report). The CCT Committee recommends that the contractor not be an entity formerly or currently associated with the Lottery's proposal to acquire ACCLAIMS. The CCT Committee notes that at least five contractors were interviewed by DISC to provide a state contract for programming and services relative to performing this type of contractual service. It is highly recommended that DISC be consulted to provide a list of contractors who might provide this service. This work should begin in FY 1992 (the current fiscal year) and be paid out of the Lottery Operating Fund.

"2. The CCT Committee recommends that during the 1992 interim, the Joint Committee on Computers and Telecommunications (JCCT), review the **needs analysis** to be performed by the contractor. The JCCT would make recommendations after reviewing the **needs analysis** in order for the Lottery to proceed. Once the Lottery has received approval for the proposed project, the agency would be expected to follow a number of additional steps as detailed on page 8 of the Post Audit report. The JCCT would monitor these steps in the acquisition process."

There was discussion among HCCT Committee members about appropriating a sum of money, subject to release by the State Finance Council, to pay for a new computer system in FY 1993, but that recommendation was not adopted by the HCCT Committee for inclusion in its report.

B. Lottery FY 1993 Sales Estimate. The Senate Ways and Means Subcommittee suggested revisiting this estimate during the Omnibus period since the various gambling proposals and other developments may negatively impact on the current type of lottery games offered by the

Kansas Lottery. The Subcommittee noted that the Governor's recommended FY 1993 lottery sales estimate (which presumes no changes in the types of gambling within Kansas) is \$72.0 million. The Governor's FY 1992 sales estimate of \$71.0 million was increased to \$73.0 million by the Legislature, based on partial year trends. Additional sales data are available for this fiscal year showing sustained higher than projected sales.

Governor's Budget Amendment No. 4, page 8, item 18 addresses FY 1992 sales.

Attorney General

A. Subcommittee Recommendation. In FY 1992, an attorney who worked for the Attorney General resigned and went to work for the Animal Health Department. The Subcommittees that reviewed the budget of the Animal Health Department recommended that the budget of the Attorney General be reviewed during the Omnibus session to determine whether 1.0 FTE position and \$38,716 from the State General Fund should be deleted. This recommendation was based on the assumption that, if animal cruelty matters will now be handled by the Animal Health Department, the Attorney General's Office will be relieved of responsibilities in this area to the extent that the workforce can be reduced by 1.0 FTE position.

According to the Attorney General, the specific assignment of the attorney who resigned was child abuse and sexual assault cases. She also had other general assignments in the criminal division, which is the division responsible for prosecuting animal cruelty cases. Her position was filled as soon as she left. According to the Attorney General, there has been no reduction in workload and his office receives more requests to engage in prosecutions of criminal cases than it can accept.

B. H.B. 2602 (to Governor) would amend existing architectural accessibility statutes to conform to the federal Americans with Disabilities Act of 1990. The Attorney General is charged with overseeing the enforcement of the Act, which will include ensuring that existing public buildings and facilities and privately owned or leased buildings and facilities that are used by the public or in which disabled persons may be employed remove architectural barriers to disabled persons. In addition, new public buildings and facilities must meet the new standards when they are constructed. The Attorney General already has responsibilities in this area under existing law. The Attorney General's approved budget for FY 1993 includes funding to expand an existing position from three-quarters time (0.8 FTE) to full-time to give the agency additional capacity to monitor handicapped accessibility standards. However, the current standards which the Attorney General oversees only apply to new construction and facilities or to buildings undergoing renovation costing 25 percent or more of the building or facility's replacement cost. The effect of H.B. 2602 is to expand the number of buildings and facilities which fall under the Attorney General's purview.

The Attorney General estimates that the implementation of H.B. 2602 will cost his office \$195,733. The amount includes \$136,433 for the salaries and benefits for the following new positions: an Assistant Attorney General II, an Architect III, a Special Agent II, and a Secretary II. In addition, other operating expenditures are expected to total \$59,300. These expenses include office furniture and equipment (\$18,000), travel (\$15,000), office and equipment rent (\$13,000), telephones and postage (\$7,000), and office supplies and miscellaneous costs (\$6,300).

The Attorney General proposes to obtain the services of the architect from the Division of Architectural Services, Department of Administration, under provisions of the Interchange of

Governmental Employees Act. An architect employed by the Division would take a leave of absence of up to four years to work with the Attorney General's Office. The Attorney General would pay the architect's salary but the 1.0 FTE position authorization would remain with the Division of Architectural Services. The advantage to the Attorney General's Office would be that it could rely on the expertise of the Division of Architectural Services to select the architect. According to the Division of Architectural Services, there would be no offsetting reduction in its salaries because it would, in effect, be losing the services of one of its architects and would have to hire a replacement. It is the intention of the Division to hire temporary special projects employees during the time its architect is on leave with the Attorney General's Office.

C. S.B. 588 (conference) would create the ten-member State Child Death Review Board. The Board's duties would relate to the coordination of activities, development of guidelines, and investigation of cases relating to the deaths of children under suspicious circumstances. The bill specifies that the person designated by the Attorney General to represent the Attorney General's Office would serve as chairperson. The Board would be required to meet annually but could meet at any time upon the call of the chairperson to review a report of a child's death.

The Attorney General's Office assumes that it would be responsible for operating costs associated with the chairperson's activities, the travel expenses of the five members who would not be state officials, and the production and printing of required reports and guidelines. The Attorney General estimates that these costs will total \$5,000 (\$3,000 for travel, \$1,500 for printing and mailing publications, and \$500 for miscellaneous office supplies). Other costs associated with the Review Board, such as autopsies that might be performed at the Board's direction, are discussed in the section of this memorandum that relates to the Department of Health and Environment.

D. S.B. 670 (conference) would establish a procedure for the appointment of an independent counsel in situations that involve criminal investigations of certain elected and appointed state officials. The appointment would be made by the Court of Appeals under several circumstances, including a request by the Attorney General upon the completion of a preliminary investigation or at the request of a standing Judiciary Committee or Judiciary Committee members.

The independent counsel would be authorized to hire and pay other employees, including investigators, attorneys, and part-time consultants. Support services would be provided by the Attorney General's office. Costs relating to establishing and operating any independent counsel's office would be subject to approval of the Legislature through the appropriations process. In addition, if no indictment were to be brought against a person who was investigated by the independent counsel, the court could require the state to pay the individual's attorney fees.

According to the Attorney General's Office, contracts for special investigators average a minimum of \$50,000 to \$75,000 each and are sometimes as high as several hundreds of thousands of dollars. The Attorney General requests a State General Fund appropriation of \$250,000 in FY 1993 to fund the activities of independent counsels.

State Corporation Commission

A. Subcommittee Recommendation. The Subcommittees that reviewed the Corporation Commission's budget recommended that the status of the Energy Grants Management Fund (oil overcharge funds) be reviewed during the Omnibus session. The Energy Grants Management Fund is a single "no limit" appropriation item in the Commission's budget, but it is traditional for the Governor and the Legislature to review and approve specific oil overcharge projects.

The following table shows the status of the Fund as of April 21, 1992. Expenditures for FY 1992 are as approved by the Governor and the Legislature. Expenditures for FY 1993 are as recommended by the Governor and approved by the Legislature, except for the Corporation Commission. In the case of the Commission, specific projects have been approved by the Governor but have not yet been reviewed by the Legislature.

Oil Overcharge Expenditures and Balances – Approved FY 1992

Agency and Project	Approved FY 1992	Est. FY 1993
Unencumbered Cash Balance	\$ 6,041,431	\$ 1,964,864
Estimated Receipts	1,577,483	879,000
Estimated Interest	651,209	145,715
Total Available	<u>\$ 8,270,123</u>	<u>\$ 2,989,579</u>
Board of Agriculture		
Conservation	\$ 90,000	\$ 90,000
Noxious Weed Control	14,648	--
Corporation Commission		
Energy Extension	\$ 127,479	\$ 160,000
State Conservation Program	506,242	325,000 ^a
Mennonite Housing	75,000	60,000
Institutional Conservation	650,000	400,000
Social and Rehabilitation Services		
Low Income Energy Assistance	\$ 2,800,000	\$ 662,723
Weatherization	2,000,000	-- ^b
Department of Commerce		
Recycling Development and Marketing	\$ 41,890	\$ --
Weatherization	--	1,000,000
Subtotal Expenditures	<u>\$ 6,305,259</u>	<u>\$ 2,697,723</u>
Unencumbered Cash Balance	<u>\$ 1,964,864</u>	<u>\$ 291,856</u>

a) Individual projects are shown below:

Efficiency Guidelines and Standards	\$ 60,000
Governor's Recycling Conference	5,000
Additional Ridesharing Projects	55,000
Nonprofit Energy Audit Program	20,000
Alternative Fuels Education	30,000
Surplus Exchange, Inc.	30,000
Oil Pumping Drive Audits	75,000
Home Energy Rating Systems Planning	20,000
Comprehensive Energy Policy Planning	30,000

b) The Weatherization program has been transferred to the Department of Commerce in FY 1993.

B. S.B. 582 (law) eliminates the requirement after December 31, 1992 that the State Corporation Commission issue license plates to intrastate motor carriers. Carriers still would be required to carry appropriate credentials issued by the Commission.

The Commission estimates it will save \$20,000 in administrative expenses in FY 1993 due to the passage of the bill. Therefore, the expenditure limitation on the Motor Carrier License Fees Fund can be reduced by \$20,000 (from \$1,309,798 to \$1,289,798).

**C. Governor's Budget Amendment No. 4, page 12, items 28-29; page 13, items 30-31.
Board of Technical Professions**

A. S.B. 380 (Conference) makes a number of changes to statutes affecting the Board of Technical Professions, the Board that regulates engineers, land surveyors, architects, and landscape architects. Among the matters the bill addresses are a redefinition of terms associated with the practice of the technical professions, changes in statutory requirements for licensure, changes in some of the Board's fees, and a change in the composition and size of the Board. (A House floor amendment to S.B. 380 also statutorily creates the Kansas Apprenticeship Council within the Department of Human Resources. The fiscal impact of that amendment is discussed in connection with the Department of Human Resources.)

The fiscal impact of S.B. 380 as it relates to the Board of Technical Professions concerns increases in the Board's operating expenses and additional receipts due to higher fees. Increased operating expenses estimated by the board would total \$28,344 and consist of the following:

1. \$8,600 for the per diem compensation and travel expenses of four new Board members (an increase from nine to 13 members);
2. \$8,172 for part-time help (in addition to the \$6,430 currently budgeted for FY 1993), a one-time cost due to the increased clerical workload to implement the bill;
3. \$1,200 for computer programming, a one-time cost to revise the current computer database;
4. \$1,500 for increased investigative services; and
5. \$8,872 to print and mail copies of revised statutes and fee schedules to licensees and applicants.

(The Board's FY 1993 budget already includes \$8,872 to begin the annual publication of a booklet for licensees, as well as periodic newsletters and a roster, but the Board now thinks its earlier estimate of printing and mailing costs was low.)

Additional revenues generated due to fee increases are expected to total \$45,140 in FY 1993, of which \$9,028 (20 percent) would be credited to the State General Fund. (Revenues will vary in succeeding years due to biennial renewal schedules.)

The table below shows the Board's fee fund, based on its expenditure limitation as approved by the Legislature (excluding salary increases) and assuming the increases in operating expenditures and revenues (excluding receipts to the State General Fund) estimated by the board in connection with S.B. 380:

Resource Estimate	Actual FY 1991	Approved FY 1992	Estimated FY 1993
Beginning Balance	\$ 207,013	\$ 168,713	\$ 125,947
Net Receipts	227,638	239,000	283,047
Total Funds Available	<u>\$ 434,651</u>	<u>\$ 407,713</u>	<u>\$ 408,994</u>
Less: Nonreportable Expenditures	80	--	--
Expenditures	265,858	281,766	317,258
Ending Balance	<u><u>\$ 168,713</u></u>	<u><u>\$ 125,947</u></u>	<u><u>\$ 91,736</u></u>

Department of Education

A. H.B. 3077 (law) establishes a new special revenue fund, the Tuition Protection Fund. The purpose of the Fund is to help students who are affected by the closure of a proprietary school. Money in the Fund could be used by the State Board of help students continue their studies at another proprietary school, to get a refund from the defunct school, or to pay the expenses of a defunct proprietary school that is trying to place its students at another proprietary school. If the student cannot be placed, money in the Fund could be used to refund the student's tuition and fees. A defunct proprietary school would be liable to the State Board of Education for any payments made from the Fund on behalf of its students.

Revenues to the Fund would be in the form of a \$200 fee at the time the proprietary school was first issued a certificate of approval and a fee of up to \$4 per student for certificate renewals. Fees would be assessed to reach an initial balance of \$60,000 and thereafter only as necessary to maintain a balance of at least \$50,000.

In order to implement this legislation, it is necessary to add this new fund to the State Department's budget. The State Board requests a "no limit" appropriation.

B. S.B. 468 (law) reinstates the building-based education program on a permanent, statewide basis. (A pilot program involving four school districts was implemented in FY 1989 and FY 1990. The appropriation for each year was \$20,000.)

"Building-based education" denotes the participation of teachers and other school district personnel in a school's operation and is part of education reform and restructuring efforts currently taking place. Under S.B. 468, the State Board of Education would be responsible for developing standards and guidelines by which building-based education plans would be approved and grants would be awarded. The employees of each attendance center would be eligible to develop a plan and, subject to available appropriations, the State Board of Education could award a grant to school districts for up to the full cost of developing and implementing each plan. At the end of the 1994-95 school year, the State Board of Education is required to report to the Governor and the Legislature about the impact of building-based education plans and whether the program should be continued.

When the pilot program was funded, each of the four participating schools received a 50 percent state match of \$5,000 each. Because there is no matching requirement in S.B. 468, the State Department assumes that it would take \$10,000 to fully fund each program. If 10 percent of

the 1,461 eligible attendance centers in the state applied for grants of \$10,000 each, the fiscal impact would be \$1,461,000. Costs to administer the program could be absorbed by the State Department.

C. H.B. 2693 (to Governor) would mandate that, beginning in FY 1994, school districts must make school breakfasts available in each school in the district, unless the requirement has been waived by the State Board of Education. Waivers may be granted if, on a building-by-building basis, fewer than 35 percent of the students attending a school were eligible for free or reduced price meals under the National School Lunch Act the preceding year.

Presently, only 319 schools offer a breakfast program. The State Department of Education estimates that more than 1,000 attendance centers will be added. Implementation of the mandate will have no effect upon the state's matching requirement for federal funds and will result in more federal money being available to Kansas, including federal breakfast program start-up grant funds. (Kansas presently receives approximately \$80.8 million in federal school food assistance funds. It is estimated that in FY 1993 the state would receive an additional \$375,000 in breakfast program start-up funds and an additional \$2.1 million in regular reimbursement funds.)

The State Department of Education is requesting that the expenditure limitation on its federal fund for food assistance operating expenses be increased by \$45,000 (from \$845,975 to \$890,975). The increase would allow the State Department to hire an additional Food Service Specialist at a salary of \$35,000 and pay other operating expenses totaling \$10,000. To implement the mandate, the State Department will be required to provide technical assistance to the estimated 1,000 attendance centers that will be added to the breakfast program, review applications for program waivers, and comply with federal monitoring requirements.

D. H.B. 2664 (law) requires each school district to have an approved inservice education program by July 1, 1992. The present program, in place since 1984, is voluntary and currently involves the participation of 260 of the 304 school districts.

The State Department of Education estimates it would take \$3.0 million to fully fund the state's share of the program. (The state's share cannot exceed half of the cost of each program.) The appropriation for FY 1992 of \$990,000 funds approximately one-fifth of the cost of existing programs. The Senate has recommended an appropriation of \$2.5 million for inservice education in FY 1993; the House Appropriations Committee has recommended \$2.0 million. (The State Department's appropriations bill, S.B. 497, is on House General Orders.)

State Library

A. H.B. 2680 (law) creates the Volunteer Adult Literacy Organization Grant Program, to be administered by the State Library. Under the program, grants, subject to appropriation, would be provided to volunteer adult literacy organizations to assist in the development and implementation of new adult literacy programs and to provide funding for materials and resources for existing programs. Recipient organizations would be required to provide a match equaling \$1 in cash or in-kind contributions for each \$3 of public funds received.

The State Library currently has on staff a Literacy Coordinator who provides technical assistance to over 64 literacy sites around the state who serve approximately 5,650 adult learners out of a target population of 160,000 individuals that the State Library has identified as needing literacy services.

No funding has been provided to fund the grants program. The State Library is requesting \$200,000 for basic grant awards (40 projects, averaging \$5,000 each) and an additional \$80,000 for the purchase of computer equipment and teaching software (20 units, at \$4,000 each). The State Library estimates that it can administer the grant program with its current staff but requests \$3,700 in additional travel expenses. The amount of \$200,000 would provide approximately 40 basic grants with approximately 20 people served per grant for total of 800 people served by the grant program who will have achieved functional reading proficiency, thus enabling those individuals to enter an ABE or GED program.

B. Burlingame Public Library. The Conference Committee on S.B. 506 recommended that the discussion of an appropriation of \$75,000 from the State General Fund which was added by the House for the reconstruction of the Burlingame library which was destroyed in a fire be delayed until the Omnibus Bill.

Department on Aging

A. S.B. 182 (Conference) as amended by the House, includes several provisions pertaining to adult care homes and long term care services which impact upon the Kansas Department on Aging (KDOA). The House version incorporates the provisions of Substitute for H.B. 2566 which require that no person (private pay or Medicaid related) be admitted to an adult care home that has a Medicaid provider agreement with the Department of Social and Rehabilitation Services (SRS) without first receiving assessment and referral services. One of the key features of the bill is the requirement that information on long term care services be distributed by nursing homes, physicians, and hospitals. This information would also be distributed through areas agencies on aging, senior centers, SRS areas offices and local health departments.

It was recommended by the Long Term Care Action Committee which is composed of the Secretaries of SRS, Aging, and Health and Environment that the information to be distributed about long term care be prepared by KDOA in the form of statewide and local guides to long term care services.

It is estimated by KDOA that long term care guides would be required for approximately 10,000 people who are admitted to adult care homes every year plus 30,000 people who would not apply for nursing home care but could need some form of long term care. In addition, the Committee recommended that funding be provided for a public awareness media campaign to disseminate information in newspapers, radio and television about long term care services. The components of the total fiscal impact of \$95,000 on KDOA are listed below:

State Guide to Long Term Care	\$	40,000
Local Guide to Long Term Care		40,000
Pubic Service Announcements		3,000
Senior Press Service		12,000
Total	\$	<u>95,000</u>

Board of Cosmetology

A. H.B. 2796 (Law) creates new state authority and requirements relating to tanning facilities and tanning devices. Under the provisions of the bill, as of January 1, 1993, individuals may not operate tanning facilities without first having been licensed by the Board of Cosmetology. The Board of Cosmetology is given authority to adopt rules and regulations, to inspect tanning facilities, to petition the court for a restraining order in the event of certain violations of the act, to suspend a license, and to establish licensing fees not in excess of \$100 per year.

Since tanning facilities are located in a variety of locations (hotels, health spas, country clubs and salons), there is no definite estimate as to how many actual facilities there are in the state. Board of Cosmetology inspectors have been attempting to identify tanning facilities while on inspection of beauty salons. The current estimate from the Board is that there are in excess of 1,000 tanning facilities in the state.

The current duties of the Board of Cosmetology include the inspection of 4,000 salons and 31 cosmetology schools. The Board currently has four part-time inspectors and one full-time inspector. In order to carry out the inspection of the estimated 1,000 tanning facilities, the Board requests that the part-time inspector positions be made full-time, increasing the position authority by 2.0 FTE positions. Additionally, the Board requests travel and subsistence expenditures, office equipment, and a part-time keyboard operator for data entry of licensees. The components are the request totaling \$80,000 are listed in the following table:

2.0 FTE Inspectors	\$	49,000
Travel and Subsistence		20,000
0.5 FTE Keyboard Operator		9,000
Office Equipment		2,000
Total	\$	<u>80,000</u>

Based on the assumption of 1,000 tanning facilities in the state and \$100 fee, first year receipts would total \$100,000 with 20 percent going to the State General Fund.

School for the Deaf

A. Governor's Budget Amendment No. 4, page 11, items 26-27.

Kansas Board of Barbering

A. Governor's Budget Amendment No. 4, page 27, item 59.

**Attorney General – Kansas Bureau
of Investigation**

A. Insertion of Transfer Language. The 1992 Legislature added \$8,665 in FY 1992 and \$13,395 in FY 1993 from the Lottery and Racing Investigations Fee Fund for salaries for the agency's Gaming Unit. The Lottery and Racing Investigations Fee Fund is funded by transfers from the State

Racing Fund. When the additional expenditures were authorized from the Lottery and Racing Investigations Fee Fund, language raising the amount to be transferred from the Kansas Racing Commission's Racing Fund to the KBI's Lottery and Racing Investigations Fee Fund was not included in either the Racing Commission's or the KBI's appropriations bill.

B. Agent Overtime and Standby Pay. The agency requested \$310,967 in overtime pay and \$34,539 in standby pay for agents in FY 1993. According to the agency, the money would fund ten hours of overtime per agent per 28-day period, as well as \$1.00 per hour in standby pay for agents, who are required to be on-call every seventh weekend, as well as on certain holidays. It would also provide two hours' overtime pay per criminalist per 28-day period. Although the money has not been added by the 1992 Legislature, the Senate Ways and Means Subcommittee that examined the KBI budget expressed the opinion that there should be "at least a rough parity between the Highway Patrol and the KBI in the agencies' abilities to provide overtime and stand-by pay to their law-enforcement personnel," and recommended that the matter be revisited during Omnibus. The 1992 Legislature added \$485,932 to the Kansas Highway Patrol's FY 1993 budget for trooper overtime and holiday pay.

C. 1991 S.B. 383 (Simulcasting) (Approved by Governor). The Senate Ways and Means Subcommittee that examined the KBI's budget recommended an Omnibus reexamination of the agency's financial and manpower needs should S.B. 383, which provides for simulcasting of horse and greyhound races, be approved by the 1992 Legislature. The bill passed both houses and was approved by the Governor on April 4, 1992.

S.B. 383 gives responsibility for doing background checks on applicants for simulcasting licenses to the Kansas Bureau of Investigation. The Bureau asserts that, in addition to this responsibility, it may be faced with an increase in the number of requests to investigate crimes related to the increase in legalized wagering made possible by simulcasting; an increase in illegal bookmaking; a proliferation of frauds, scams and thefts "capitalizing on the inherent idiosyncracies of the simulcasting process"; and increased attempts by organized criminal groups to influence and corrupt the industry. To deal with this situation, the KBI estimates that 3.0 new FTE positions (two Special Agent II positions and one Office Specialist position), as well as other operating expenditures, will be required. The expenses listed by the agency are as follows:

2.0 FTE Special Agents II	\$	71,926
1.0 FTE Office Specialist		25,297
Travel and Subsistence		24,000
Supplies		15,064
Contractual Services		966
Capital Outlay		1,486
Total	\$	<u>138,739</u>

D. 1992 S.B. 479 (Sentencing Guidelines) (Conference Committee). S.B. 479 would replace the present indeterminate method of sentencing felony offenders with a presumptive and determinate sentencing system. Determinate sentences would be based upon categories of offenses and defendants' criminal histories.

According to the KBI, the dependence of the sentencing guidelines on the prior criminal history of defendants requires a strong emphasis on the accurate gathering and reporting of arrest

and conviction records from local, state and national sources, including the recording of all class A and B misdemeanors and juvenile adjudications.

The KBI is responsible for the compilation and reporting of these records. The agency estimates that an additional 40,000 to 50,000 fingerprint cards will be received because of the bill, nearly doubling the amount that it is currently required to process.

The agency has indicated that it would need both personnel and hardware to upgrade the capabilities of the Automated Fingerprint Identification System (AFIS) and the criminal and juvenile history record systems. The agency, in order to handle the increase in records documentation, proposes the purchase of an optical disc storage system. The optical disc would cost \$1.5 million to purchase, with annual maintenance costs of \$250,000. The agency's plans to acquire and utilize the optical disc (which could also be utilized for purposes other than processing records required by the sentencing guidelines) have not been reviewed by DISC.

The agency estimates its FY 1993 needs, connected with the implementation of the sentencing guidelines, to be as follows:

4.0 FTE AFIS Technicians and	
1.0 FTE Supervisor	\$ 117,731
6.0 FTE Office Assistants	100,630
AFIS Forms	25,000
AFIS Workstation	100,000
Upgrade on AS400 Computer	384,000
Total without Optical Disc	\$ 727,361
Purchase of Optical Disc	1,500,000
TOTAL	<u>\$ 2,227,361</u>

If collection of misdemeanor data were to begin in FY 1992 (the sentencing guidelines would go into effect on July 1, 1992), the agency requests an additional \$438,590 for the computer upgrade and to hire the 11.0 FTE positions for the last quarter of fiscal year 1992.

E. OJA Reports from KBI. The House Appropriations Subcommittee for the Judicial Branch reviewed a conflict between the Office of Judicial Administration and the Judicial Branch and the KBI concerning the processing of OJA probation reports. The reports include individual cases handled by a Court Services Officer (CSO), including identifiers, case numbers and prior involvements with the criminal justice system. Since 1980, the KBI Statistical Analysis Center, through an informal agreement with the OJA, has been processing these reports and providing monthly summaries concerning individual CSO caseloads to the OJA. Due to a four-month backlog in the entry of Incident-Based reports, the KBI ceased entry of OJA probation reports in May 1991, until the backlog could be resolved. The KBI explained that the loss of a key staff person at the Statistical Analysis Center in August 1991 has aggravated the situation. The House Subcommittee directed the two agencies to prepare a report detailing an arrangement whereby the backlog and the resulting conflict could be resolved and to present it to the Subcommittee in April for consideration during Omnibus.

In order to deal with the backlog described above, and to prevent such a backlog from recurring, the KBI is requesting the following:

1.0 FTE Office Assistant II	\$ 17,782
Computer and Office Equipment for New Position	1,500
400 Hours Overtime for Existing Personnel	6,000
TOTAL	<u><u>\$ 25,282</u></u>

According to the agency, the requested overtime would be sufficient to allow present agency personnel to alleviate the current backlog; the requested FTE position would be necessary to prevent a backlog from developing again.

F. 1991 H.B. 2353 (Driving While Impaired/DUI) (Conference Committee). 1991 H.B. 2353, as amended by the House Committee of the Whole, would create the new misdemeanor offense of driving while impaired. A driver with a blood alcohol level between .05 and .10 would be considered impaired within the meaning of the statute.

The bill as amended by the Senate, would create a rebuttable presumption that a driver with a blood alcohol level between .08 and .10 would be driving under the influence. The current law, whereby a driver with a blood alcohol level of .10 or more is considered under the influence with no opportunity to rebut, would be retained.

The KBI estimates that, if the Senate amendments are retained, submissions to the Bureau toxicology laboratory would increase 10-32 percent. Bureau personnel would also have to spend more testifying on such cases in court, as well as travelling to courts around the state. Passage of the bill would also mean more clerical work, according to the agency. The bureau estimates that passage of the bill would create the following needs for the agency:

1.0 FTE Criminalist/Toxicologist	\$ 30,148
0.5 FTE Office Assistant I	7,500
Funding for Services (Mainly Travel)	14,080
Additional DUI Testing Equipment	80,000
TOTAL	<u><u>\$ 131,728</u></u>

G. Governor's Budget Amendment No. 4, page 8, item 20.

State Mental Retardation Hospitals – Systemwide Issues

A. School Contract Issues

1. Categorical Aid. The budgeted school contracts for each of the hospitals include categorical aid based on a rate of \$15,070 per eligible teaching unit. The chart that follows shows the total categorical aid amount included in each hospital budget request and the number of eligible teaching units.

<u>Hospital</u>	<u>Teaching Units</u>	<u>Total</u>
KNI	31.794	\$ 479,136
Parsons	29.000	437,031
Winfield	32.017	482,499

Categorical aid was not included in the Governor's recommended budgets for the hospitals. The issue of how categorical aid might be supplanted was not addressed in the *Governor's Budget Report*. The Senate and House Subcommittees deferred consideration of this item pending approval of a school-finance plan by the Legislature.

2. Teacher Salary Increases. The amounts recommended by the Governor for FY 1993 school contracts include nothing for teacher salary increases. The agency requests had included a 4 percent teacher salary increase. Neither the Senate nor the House dealt with the issue during their deliberations on the agencies' budgets.

B. Turnover Rates

All three state mental retardation hospitals requested relief from salary turnover rates recommended by the Governor for FY 1992 in hearings before the Senate Ways and Means Subcommittee, which added moneys from the hospitals' fee funds and Title XIX funds. Relief was also requested by KNI and Parsons State Hospital for FY 1993; the Senate Subcommittee addressed the request by adding State General Fund money, though not in the amounts requested by the hospitals. The House Appropriations Committee deleted all moneys added by the Senate in both fiscal years, and recommended that the issue of staff turnover rates at the state's mental retardation institutions be reviewed during the Omnibus Session. It recommended further that the institutions, the Division of Mental Health and Retardation Services of the Department of Social and Rehabilitation Services and the Division of the Budget study the issue of staff turnover, and that a Governor's Budget Amendment be submitted to resolve the problem.

The hospitals are asking for relief in the amounts that follow.

1. Kansas Neurological Institute

<u>FY 1992</u>	<u>Agency Request</u>	<u>Gov. Rec. GBA No. 4 Item 102</u>
State General Fund	\$ 26,745	\$ 26,745
General Fee Fund	150,000	150,000
Total XIX	256,772	256,772
TOTAL	\$ 433,517	\$ 433,517

<u>FY 1993</u>		
State General Fund	\$ 142,717	\$ 82,846
Total XIX	198,548	119,218*
TOTAL	<u>\$ 341,265</u>	<u>\$ 202,064</u>

* All Other funds.

The requested funding would reduce KNI's FY 1992 turnover rate to 6.25 percent, and its FY 1993 turnover rate to 6.0 percent from the 7.5 percent recommended by the Governor for both fiscal years.

2. Parsons State Hospital.

<u>FY 1992</u>	Agency Request	Gov. Rec. GBA No. 4 Item 99
State General Fund	\$ 43,209	\$ 184,685
General Fee Fund	140,670	--
Total XIX	266,573	265,767*
TOTAL	<u>\$ 450,452</u>	<u>\$ 450,452</u>

<u>FY 1993</u>		
State General Fund	\$ 102,500	\$ 56,901
Total XIX	147,500	82,165*
TOTAL	<u>\$ 250,000</u>	<u>\$ 139,066</u>

* All Other funds.

The requested \$250,000 would allow a 4.8 percent turnover rate in FY 1993. The Governor recommended a rate of 6.4 percent.

3. Winfield State Hospital.

<u>FY 1992</u>	Agency Request	Gov. Rec. GBA No. 4 Item 101
General Fee Fund	\$ 155,500	\$ 155,500

The requested money would allow for a reduction in the turnover rate at the hospital to 6.8 percent from the 7.4 percent recommended by the Governor.

Parsons State Hospital

A. Governor's Budget Amendment No. 4, p. 33, Item 100.

Department of Commerce

A. Governor's Budget Amendment Number 3, Item 2, recommends the establishment of a Low Income Energy Assistance and Weatherization Fund in the Department of Social and Rehabilitation Services (SRS). The Governor recommends that \$1,000,000 be transferred from this new fund in FY 1993 to the Department of Commerce to provide a total of \$5,374,051 for the Weatherization program. The approved FY 1993 budget for the Department of Commerce (S.B. 525) includes \$4,374,051 (\$3,374,051 federal funds/\$1,000,000 oil overcharge funds) for weatherization grants. Estimated FY 1992 weatherization grants from SRS are \$6,226,747. Actual FY 1991 expenditures were \$5,194,126.

B. Technical Adjustment. The revenue transfer from the EDIF to the Rural Development Council Fund in H.B. 2705 to support the Rural Development Council's operations in FY 1992 and FY 1993 was inadvertently understated by \$3,000.

C. Senate Bill 610 (Law) transfers responsibility for the Kansas Wildlife Art Series from the Department of Commerce to Fort Hays State University. Although originally intended to be a self supported program, insufficient sales resulted in the program being subsidized from the agency's tourism promotion budget. The fiscal note submitted for S.B. 610 reports that this subsidy amounted to approximately \$15,000 annually from the EDIF.

D. House Bill 3128 (Senate Economic Development) would revive and continue the Trade Show Promotion program, statutory authority for which expired on July 1, 1991. Approved FY 1993 funding for the Department of Commerce includes a separate line item of \$220,894 from the EDIF for support of the program.

E. Governor's Budget Amendment No. 4, page 6, item 15; page 7, item 16.
Kansas Technology Enterprise Corporation

A. Centers of Excellence Funding. In the Subcommittee Report on FY 1993 funding for the Kansas Technology Enterprise Corporation, the Senate Ways and Means Committee recommended that the issue of increased funding for the Centers of Excellence be reviewed during consideration of the Omnibus Appropriations Bill. Subsequent to the Committee's recommendation, an additional \$500,000 from the EDIF was added to support the Centers. Approved FY 1993 funding for the Centers as contained in S.B. 525 totals \$3,715,000. This compares to approved FY 1992 and actual FY 1991 funding of \$3,215,000 in each fiscal year.

B. Senate Bill 502 (House General Orders) continues the Kansas Agricultural Value Added Processing Center (KVAC) beyond the current statutory expiration date of July 1, 1992. Approved FY 1993 funding for KVAC included in S.B. 525 totals \$619,110 from the EDIF.
Kansas, Inc.

A. Governor's Budget Amendment No. 4, page 7, item 17.

Adjutant General

A. Governor's Budget Amendment No. 4, page 9, item 21.

Secretary of State

A. S.C.R. 1632 (conference). S.C.R. 1632 would amend the *Kansas Constitution* to provide that the State Lottery may include only instant lottery games using preprinted tickets, keno and lotto games, and electronic or computerized versions of those games. Prior to an electoral vote to change the *Constitution*, the Secretary of State is required to provide a public notice of the resolution through its publication in local newspapers. According to the Secretary of State's Office, \$29,888 from the State General Fund will be needed for publication costs associated with S.C.R. 1632. The resolution would be submitted to the voters at the 1992 primary election or at a special election if one is called prior to the primary election.

Corrections Ombudsman Board

A. H.B. 2670 (Law) abolishes the ten-member Corrections Ombudsman Board, but continues the Ombudsman of Corrections as an executive branch agency appointed by the Governor. The approved FY 1993 budget contains \$1,498 for Board-related activities: \$480 for Board member compensation and \$1,018 for Board member travel. As the Board has been abolished, the total of \$1,498 could be lapsed from the agency appropriation.

Department of Corrections

A. S.B. 479 (Conference Committee) would enact the "Kansas Sentencing Guidelines Act." The major impact of S.B. 479 is the replacement of the current indeterminate method of sentencing felony offenders with a presumptive and determinate sentencing system. The determinate sentence is based upon the category of offense and the prior criminal history of the defendant. The Department of Corrections (DOC) estimates that additional funding will be needed of \$3,011,000 in FY 1993 and \$5,072,811 in FY 1994 to implement S.B. 479. The funding estimate is composed of the following elements:

	FY 1993	FY 1994
Parole (20 FTE)	\$ 898,700	\$ 790,700
Parole (27 FTE)	--	1,066,400
Community Corrections	2,112,300	3,215,711
Total	<u>\$ 3,011,000</u>	<u>\$ 5,072,811</u>

The parole element assumes the addition of 47.0 FTE new parole officer positions (20.0 in FY 1993 and 27.0 in FY 1994 and associated equipment and office furnishings) to handle postrelease supervision of inmates. The funding for the 20.0 new parole officers in FY 1993 is composed of \$669,959 for salaries (for 12 months) and \$228,741 for other operating expenditures. The community corrections element is for adult residential programs (in Johnson and Sedgwick Counties) funded through Community Corrections Act grants.

B. Governor's Budget Amendment No. 4, page 21, item 46; page 22, item 47; page 23, item 49.

Kansas Sentencing Commission

A. S.B. 479 (Conference Committee) would enact the "Kansas Sentencing Guidelines Act." The Kansas Sentencing Commission would be required, under the bill, to develop a system of guidelines for prosecutors. The Commission requests in FY 1993 an additional 1.0 FTE Attorney position and associated funding of \$42,500. The Attorney position would be responsible for developing the prosecutors' guidelines.

Lansing Correctional Facility

A. Governor's Budget Amendment No. 4, page 23, item 48.

El Dorado Correctional Facility

A. Governor's Budget Amendment No. 4, page 23, item 50.

Winfield Correctional Facility

A. Governor's Budget Amendment No. 4, page 23, item 50.

Topeka Correctional Facility

A. Governor's Budget Amendment No. 4, page 23, item 51.

Division of Post Audit

A. S.B. 471 (law), the Kansas Governmental Operations Accountability Law (K-GOAL), requires performance audits of two agencies per year in accordance with a schedule established in the act. To perform this work and an annual performance audit of KPERS mandated by S.B. 526 (Governor), the Legislative Post Audit Committee "strongly recommends" that a fifth audit team be funded at a cost of \$166,168 for FY 1993. The request includes \$109,930 for salaries and wages of three auditors, \$33,969 for contractual services and commodities, and \$22,269 for capital outlay.

B. S.B. 526 (Governor) deals with the Kansas Public Employees Retirement System. As noted above, one of its provisions requires an annual performance audit of the system. The bill also requires the system to reimburse Post Audit for an annual financial compliance audit which has previously been financed by Post Audit from its General Fund appropriation. If S.B. 526 becomes law, \$25,000 of expenditures may be shifted from the General Fund to the Audit Services Fund.

Judicial Council

A. Senate Bill No. 358 (Pending) amends the Kansas Criminal Code. The Judicial Council states that passage of the bill will require an FY 1993 expenditure of \$8,725 from the State General Fund to prepare, print and distribute a supplement to *PIK-Criminal 2d*, as follows:

Preparation of camera-ready copy, 400 pages at \$3.00 per page	\$ 1,200
Printing 1,000 copies of 200 pages, on both sides, at \$.0025 per page	5,000
1,000 mailing envelopes and labels	275
Postage for 1,000 copies of 24 oz. supplement at \$2.25 per mailing	2,250
TOTAL	\$ 8,725

B. Senate Bill No. 479 (Pending) enacts the Kansas Sentencing Guidelines Act. The Council states that passage of the House version of the bill, with a July 1, 1994 effective date, would require an FY 1993 expenditure of \$5,750 from the State General Fund for five additional meetings to begin work on preparing a *PIK - Criminal 3d* which would be published in FY 1994.

If S.B. 479 passes with an effective date of July 1, 1993 (the Senate version), the Council estimates FY 1993 expenditures of \$30,300 for eight meetings and to prepare, print and distribute the *PIK - Criminal 3d* in FY 1993, as follows:

8 committee meetings to draft changes at \$1,150 per meeting	\$ 9,200
Preparation of camera-ready copy, 625 pages at \$3.00 per page	1,875
Printing 1,000 copies of 313 pages, on both sides, at \$.0025 per page	7,825
1,000 binders at \$8.25 per binder	8,250
1,000 mailing envelopes and labels	400
Postage for 1,000 four-pound copies at \$2.75 per mailing	2,750
TOTAL	\$ 30,300

Judicial Branch

A. OJA Probation Reports from KBI. The House Subcommittee on the Judicial Branch reviewed a conflict between the Office of Judicial Administration (OJA) and the Kansas Bureau of Investigation concerning the handling of the processing of OJA probation reports. The reports include individual cases handled by a Court Services Officer (CSO), including identifiers, case numbers and prior involvements with the criminal justice system. Since 1980 the KBI Statistical Analysis Center, through an informal agreement, has been entering and processing these reports and providing monthly summaries concerning individual CSO caseloads to the OJA. Due to a four-month backlog in the entry of Incident-Based Reports, the KBI ceased entry of OJA probation reports in May, 1991, until the backlog could be resolved. The KBI also explained that the loss of a key staff

person in August, 1991 from the Statistical Analysis Center has made this even more difficult. The House Subcommittee directed the two agencies to prepare a report detailing the method by which this backlog and resulting conflict can be resolved and present it to the Subcommittee in April for consideration in the Omnibus Bill.

B. House Bill No. 2769 (Law) establishes a new crime of harassment by telefacsimile and permits Kansas district and appellate courts to allow filing of court documents by fax. The bill also provides for the establishment of a Judiciary Technology Fund which requires a \$1.50 docket fee increase in all cases to be credited to the fund. Receipts are to be used to implement technological improvements to the court system and to fund meetings of the Judicial Council Technology Advisory Committee. The Office of Judicial Administration estimates FY 1993 receipts of \$659,083 to the fund (approximately \$719,000 annually thereafter), and requests that the fund be appropriated with no limit. Estimated FY 1993 expenditures from the fund of \$636,277 follow:

133 Fax Machines	\$ 399,000
Maintenance Costs	18,609
Supplies	59,887
133 Dedicated Phone Lines	63,840
Technology Coordinator	35,741
Judicial Council Technology Advisory Committee Costs	9,200
District Court Automation Need Analysis	50,000
TOTAL	<u><u>\$ 636,277</u></u>

C. Senate Bill No. 479 (Pending) enacts the Kansas Sentencing Guidelines Act. The Office of Judicial Administration (OJA) submits the following FY 1993 fiscal impact on the Judicial Branch based upon the first conference committee report on the bill (with an effective date of July 1, 1993):

Purchase of <i>PIK Criminal 3rd</i>	\$ 18,000
New Forms	10,000
Education and Training	140,000
Restore 29.0 FTE Deleted in FY 1992	833,181
17.0 FTE New Court Services Officers and 3.0 FTE New Clerical for Three Months	136,289
TOTAL	<u><u>\$ 1,137,470</u></u>

Passage of S.B. 479 would alter the Judicial Council's current *Pattern Instructions for Kansas - Criminal, 2nd*. Publication of a third edition would require the Judicial Branch to purchase 240 volumes at an estimated price of \$75 each. According to the OJA, if the effective date of the bill is moved to July 1, 1994, or to January 1, 1993, some of the cost could be delayed until FY 1994. The restoration of 29.0 FTE positions (\$833,181) and the purchase of *PIK Criminal 3rd* (\$18,000) would still be FY 1993 expenditures, but the remaining items may not be needed until FY 1994. The OJA states that it would be necessary to hire 20.0 FTE new personnel, offer training, and order forms three months prior to the effective date. With an effective date of July 1, 1993, these costs (including prorated costs for personnel) would be in FY 1993. A later effective date would delay the costs until FY 1994. The Conference Committee Report states that the "committee on conference recommends that there is a need in the fiscal year ending June 30, 1993, for 26 full-time employee positions in the office of judicial administration and 20 full-time positions in the department of corrections for

probation and parole services and the committee on appropriations of the house of representatives and the committee on ways and means of the senate should further review the funding of community corrections services pursuant to this recommendation."

D. House Bill No. 2832 (Pending) creates the Judicial Branch Education Fund to be used to educate and train judicial branch officers and employees as well as to train, test, and educate municipal judges. The new fund would absorb the current Municipal Judge Education Fund (FY 1993 receipts of \$144,812) and raise district court docket fees for traffic and fish and game cases as well as appearance bond amounts by \$2.00 to support the fund. The House version of the bill, according to the Office of Judicial Administration (OJA), would result in new FY 1993 receipts of \$454,000 and existing receipts of \$144,812, for total receipts of approximately \$599,000. The Senate version of the bill would result in FY 1993 new receipts of \$410,000 and existing receipts of \$144,812, for total receipts of approximately \$555,000. The Senate version requires an FY 1993 expenditure from the fund not to exceed \$30,000 for the planning and implementation of a family court system as provided by law. The OJA estimates total FY 1993 education and training needs of \$823,014. The OJA requests that the fund be appropriated with no limit.

Board of Indigents' Defense Services

A. House Bill No. 2709 (Law) creates a new crime of unlawful discharge of a firearm at a house or vehicle. The Board of Indigents' Defense Services (BIDS) requests \$93,600 from the State General Fund in FY 1993 based on an estimate of 2,000 additional attorney hours at the trial level. BIDS estimates an additional 100 felony cases will be filed statewide, and the complexity of existing felony cases will increase due to passage of H.B. 2709. The following summarizes the fiscal impact on BIDS:

Trial-level Offices (700 hours) and Appellate Defender (100 hours) at \$42 per hour (overhead included)	\$ 33,600
Assigned Counsel Payments at \$50 per hour (1,200 hours)	60,000
Total	<u>\$ 93,600</u>

B. Senate Bill No. 358 (Pending) recodifies the Kansas Criminal Code, major drug crimes, and some of the other miscellaneous crimes throughout the state statutes. BIDS states that the bill contains five new crimes, 13 sections which expand the scope of existing crimes, and eight sections which increase crime penalties. BIDS estimates a total workload increase of seven percent, five percent attributed to new case filings and two to three percent on additional workload on remaining cases. The following summarizes the agency's fiscal note:

<u>Topeka Public Defender Office:</u>			
0.5 FTE Attorney	\$	18,239	
Temporary Clerical		2,500	
OOE		6,000	\$ 26,739
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<u>Junction City and Salina PDO:</u>			
0.5 FTE Attorney	\$	18,239	
Temporary Clerical		2,500	
OOE		6,000	\$ 26,739
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<u>Wichita PDO:</u>			
1.0 FTE Attorney	\$	35,322	
0.5 FTE Secretary		10,477	
OOE		6,000	\$ 51,799
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<u>Johnson County PDO:</u>			
0.5 FTE Attorney	\$	18,239	
Temporary Clerical		2,500	
OOE		6,000	\$ 26,739
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<u>Appellate Defender Office:</u>			
1.0 FTE Attorney	\$	35,322	
0.5 FTE Secretary		10,477	
OOE		6,000	\$ 51,799
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<u>Administrative Office:</u>			
0.5 FTE Office Assistant	\$	9,660	
OOE		3,000	\$ 12,660
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<u>Assigned Counsel:</u>			
7.0 Percent Increase in Claims			
(616 Claims @ \$526)			\$ 324,016
TOTAL			<u>\$ 520,491</u>

C. **Senate Bill No. 479 (Pending)** enacts the Kansas Sentencing Guidelines Act. BIDS submitted an FY 1993 fiscal impact request for \$8,000 from the State General Fund based upon the first conference committee report on the bill (with an effective date of July 1, 1993). Although this version of the bill is not effective until FY 1994, BIDS states that it will provide defense attorney training for the public defenders and for approximately 800 panel attorneys in FY 1993. BIDS states that the complexity of the legislation will require advance training for agency attorneys and appointed counsel. The agency would sponsor no less than four training seminars throughout Kansas at an approximate cost of \$8,000 in FY 1993 for public defender travel and subsistence. Panel attorneys would be expected to pay their own way to these sessions. A portion of the \$8,000 would be used to fund specialized training for chief public defenders so that they may be utilized as trainers.

Emergency Medical Services

A. **House Bill No. 2832 (Pending)**, which creates the Judicial Branch Education Fund, was amended by the Senate Committee of the Whole to credit 9.74 percent of the remittances of docket fees into a newly created Emergency Medical Services Operating Fund. Fund receipts would total approximately \$1.2 million annually, although FY 1993 receipts would not be available until August, 1992. The agency states that the new fund would eliminate the need for financing from the State General Fund following August, 1992. The 1992 Legislature approved FY 1993 EMS expenditures of \$779,353, including \$750,953 from the State General Fund (\$670,953 for state

operations and \$80,000 for grants to four regional EMS councils). The agency suggests utilizing the fund to increase FY 1993 expenditures to its "C-Level" request of \$1,033,665, which includes \$32,444 from an existing EMS Fee Fund. The remainder of the new fund (\$198,779) could be utilized to begin upgrading and gradually completing the state's UHF/EMS communications system. EMS suggests the following new expenditures to arrive at an FY 1993 budget of \$1,232,444:

2.0 FTE New Positions	\$	46,000
Adjunct Training Costs		30,000
Training Equipment		74,543
Regional Council Grants		70,000
Other Operating Expenditures		21,773
EMS Communication System		198,779
Subtotal	\$	441,095
Existing Budget (H.B. 2722)		791,349
TOTAL	\$	1,232,444

Kansas Department of Transportation

A. Governor's Budget Amendment No. 4, pages 28 and 29, items 60-62.

Department of Health and Environment

A. **Safe Drinking Water Positions – Laboratory.** For FY 1993, the Governor recommended \$471,587 from the State General Fund for the half-year salaries and OOE of 11.0 FTE new positions in the Laboratory Division associated with new federal drinking water mandates scheduled to take effect on January 1, 1993. Pending passage of legislation (H.B. 3167) and further information from KDHE on its authority to increase fees by rules and regulations to "reimburse" the State General Fund, the Legislature deleted the financing and FTE positions and recommended consideration of the agency's request in the Omnibus Bill.

B. **House Bill No. 3167 (Governor)** requires KDHE to establish, by rules and regulations, a system of fees for the inspection and regulation of public water supplies. No fee could exceed \$.002 per 1,000 gallons of water sold at retail by a public water supply system. Receipts are to be credited to a new Public Water Supply Fee Fund, and can be expended only to inspect and regulate public water supplies and to provide training, assistance and technical guidance to public water supply systems. H.B. 3167 also creates an advisory committee to make recommendations regarding fees.

KDHE estimates that fees would cover the salary and operating expenses for 5.0 FTE new positions in the Bureau of Water for a program to detect and regulate lead, copper, and pesticides in drinking water. New personnel would provide technical training and assistance to water suppliers on the new federal rules. The following summarizes the KDHE fiscal note for one-half of FY 1993 and all of FY 1994:

	<u>FY 1993</u>	<u>FY 1994</u>
2.0 Environmental Engineers II	\$ 35,727	\$ 75,060
1.0 Chemist II	14,292	30,026
1.0 Data Control Technician	10,546	22,158
1.0 Office Assistant II	9,684	20,346
Contractual Services	44,020	45,770
Commodities	3,400	5,610
Capital Outlay	18,646	1,000
TOTAL	<u>\$ 136,315</u>	<u>\$ 199,970</u>

C. **House Bill No. 2670 (Governor)** abolishes a number of boards, commissions and committees. Four of the entities are associated with KDHE, three of which have not met in recent years. KDHE estimates that \$1,000 from the State General Fund can be lapsed in FY 1993 from expenditures associated with a fourth entity -- the Advisory Commission on Health and Environment.

D. **House Bill No. 2695 (Governor)** requires that after July 1, 1993, all pupils entering any Kansas school for the first time will be required to present the results of a health assessment done within six months prior to admission. The health assessment includes screening for hearing, vision, dental, lead, urinalysis, hemoglobin/hematocrit, nutrition, developmental, health history and complete physical examination. The bill permits local health departments to charge a fee for health assessments based on ability to pay. Pupils are exempted from health assessment requirements where local health departments can certify that no local funds are available to provide assessments to pupils unable to pay. The Secretary of KDHE is required to prescribe the content of forms and certificates to be used by school boards in carrying out the provisions of the bill.

The 1992 Legislature (H.B. 2720) approved FY 1993 aid to local units expenditures of \$142,578 from federal funds for local health departments. In addition for FY 1993 the agency requests a total of \$91,199 for the state administration of the program, including \$38,934 from federal medicaid funds for 1.0 FTE Public Health Nurse VI and \$52,265 from the State General Fund for OOE, \$40,000 of which would be for printing of forms. The new nurse would train school nurses and public health nurses, many of whom have never had this training.

E. **Senate Bill No. 588 (Pending)** was amended by the House to require coroners to perform an investigation and autopsy of a child less than 18 years of age who dies under a suspicious circumstance or unknown cause. The bill requires that a fee for such autopsies and related travel expenses be paid from appropriations to KDHE. The agency submitted a fiscal note of \$19,822 from the State General Fund for FY 1993, including \$10,000 for an estimated 10 autopsies and \$9,822 for a 0.5 FTE new Office Assistant III. The agency states that it currently lacks the capability to provide coroner mailings, autopsy reimbursements, autopsy record management and retrieval, and compilation of statistical reports.

F. **Senate Bill No. 631 (Pending)**, as recommended by the Senate, directs the Secretary of KDHE, working in cooperation with the Secretary of SRS and the Commissioners of Insurance and Education, to develop a proposal for consolidating all health programs for children and pregnant women into one comprehensive program under one state agency. KDHE submitted an estimate of expenditures from the State General Fund of \$150,000 for FY 1993 and \$150,000 for FY 1994 to contract for a consultant for two years.

S.B. No. 631, as amended by the House, directs the same individuals to develop a proposal for consolidating all health programs for children and pregnant women into one comprehensive plan to be implemented by one or several agencies through interagency contracts, contracts with private agencies, or the provision of direct services. KDHE submitted an estimate of expenditures for FY 1993 of \$35,000 from the State General Fund to contract for a consultant for six months.

G. House Bill No. 2801 (Pending) would make modifications and additions to the solid waste management statutes. The bill would create the Solid Waste Management Fund. Receipts credited to the Fund would be primarily from a state solid waste tonnage fee of \$1.50 per ton or equivalent volume of waste disposed of at a solid waste disposal area on or after January 1, 1993. KDHE estimates annual fund receipts of \$3,700,000 from tipping fees. Half-year expenditures for FY 1993 are estimated at \$1,875,000 for both the House and Senate versions of the bill. The only difference between estimated expenditures between the two versions is associated with a Senate amendment adding a market development component. Under the Senate version, \$100,000 less would be granted to local governments and \$100,000 more would be expended for contractual services.

	<u>House Rec.</u>	<u>Senate Rec.</u>
<u>Bureau of Air and Waste Management</u>		
18.0 FTE Positions	\$ 307,535	\$ 307,535
Communications	34,080	34,080
Printing	31,560	31,560
Travel	20,000	20,000
Contractual Services	250,000	350,000
Commodities	1,840	1,840
Capital Outlay	99,771	99,771
Grants to Local Units	668,313	568,313
Subtotal	<u>\$ 1,413,099</u>	<u>\$ 1,413,099</u>
<u>Bureau of Environmental Remediation</u>		
8.0 FTE Positions	\$ 112,704	\$ 112,704
Communications	13,400	13,400
Printing	2,206	2,206
Rents	14,704	14,704
Travel	15,750	15,750
Contractual Services	250,000	250,000
Commodities	15,000	15,000
Capital Outlay	38,137	38,137
Subtotal	<u>\$ 461,901</u>	<u>\$ 461,901</u>
TOTAL	<u><u>\$ 1,875,000</u></u>	<u><u>\$ 1,875,000</u></u>

H. House Bill No. 3153 (Pending) would make modifications to the Kansas Underground Storage Tank Act. The House version would change the initial liability amounts that owners and operators of underground storage tanks must pay for corrective action costs in order to have access to moneys in the Petroleum Storage Tank Release Trust Fund. The bill would allow those who have already taken corrective actions on or after April 1, 1990, for a tank release and paid the initial liability costs established under current law to apply for a refund from the Trust Fund, if they would be subject to lower liability costs established by the bill. According to KDHE, the

maximum fiscal impact to the Trust Fund would be \$3.3 million over a two-year period, including \$2.5 million for FY 1993.

The Senate version, in addition to the underground tank provisions approved by the House, would require KDHE to approve proposed corrective action plans. KDHE estimates FY 1993 expenditures for the Senate's version of underground tank modifications would total \$2,849,326, including \$2.5 million for refunds and \$349,326 for the salaries and OOE of 8.0 FTE new positions.

The Senate's version also expands all provisions of the Act to aboveground petroleum storage tanks. The bill would allow those who are engaged in producing or refining petroleum products to be eligible for reimbursement from receipts collected from the existing \$.01 per gallon assurance fee if corrective action was taken under certain circumstances. The bill would create the Aboveground Petroleum Storage Tank Release Trust Fund to which receipts would be transferred from the Petroleum Storage Tank Trust Fund. The Aboveground Trust Fund could be used to reimburse an owner or operator of an aboveground tank up to a specified maximum amount for the costs of corrective action taken in response to a release. The bill would also create the Storage Tank Fee Fund to which receipts would be credited from permit and registration fees, and other fees imposed by the Act (such fees are currently credited to the State General Fund, so the State General Fund would incur a net loss of approximately \$180,000 in receipts in FY 1993). Receipts in the new Storage Tank Fee Fund could be expended only for enforcement of tank performance standards and registration requirements, programs intended to prevent releases from tanks, and administration of the Act. In addition to requiring a permit to construct, modify, or operate a tank, the bill would require that a person obtain a permit or approval from KDHE to install a petroleum tank. The following table details KDHE's estimate of expenditures for FY 1993 on the Senate version of the bill.

	<u>Underground Tank Program</u>	<u>Aboveground Tank Program</u>
8.0 FTE Positions	\$ 247,352	\$ --
25.0 FTE Positions	--	852,447
Communications	14,915	29,026
Rents	27,895	74,397
Travel	6,000	51,000
Contractual Services	2,500,000	1,000,000
Commodities	8,750	18,000
Aid to Local Units	44,414	253,258
Subtotal	<u>\$ 2,849,326</u>	<u>\$ 2,278,128</u>
TOTAL	<u><u>\$5,127,454</u></u>	

I. Governor's Budget Amendment No. 4, pages 3-6, items 4-14.

Department of Social and Rehabilitation Services

A. Governor's Budget Amendment No. 3 – Item 2. Low Income Energy Assistance and Weatherization Programs. GBA 3 recommends that \$22.0 million in one-time disproportionate share funds be transferred from the SRS Fee Fund to the Low Income Energy Assistance and

Weatherization Fund, and that this fund and the interest it generates be utilized to maintain LIEAP and Weatherization at the FY 1992 levels through at least FY 1998. The GBA further recommends the expenditure of \$3.0 million from the Low Income Energy Assistance and Weatherization Fund for the LIEAP program in FY 1993.

The following summarizes expenditures for the LIEAP program including the proposed GBA expenditures:

	Actual FY 1991	Estimate FY 1992	Gov. Rec. FY 1993	GBA 3 FY 1993
Federal LIEAP	\$ 11,787,882	\$ 7,297,489	\$ 8,694,677	\$ 8,694,677
Oil Overcharge	3,000,000	5,300,000	662,723	662,723
Disporportionate Share	0	0	0	3,000,000
Other	494,197	0	0	0
TOTAL	\$ 15,282,079	\$ 12,597,489	\$ 9,357,400	\$ 12,357,400

During FY 1992 the agency implemented the following cost savings measures in response to funding reductions and continued caseload growth: reduction of allowable income from 150 percent to 110 percent of the federal poverty level (the lowest standard allowed by federal regulation) resulting in a 20 percent reduction in caseloads; a combined application process for winter and the following summer to reduce administrative costs; and elimination of the summer medical emergency cooling program. The agency states that the level of expenditures in the Governor's original FY 1993 recommendation will result in a reduction in payments by approximately 30 percent or elimination of the summer program.

B. Governor's Budget Amendment No. 3 – SRS Fee Fund Balances. GBA 3 recommends that SRS Fee Fund expenditures be increased by \$1.0 million in FY 1992 and \$53.7 million in FY 1993, with corresponding State General Fund reductions. This recommendation corresponds to State General Fund recommended for capital improvement projects at the Regents' Institutions as a result of the receipt of retroactive disproportionate share funds. In addition, GBA 3 recommends that \$33.3 million in retroactive disproportionate share funds be retained in the SRS fee fund to address projected shortfalls in future budget years. This latter recommendation has no effect on FY 1993 expenditures.

C. Technical – Youth Center Clothing. A total of \$137,500 from the State General Fund was approved for the purchase of clothing in the youth center budgets with the recommendation that this funding be reduced from the SRS foster care budget. In prior years the purchase of clothing was made from funds appropriated to SRS for foster care. The deletion of funding from SRS was inadvertently omitted from S.B. 507.

D. SRS Fee Fund Limit. In review of the SRS budget the House recommended that the issue of a limit on the SRS Fee Fund (social welfare fund) be discussed further during the Omnibus Session. In prior years the SRS Fee Fund has been designated as a "No Limit" fund. However, disproportionate share revenues, including the \$104 million in annualized funding and the \$185 million in retroactive funds are deposited to the Fee Fund. The agency states that a limit on the Fee Fund would affect SRS operations in the following ways:

- o The fee fund is used as a temporary source of funding pending disposition of federal funds due, but not yet received. The fee fund is used to continue the process of payment to clients and providers. Expenditures are then transferred

to the appropriate source upon receipt of federal funds. As the year progresses, this type of process would deplete the budget limitation pending processing of the reversing journal entry.

- o In addition, certain programs such as interim assistance reimbursement payments and child support pass-through payments could also deplete the limit on the fund
- o The limit on the fund would have to be increased to include the state match requirement needed to match federal disproportionate share funds. For FY 1993, this would require an increase of \$143.6 million to current projected fee fund expenditures.

An alternative to a limit on the Fee Fund would be the establishment of a separate fund into which disproportionate share funds could be transferred.

E. Outreach/Case Management. The Governor's recommendation for SRS in FY 1993 includes \$498,720 from the State General Fund (\$1,200,000 All funds) for Medicaid reimbursement for outreach and targeted case management for pregnant teens. The House Committee recommended that this funding be deleted from S.B. 507 and reviewed further during the Omnibus Session for duplication with other existing programs, particularly those administered through the Department of Health and Environment. According to SRS, local health departments are already serving Medicaid-eligible teens; reimbursement for targeted case management will allow for more extensive follow-up and service coordination. The agency states that the intent of this funding is to provide services through Maternal and Infant projects in local health departments and states that one option would be to appropriate the State General Fund share (\$498,720) to KDHE where it could be monitored as a part of the Maternal and Infant program. SRS and KDHE state that adolescents in ten counties with the highest teen pregnancy rates would be targeted for services. Additional information is available on a separate document.

F. 300 Percent SSI Cap – Fiscal Impact. The House Committee deleted \$102,799 from the SRS budget based on the House recommendation that the 300 percent of SSI income eligibility cap be eliminated. Short-term savings accrue to the state because certain clients were grandfathered in with state money. The Committee was informed that current estimates of the cost of the grandfathered group may be higher than that previously appropriated and recommended further review during the Omnibus Session. The agency's current fiscal impact relating to the eligibility cap assumes a higher cost for the grandfathered population than that previously estimated, and estimates a cost avoidance by not serving applicants above the 300 percent SSI cap.

FISCAL IMPACT OF 300 PERCENT CAP

All Funds

	FY 1992	FY 1993
Cost of Grandfathered Population	\$ 1,331,897	\$ 825,000
Cost Avoided from Denials	(395,229)	(1,972,017)
TOTAL Cost/(Savings)	\$ 936,668	\$ (1,147,017)

State Funds

	FY 1992	FY 1993
Federal Share Lost Due to Grandfather Provision	\$ 788,883	\$ 483,450
State Share Saved Due to Denials	(161,135)	(821,283)
State Cost/(Savings)	\$ 627,748	\$ (337,833)

The Department assumes that the number of grandfathered clients served will fall from 445 in September, 1991 to 265 by the end of FY 1992 and to 25 by the end of FY 1993. The Department estimates that the number of denials due to the cap will increase from 180 in FY 1992 to 240 in FY 1993, with those denied in FY 1992 also generating savings in FY 1993 as the average length of nursing home stay is two years.

The above fiscal information from the agency indicates that the savings in federal share restored if the cap were removed would total \$483,450, rather than \$102,799, but that additional state costs of \$821,283 would be incurred due to new clients entering nursing homes for a net cost of \$337,833 in state funds in FY 1993.

G. Nursing Home Cost Adjustment. The Governor's budget recommendations include funding for a cost adjustment in nursing homes designed to bring nursing facilities to a common reporting period. The House recommended that the cost adjustment be reviewed during the Omnibus Session based on actual submitted cost reports to determine the accuracy of budgeted estimates. SRS contracts with Myers & Stauffer to generate nursing facility payment rates. Current cost estimates from Myers & Stauffer, based on submitted cost reports, reflect a savings of \$2,494,529 in All Funds below that budgeted for nursing facilities in the Governor's recommendation, of which approximately \$1.0 million is from state funds. The agency recommends no change to the nursing facility budget at this time.

H. Children's Mental Health Pilot Project. The Senate Committee recommended that the children's mental health pilot project included in mental health reform legislation be funded in the Omnibus Bill if disproportionate share funds were available at that time for the state share of the project. The House recommended funding of \$184,000 from the State General Fund (\$442,740

All Funds) in S.B. 507 to fund a phase-in of this project. This remains a conference item in S.B. 507. Annualized cost estimates total \$305,775 in state funds (\$750,000 All Funds).

I. Day Reporting. The House Appropriations Committee in review of the SRS budget and the Department of Corrections budget recommended that the Secretary of Corrections and the Secretary of SRS jointly meet and develop a plan for implementing a day reporting system for juveniles to be presented for consideration in the Omnibus Bill. The House recommended in S.B. 507 the appropriation of \$2.9 million from the State General Fund for day reporting; the Senate, in consideration of the youth center budgets, recommended expenditure of \$730,000. The recommendations include different assumptions regarding the intensity of services and the number of juveniles served. A status report on discussions between SRS and the Department of Corrections is available in a separate document.

J. H.B. 2925 (Governor) changes the name of the Kansas Commission for the Deaf and Hearing Impaired to the Kansas Commission for the Deaf and Hard of Hearing. In addition, the bill authorizes the Commission to provide for the regulation and certification of interpreters, allows the Commission to collect fees for interpreter certification, and creates a deaf and hard of hearing fee fund in which fees collected by the Commission are to be deposited rather than to the State General Fund. SRS estimates passage of the bill reduces State General Fund receipts by \$7,200 and increases receipts to the new fund by \$7,200. SRS requests establishment of the Deaf and Hard of Hearing Fee Fund with "No Limit" expenditure authority.

K. S.B. 631 (conference) requires the Secretary of KDHE, in cooperation with the Secretary of SRS, the Commissioner of education, and the Commissioner of Insurance to develop a proposal for consolidating all health programs for pregnant women and children into one comprehensive plan. The House Committee of the Whole amended in the provisions of H.B. 2697 pertaining to the development of a children's budget. The agency's estimate of the fiscal impact of each of these provisions is described below:

Comprehensive Plan of Health Service for Pregnant Women and Children. The comprehensive health plan developed pursuant to S.B. 631 would be required to include: comprehensive prenatal services for all pregnant women; a physical, developmental and mental health assessment at birth; comprehensive medical care for children under 18 years of age; preventative and restorative dental care, and periodic sight and hearing tests for children; a single point of community access; and a case management program. The plan is to be submitted to the Governor, the Joint Committee on Health Care Decisions, and the Kansas Commission on the Future of Health Care by January 1, 1993. The proposal presented in January is to include an implementation time schedule, cost estimates, identification of necessary federal waivers, identification of sources of funding, and the examination of innovative programs.

The agency estimates expenditures of \$98,401 from the State General Fund (\$131,201 All Funds) and 3.0 FTE positions are necessary to implement the provisions of this legislation. The estimate includes funding for one project coordinator, one analyst to do actuarial work, and one clerical position. Included is funding for a Management Analyst III, a Social Service Administrator IV, and a Secretary I for total salary expenditures of \$104,498, and OOE expenditures of \$26,703, of which \$16,500 is for one-time capital outlay costs.

Children's Budget. The House Committee of the Whole amended in the provisions of H.B. 2697 to require that the budget estimate of each agency include a listing of all programs that provide services for children and their families including the amount to be spent on services and the

number who are served by the program. The bill requires that the Governor's budget report include a "children's budget", which would consist of a compilation of the information contained in agency budget estimates.

SRS estimates that an additional staff position would be required to develop and maintain a children's subsection of the SRS budget. Estimated FY 1993 costs total \$48,747, including \$39,286 in salaries for 1.0 FTE Management Analyst III, and \$7,835 in OOE expenses, of which \$5,500 would be first-year capital outlay costs.

L. S.B. 182 (conference) as amended by the House, includes several provisions pertaining to adult care homes and long-term care services which impact upon the Department of Social and Rehabilitation Services.

Assessment and Referral. The House version incorporates the provisions of H.B. 2566 which require that no person (private pay or Medicaid related) be admitted to an adult care home on or after July 1, 1992 that has a Medicaid provider agreement with the Department of Social and Rehabilitation Services without first receiving assessment and referral services. Certain duties are charged to the Secretaries of the Department on Aging and SRS. SRS is charged with adopting a uniform needs assessment instrument; establishing application procedures and standards to be met by providers of assessment and referral services; and establishing a fee to recover the costs associated with the designation and regulation of providers.

SRS estimates that operational costs of \$187,357, of which \$46,839 is from state funds would be incurred by the agency. The request includes \$45,378 for salary and operating costs for 1.0 FTE new position, a Social Service Administrator III, and \$141,990 in EDS set-up costs, monthly processing costs and other contractual services. In addition, client screens are estimated to totals \$1,468,800, of which \$367,200 is from the State General Fund.

The agency estimates that nursing facility costs of \$1,930,427, of which \$802,285 is from the State General Fund will be avoided in FY 1993. Fees of \$150 charged to providers of assessment and referral services are estimated to produce receipts of approximately \$45,000 annually to the SRS Fee Fund.

The net impact for FY 1993 is summarized below:

	State General Fund	All Funds
Operational Costs	\$ 46,839	\$ 187,357
Screening Costs	367,200	1,468,800
Subtotal	<u>\$ 414,039</u>	<u>\$ 1,656,157</u>
Less Medicaid Costs Avoided	(802,285)	(1,930,427)
Net Cost	<u><u>\$ (388,246)</u></u>	<u><u>\$ (274,270)</u></u>

State General Fund operational expenses could be further offset by the \$45,000 in receipts to the Fee Fund.

300 Percent Cap. The House version of S.B. 182 includes provisions of H.B. 2844 prohibiting use of an income eligibility cap for nursing home Medicaid eligibility. (See item F above for fiscal impact.)

M. H.B. 2987 (conference) as passed by the House, establishes citizen review boards in each judicial district subject to the availability of funds in the family and children trust fund. Responsibilities of the citizen review boards include the review of each case of a child who is the subject of a child in need of care petition or who has been adjudicated a child in need of care, suggesting alternative case goals and making recommendations to the judge. The bill establishes funding for local citizen review boards from increased fees for birth certificates with increased revenue (\$3 per birth certificate and \$1 per additional copy) to be credited to the family and children trust fund. The children and youth advisory committee is charged with making grants to citizen review boards. In addition, the bill would permit expenditures from the family and children trust fund for court appointed special advocate programs.

The Senate version of the bill would credit funds raised from increased birth certificate fees to a new permanent families fund to be used for grants to court appointed special advocate programs and local citizen review boards. Up to 12 percent of the amount available in the fund could be used by the children and youth advisory committee for administration and technical assistance. The children and youth advisory committee would oversee expenditure of the funds. A permanent families advisory panel is also established to advise the children and youth advisory committee.

The Department of Health and Environment estimates that receipts of \$329,849 would be available as a result of additional fees assessed on birth certificate copies. SRS estimates that one additional staff position, an Office Specialist would be required to provide the technical support to this new grant program at an estimated cost of \$35,209. Remaining funding would be available for grants.

N. H.B. 3113 (conference) would establish regional interagency councils to collaborate in the provision of services for children and adolescents who require specialized services beyond the capability of one agency. The Secretary of SRS is charged with adopting rules and regulations and directors of each SRS area office (or their designee) are given responsibility for convening and chairing each interagency council. The interagency councils are directed to develop plans in cooperation with family members to meet the needs of children and adolescents whose cases have been referred to the council. SRS estimates that additional operational expenses of \$89,874, of which \$50,352 is from the State General Fund will be incurred as a result of passage of this legislation. The agency also estimates that the process created by the bill can be expected to slow the rate of children entering SRS custody and may result in a shift of expenditure from out-of-home care to in-home services.

O. H.B. 2800 (law) concerns transitional planning for persons with disabilities and addresses the needs of students ending secondary special education programs. The bill directs the Secretary of SRS, within available funding and staffing, to provide transition planning services for special education students when they reach age 16 in coordination with the student's individual education plan (IEP), and directs the Secretary to develop local transition councils charged with recommending improvements in secondary special education, the transition from school to adult living, and transition planning services. A state transition council is formed comprised of representatives of local councils and is required to meet annually. SRS estimates additional administrative costs of \$5,000 associated with per diem costs for one annual meeting, of which \$1,250 would be from the State General Fund. As SRS is directed to provide transition services within

available funding and staffing, there is no other immediate fiscal impact. The agency estimates that it would require 52 additional vocational rehabilitation counselors and 14 other staff positions at an estimated cost of \$1,425,416 from the State General Fund (\$4,687,475 All Funds) in order to serve all special education students aged 16 - 22 in the state. Included in this total is \$2,000,000 for client services.

P. **S.B. 588 (conference)** authorizes the juvenile court to order one or both parents to pay child support. When a child comes into the custody of the Secretary of SRS the court would be required to enter a support order except in special circumstances.

SRS estimates that 6.0 FTE new positions in child support enforcement would be necessary to handle the expanded juvenile offender caseload: 3.0 Collections Officers, 1.0 Office Assistant II, 1.0 Attorney I, and 1.0 Secretary II at a total cost of \$241,852, or which \$82,230 is from the SRS Fee Fund and \$159,622 is from federal funds. The estimate includes \$186,610 for salaries, \$24,426 for ongoing operational costs, and \$30,806 for one-time first year costs. The agency estimates that fee fund receipts will be increased by \$793,208 as a result of passage of this legislation, including \$338,442 in foster care collections, and \$507,428 in juvenile offender collections. In FY 1994, the agency estimates that fee fund collections will increase by \$1.5 million. The following summarizes the net fiscal impact of this legislation:

Increased Fee Fund Revenue	\$ 793,208
State Share of New Staff	(82,230)
Net Receipts	<u>\$ 710,978</u>

Q. Governor's Budget Amendment No. 4, page 10, item 25, pages 34-38, items 75-88.

The Kansas Healthy Kids Corporation

A. **H.B. 2913 (Governor)** enacts the Kansas Healthy Kids Program Act, creates the Kansas Healthy Kids Corporation, and establishes a Healthy Kids Trust Fund in the State Treasury. The Healthy Kids Corporation, a quasi-governmental corporation, is directed to develop a health insurance program, based on ability to pay, for all Kansas school children (K-12) and their siblings who are not otherwise covered by public or private insurance programs. Under the provisions of the legislation, the corporation is required to establish insurance benefits and designate three pilot school districts by July 1, 1993. Children are to be enrolled, and the corporation is to be providing insurance in at least three pilot districts by July 1, 1994. The Corporation is to be governed by a 17-member appointed board of directors assisted by the Secretaries of SRS and KDHE, and the Commissioners of Education and Insurance. All state appropriations, gifts, grants, contributions, matching funds, and payments made by program participants are to be deposited into the Healthy Kids Trust Fund created by the bill.

Administrative expenses are estimated based upon information received from SRS regarding funding of a similar health initiative based on a proposal to the Robert Wood Johnson Foundation. SRS estimates expenditures of \$197,571, including funding for four staff positions. The estimate includes \$151,881 for salaries and \$45,690 in other operating expenditures.

Department of Administration

A. Joint Committee on State Building Construction – Supreme Court Chamber. The House Committee of the Whole added \$156,200 from the State General Fund in FY 1993 to renovate and restore the Supreme Court Chamber in the Statehouse. The amendment included language requiring the Department of Administration to consult with the Historical Society and prohibits expenditures, other than for planning, unless the project is presented to the Joint Committee on State Building Construction. The Conference Committee removed this item from the bill and recommended that the Joint Committee on State Building Construction review the proposed project and make a recommendation to be considered during the Omnibus Session.

The Joint Committee on State Building Construction reviewed the proposed project which includes new carpeting, refinishing the woodwork, repairing and painting plaster walls, removing acoustical tile and repairing and painting the ceiling, restoring existing lighting and adding supplemental lighting, installing sound system with permanent outside media hookup, installing TV and audio system hook up to Senate and House chambers, relocating the wood rail to its original location, installing a commemorative plaque, repairing and replacing chairs, replacing fixed conference tables, and acquiring four new portable tables. Construction costs are estimated to total \$116,000 (including a 10 percent contingency) and furniture costs are estimated to total \$40,200 (including a 10 percent contingency) for a total project cost of \$156,200.

The Joint Committee on State Building Construction endorses this project and recommends \$156,200 from the State General Fund with a proviso requiring that the plans for the renovation be reviewed by the Joint Committee on State Building Construction.

B. H.B. 2674 (Governor) establishes a mechanism for budgeting accumulated sick leave payments upon retirement to eligible state employees. The bill creates a state leave payment reserve fund in the State Treasury on July 1, 1992, to be administered by the Secretary of Administration. The new fund would pay the compensation to qualifying state employees. An assessment on gross wages is made against all state agencies to provide the funds to pay for the accumulated sick leave on retirement. Each agency's assessment rate would be equal to the total agency payroll multiplied by the rate of assessment. The rate of the leave payment assessment reserve for FY 1993 is 0.23 percent. The Secretary of Administration is responsible for determining annually the assessment based on the experience of state agencies. The Director of the Budget is charged with notifying state agencies of the assessment rate on or before July 15 each fiscal year.

Pursuant to H.B. 2674, the Leave Payment Reserve Fund needs to be included in the omnibus appropriation bill. A "no limit" status is customary for reserve funds (*i.e.*, State Self-Insurance Workers' Compensation Fund). Also, the Department of Administration estimates one-time expenditures of \$20,700 from the State General Fund (Central Management Systems Operations account) to make the necessary program changes to the State's accounting system.

C. H.B. 2782 (Governor) eliminates additional compensation of \$2,400 (State General Fund) for the Chair of the Kansas Civil Service Board beginning in FY 1993. The Department of Administration requests that these savings be retained in the Department's budget to defray potential expense overruns of the Civil Service Board.

D. H.B. 2682 (Veto) authorizes the Secretary of Administration to provide telecommunications services to any county, municipality, or school district in Kansas (defined as "governmental unit" in the legislation), and to establish rates and charges and bill governmental units

for those services. Prior to enactment of this legislation, the Secretary was authorized to provide such services only to state agencies. Currently, there is an expenditure limitation on DISC's operating and depreciation reserve funds (e.g., information technology fund and information technology reserve fund) of \$24,476,235 and \$8,020,275, respectively; therefore, in order to support new "governmental unit" customers, DISC would, in all likelihood, exceed the existing expenditure limitations.

The Department of Administration requests that the expenditure limitations on the two funds be changed to "no limit." Other options include: (1) retain the existing limitations and if necessary the Department of Administration can seek Finance Council approval to increase the expenditure limitations; (2) increase the limitations based on an estimate of anticipated services to governmental units; and (3) place a proviso on the existing limitation indicating that additional expenditures associated with telecommunication services to governmental units may exceed the limitations.

E. H.B. 2956 (Veto) establishes a state employee leave sharing program. State employees who are permanent full-time or regular part-time in classified or unclassified service under the Kansas Civil Service Act in the executive branch of government are authorized to donate annual leave or sick leave to a fellow employee who has a relative or household member suffering from an extraordinary or severe illness, injury, impairment, or physical or mental condition which has caused or is likely to cause the receiving employee to take leave without pay or terminate employment. The Department of Administration estimates one-time expenditures of approximately \$21,875 from the State General Fund (Central Management Systems Operations account) to make the necessary program changes to the State's payroll/personnel system.

F. Governor's Budget Amendment No. 4, pages 9-10, items 22-25.

Fort Hays State University

A. Governor's Budget Amendment No. 3 – New Physical Sciences Building. The Governor recommends a total of \$11,976,000 to plan, construct, and equip a new physical sciences building, of which \$8,000,000 is from the State General Fund and \$3,976,000 is from federal funds. The building (84,850 gross square feet) would include two major components, physical sciences (Departments of Chemistry, Earth Sciences, and Physics), and the University Computing Center.

The Governor's recommendation for State General Fund financing corresponds to a State General Fund reduction in the SRS budget as a result of the retroactive disproportionate share funding which is used to offset State General Fund demands in the SRS budget. The University has already received a grant of \$3,976,000 from the federal government for the project. The 1991 Legislature appropriated \$250,000 from the federal funds for preliminary planning and 1992 H.B. 2728 (capital improvements bill) includes \$390,000 in federal funds for final planning. The Governor recommends the \$8,000,000 from the State General Fund and the balance in federal funds of \$3,336,000 in FY 1993 for construction. The Governor notes that actual expenditures may occur over a longer period of time.

B. Substitute for S.B. 610 (law) amends statutes relating to the Kansas Wildlife Arts Council and the Kansas Wildlife Arts Series program which is currently administered by the Kansas Department of Commerce. The program including remaining inventory of prints and stamps from the Wildlife Art Series would be transferred on July 1, 1992 to the Sternberg Memorial Museum at Fort Hays State University. Any art work produced under the program becomes the property of Fort

Hays State University, which would provide for prints of the art work and stamps. The Director of the Sternberg Museum determines the number of prints and stamps to be produced, in addition to the fees to be charged for their sale. Moneys received from the sale of these items would be credited to the Wildlife Art Fund. Expenditures from the Fund would be used to defray expenses incurred by the Kansas Wildlife Arts Council and the museums at Fort Hays State University for promoting the State of Kansas.

Pursuant to Substitute for S.B. 610, the Wildlife Art Fund needs to be appropriated in FY 1993 with an expenditure limitation. The agency requests a "no limit" expenditure limitation and makes no estimate of receipts or expenditures due to inexperience with the program.

C. Technical Adjustment. In order to accurately reflect a technical adjustment requested by Fort Hays State University during consideration of the Regents appropriation bill, shift \$32,680 from utilities to other operating expenditures.

D. Governor's Budget Amendment No. 4, page 20, item 44.

Pittsburg State University

A. Governor's Budget Amendment No. 3 – Kansas Technology Center. The Governor recommends \$10,700,000 from the State General Fund for construction of the Kansas Technology Center. In addition to the \$10.7 million, the University has received \$9.0 million in federal grants and anticipates raising \$8.0 million in private gifts and donations for a total project cost of \$27.7 million. The Kansas Technology Center would provide new classroom and laboratory space for the University's School of Technology and Applied Sciences.

The Governor's recommendation for State General Fund financing corresponds to a State General Fund reduction in the SRS budget as a result of the retroactive disproportionate share funding which is used to offset State General Fund demands in the SRS budget. 1992 H.B. 2728 (capital improvements bill) includes \$493,000 in federal funds (\$443,000) and gift funds (\$50,000) for FY 1993 for planning. The Governor notes that actual expenditures may occur over a longer period of time.

Board of Regents

A. Governor's Budget Amendment No. 4, pages 16-17, items 35-37.

Kansas Advisory Council on Intergovernmental Relations

HB. 2663 (Governor) creates the Kansas Advisory Council on Intergovernmental Relations (KACIR), a 15-member, permanent council which among other functions, may: serve as a forum for study and discussion of intergovernmental issues; encourage better intergovernmental relations; prepare studies and recommendations to improve organizational structure, operational efficiency, allocation of functional responsibilities and delivery of services; conduct studies of economic administration and tax and revenue matters; and study matters requested by the Legislature. The Council is given the power to employ an executive secretary, legal counsel, expert advisors, and other employees as may be necessary to carry out the duties of the council.

The legislation provides that the Legislature is to make annual appropriations from the State General Fund to finance a portion of the Advisory Council's budget and the Local Ad Valorem Tax Reduction Fund is amended to provide a matching amount of money to finance the Council's budget. The bill creates the Kansas Advisory Council Intergovernmental Relations Fund. The Special Committee on Assessment and Taxation recommended the introduction of this legislation and noted in its report to the 1992 Legislature that the budget for the Council should include moneys for three or four professional staff, funds for research, contracts, travel, printing and marketing services.

The Special Committee on Assessment and Taxation received testimony from the Director of the South Carolina ACIR indicating that his agency budget was approximately \$250,000. The Division of Budget fiscal note was based on the interim committee's report and assumed a staff of four or five individuals and a possible configuration of an executive director, a management analyst, an attorney, a systems analyst, and a clerical position and other operating expenditures. Expenditures were estimated to range from \$275,000 to \$375,000.

State Treasurer/Pooled Money Investment Board

A. S.B. 480 (Law) establishes a state-managed investment pool in which local units of government may participate under certain conditions; allows cities and counties to make specified investments directly under certain conditions; makes several substantive amendments to the statute governing the general investment authority of local units; changes significantly the state moneys law pertaining to demand accounts and investment of idle funds; makes the State Treasurer responsible for seeking improvements in cash management in state agencies; expands the state Pooled Money Investment Board (PMIB); and makes a number of safeguard, technical, and conforming amendments.

Pursuant to S.B. 480, the following special revenue funds should be appropriated in the State Treasurer's budget: Municipal Investment Pool Fund; Municipal Investment Pool Reserve Fund and Municipal Investment Pool Fund Fee Fund. The Municipal Investment Pool Fund and Municipal Investment Pool Reserve Fund should be appropriated as "no limit" funds. Options available for the Municipal Investment Pool Fund Fee Fund include "no limit" or a limitation which reflects anticipated expenditures from the fund in any given fiscal year.

Pursuant to S.B. 480, the PMIB would need a special revenue fund, Services Reimbursement Fund, for investment services associated with the municipal investment pool if costs incurred by the PMIB are to be reimbursed from the Treasurer's Municipal Investment Pool Fund Fee Fund.

The State Treasurer submitted a revised fiscal note for S.B. 480 which indicates the following expenditures associated with the changes in the State Moneys Law (\$178,986) and the creation of the Municipal Investment Pool (\$139,243). The State Treasurer states that expenditures from the State General Fund associated with investment of state funds would be recovered through additional interest income earnings to the State General Fund due to the expansion of investment vehicles and a more active approach to funds management. The State Treasurer estimates that for the first year of the Municipal Investment Pool Program receipts to the Municipal Investment Pool Fund Fee Fund would be \$30,000; therefore, the State Treasurer requests funding from the State General Fund of \$110,658 for the Municipal Investment Pool Program in FY 1993 with the understanding that, as receipts build in the Municipal Investment Pool Fee Fund over the next few years, the State General Fund would be reimbursed for the "loan" in the start-up year. The State

Treasurer estimates that "start-up" costs would be recouped in the first to third year of the program, depending on balances and interest rates.

In addition to expenditures associated with S.B. 480 (state investments and municipal investment pool), the State Treasurer's revised fiscal note includes some additional expenditures associated with the investment of the bond proceeds of the Comprehensive Highway Program (\$73,327) that the State Treasurer suggests be dovetailed into the expenditures associated with S.B. 480. According to KDOT, the Secretary of KDOT has committed to considering paying a portion of the total costs, but at this writing no agreement has been reached.

The Department of Administration did not submit a fiscal note for the Pooled Money Investment Board with the understanding that the State Treasurer would include in her revised fiscal note all expenditures associated with S.B. 480. It appears that a portion of the amount requested from the State General Fund may be appropriated to the Department of Administration in the account for the Pooled Money Investment Board and a portion appropriated to the State Treasurer. K.S.A. 75-4222 provides that all budgeting, purchasing and related management functions of the Pooled Money Investment Board shall be administered under the direction and supervision of the Secretary of Administration. The State Treasurer's revised fiscal note indicates that on April 17, 1992 the PMIB took formal action to make the State Treasurer, in her role as Chair of the Board, responsible for the day to day management of the Board's staff.

The State Treasurer's revised fiscal note, including expenditures associated with the investment of the KDOT bond proceeds, proposes the following expenditures in FY 1993:

Salaries and Wages (including fringe benefits):

Investment Officer (unclassified)	\$ 84,760
Investment Analyst (unclassified)	40,768
Clerical (classified)	24,271
Clerical (classified)	24,271
Clerical (classified)	24,271
Subtotal -- Salaries	<u>\$ 198,341</u>

Other Operating Expenditures:

Communications	\$ 30,015
Printing and Advertising	15,000
Rents	5,600
Contractual Services	35,350
Commodities	5,000
Capital Outlay	102,250
Subtotal -- OOE	<u>\$ 193,215</u>
GRAND TOTAL	<u><u>\$ 391,556</u></u>

The State Treasurer's revised fiscal note for FY 1993 includes requested funding from the following:

State General Fund	\$ 288,229
Municipal Investment Fee Fund	30,000
KDOT	73,327
TOTAL	<u>\$ 391,556</u>

Excluding expenditures requested for the investing of the KDOT bond proceeds (\$73,327), the State Treasurer requests expenditures totaling \$318,229. The Division of Budget fiscal note indicates total expenditures associated with S.B. 480 of \$165,000 which is composed of the following: (1) expenditures related to more active management of the state's funds would require additional operating expenditures for the PMIB of \$100,000, of which \$80,000 would be for salaries and wages (2.5 FTE positions) and \$20,000 would be for additional OOE to support the proposed new positions; (2) expenditures related to the municipal investment pool in the State Treasurer's office would require \$40,000 for salaries and wages (1.3 FTE) and \$20,000 for OOE to support the proposed new positions including computer hardware and software acquisitions.

The State Treasurer indicates that expenditures relating to S.B. 480 presented in the revised note are substantially higher than those presented earlier, and notes that the increase (\$153,229) is the result of additional analysis regarding hardware and software (primarily for the pool which would be recovered by fees) as well as conversations with the Kansas Bankers Association regarding communications with Kansas banks.

B. Governor's Budget Amendment No. 4, page 2, items 1-2.

Kansas Public Employees Retirement System

A. FY 1992 School Employers' Contributions. H.B. 2729 (Governor) contained supplemental funding from the State General Fund for the KPERS school employer contribution in the amount of \$166,080. The total amount for FY 1992 for KPERS school, including the supplemental funding, is \$48,472,717, all from the State General Fund. The House Appropriations Committee and the Senate Ways and Means Committee, both requested that this issue be reviewed for possible inclusion in the omnibus appropriation bill. The latest estimates from KPERS indicates that to fully fund the KPERS school employer contributions, an amount in excess of \$48,472,717 will be needed. The agency has requested an additional \$1,315,112 in FY 1992, all from the State General Fund, for school employers' contributions.

Regents' Systemwide Issues

A. General Fee Funds - Governor's Budget Amendment No. 4, page 15, item 33.

B. Utilities - Governor's Budget Amendment No. 4, page 16, item 34.

Kansas State University

A. Governor's Budget Amendment No. 3 – Farrell Library Renovation and Expansion. The Governor recommends a total of \$28,000,000 to plan, construct and equip a major expansion and addition to Farrell Library. The Governor recommends financing of \$23,000,000 in FY 1993 with

\$18,000,000 from the State General Fund and \$5,000,000 from student financed bonds and another \$5,000,000 in FY 1994 financed from gifts and donations. The Governor notes that actual expenditures may occur over a longer period of time. The project would include the addition of 153,000 gross square feet of library stack space, student study areas and staff offices and include a major renovation of the existing library facility. The addition would provide shelving growth of collections to the year 2020 and allow for the consolidation of the Math/Physics and Chemistry/Biochemistry branches into the new complex.

The Governor's recommendation for State General Fund financing corresponds to a State General Fund reduction in the SRS budget as a result of the retroactive disproportionate share funding which is used to offset State General Fund demands in the SRS budget. The University has already received student approval for financing \$5,000,000 in bonds for the project. The University has already raised \$2.0 million of the \$5.0 million in gifts and donations. The project is currently under review by the Joint Committee on State Building Construction.

- B. Governor's Budget Amendment No. 4, page 18, item 38.
- C. Governor's Budget Amendment No. 4, page 18, item 39.
- D. Governor's Budget Amendment No. 4, page 18, item 40.

Kansas State University - Salina

- A. Governor's Budget Amendment No. 4, page 19, item 41.
- B. Governor's Budget Amendment No. 4, page 19, item 42.
- C. Governor's Budget Amendment No. 4, page 20, item 43.

University of Kansas

A. Technical Adjustment. Due to a staff oversight, State General Fund financing for utilities for the University are overstated by \$9,772 in FY 1992 and understated in FY 1993 by a like amount.

B. Governor's Budget Amendment No. 3 – Hoch Auditorium Reconstruction and Library Expansion. The Governor recommends a total of \$18,000,000 to plan, construct and equip the reconstruction of Hoch Auditorium that would include a library expansion. Hoch Auditorium was destroyed by fire as the result of a strike by lightning on June 15, 1991. The project would be entirely financed from the State General Fund with \$1,000,000 in Fy 1992 and \$17,000,000 in FY 1993. The Governor notes that actual expenditures may occur over a longer period of time. The 115,000 gross square foot project would include two 500 seat lecture hall (22,500 gross square feet), four 50 seat classrooms (4,500 gross square feet), a testing commons (10,000 gross square feet), library collections area (46,300 gross square feet), study/reader areas (4,100 gross square feet), and staff/service areas (5,100 gross square feet).

The Governor's recommendation for State General Fund financing corresponds to a State General Fund reduction in the SRS budget as a result of the retroactive disproportionate share funding which is used to offset State General Fund demands in the SRS budget. The Joint Committee on State Building Construction has previously recommended \$1,000,000 (State General Fund) for preliminary and final planning for the project in FY 1993. The Joint Committee is currently has the entire project under review.

University of Kansas Medical Center

A. Governor's Budget Amendment No. 4, page 20, item 45.

**Systemwide Mental Health Hospitals
(Larned, Osawatomie, Rainbow, and Topeka)**

A. School Contract Issues

1. **Categorical Aid.** The budgeted school contracts for each of the hospitals in FY 1993 include categorical aid funding based on a rate of \$15,070 per eligible teaching unit. The chart below notes the total categorical aid amount included in each budget and the number of eligible teaching units.

Hospital	Teaching Units	Total
Larned	11.598	\$ 174,781
Osawatomie	13.4	201,938
Rainbow	20.53	309,422
Topeka	28.78	433,690

Categorical Aid was not included in the Governor's recommended budgets for the hospitals. The issue of how categorical aid might be supplanted was not addressed in the *Governor's Budget Report*. The Senate and House Subcommittees deferred consideration of this item pending approval of a school finance plan by the Legislature.

2. **Teacher Salary Increase.** The amounts recommended by the Governor for FY 1993 school contracts include no amounts for teacher salary increases. The following percentage increases were requested by the hospitals for teacher salaries in FY 1993: Larned, 4 percent; Osawatomie, 2 percent; Rainbow, 5 percent; and Topeka, 3 percent.

B. Hospital Fee Fund Collections. The House Subcommittee recommended that the issue of FY 1992 fee fund collections at the four mental health hospitals be addressed as an Omnibus item. As of Monday, April 20, 1992, Larned, Osawatomie, and Rainbow project that FY 1992 collections will be sufficient to meet the approved expenditure limitations, although Osawatomie states that it may not have as large a carryforward balance into FY 1993 as recommended. Topeka State Hospital projects an FY 1992 fee fund shortfall of \$194,971. S.B. 547 (Governor) would

appropriate \$175,000 from the State General Fund to address the projected Topeka fee fund shortfall, leaving a projected remaining shortfall of \$19,971.

C. Hospital Salary and Wage Turnover Rates. The House Subcommittee recommended that the issue of salary and wage turnover rates at the hospitals be reviewed by SRS and that the agency make a recommendation as to whether the rates should be adjusted. Current information regarding positions being held open by the hospitals to meet the recommended turnover rates is included on a separate document to be given the Committees.

D. Systemwide Enhanced Security Measures. The House Subcommittee requested a systemwide plan for enhanced security measures at each of the four hospitals. The Subcommittee recommended that SRS address any items found to be critical with a Governor's Budget Amendment request and that the issue be addressed as an Omnibus item. The agency requested the following as Governor's Budget Amendment items:

	<u>FY 1992</u>	<u>FY 1993</u>
Topeka State Hospital		
Behavior Treatment Unit	\$ 297,031	\$ 1,179,189
Enhanced Security Staffing	38,351	104,616
Enhanced Exterior Lighting	259,700	--
Hospital-wide Rekeying	77,367	--
Local Area Network	77,177	--
Total	<u>\$ 749,626</u>	<u>\$ 1,283,805</u>

(Staff Note: The agency notes that the passage of H.B. 3182 [Senate Judiciary] could affect this request. H.B. 3182 would provide for the admission of felons to Larned State Hospital and would provide flexibility for the other hospitals to transfer patients to Larned.)

Requests made to the House Subcommittee for personnel, modifications, and equipment associated with security issues which were not requested by SRS as Governor's Budget Amendment items include the following items:

Larned State Hospital

1. Modification of Nursing Stations -- Dillon	\$ 50,000
2. Video Monitors	43,935
3. Security/Safety Personnel	40,000
4. Security Transportation	18,500
5. Full Staffing-Reduction of Shrinkage Rate	559,198
6. Metal Detectors	10,000
7. Rekeying State Security Hospital	150,000
TOTAL	<u>\$ 871,633</u>

Osawatomie State Hospital

1. Enhanced Staffing of Unit for District Court Referrals	\$	103,242
2. Silent Alarm System		20,599
3. Replace Paging and/or On-Call System		15,000
4. Lock System Replacement		109,200
5. Upgrade Security Radio Equipment		21,770
6. Exterior Lighting Enhancement		36,500
7. Increased Parking		10,000
TOTAL	\$	316,311

Rainbow Mental Health Facility

1. Enclosed Space Between Two Buildings	\$	15,800
2. Key Replacement		4,100
3. Enhanced Personnel		110,460
TOTAL	\$	130,360

Larned State Hospital

A. Governor's Budget Amendment No. 4, pages 29-30, items 63-64.

Osawatomie State Hospital

A. **Physician Position Request.** The House Subcommittee recommended that the hospital's request for an additional FTE physician position for FY 1993 be considered as a Governor's Budget Amendment item and as an Omnibus item. The agency requested FY 1993 SGF funding of \$90,912 and one FTE physician position to provide relief coverage for weekends, nights, and holidays.

B. Governor's Budget Amendment No. 4, page 32, items 69-70.

Rainbow Mental Health Facility

A. **FY 1993 and FY 1993 Funding Requests.** The House Subcommittee recommended that the agency request for FY 1992 supplemental funding of \$30,932 (\$5,619 salaries and wages and \$25,313 operating expenses) and FY 1993 funding of \$51,507 (\$24,358 salaries and wages and \$27,149 operating expenses) be addressed as a Governor's Budget Amendment request and that the issue be considered as an Omnibus item.

Topeka State Hospital

A. Governor's Budget Amendment No. 4, pages 30-31, items 65-68.

Kansas Soldiers' Home

A. Fuel Contamination Cleanup. Officials of the Home state that additional FY 1992 expenditures of \$20,000 may be needed for the clean up of contamination caused by a leaking underground fuel tank, which was discovered during replacement of the tank in FY 1991. The Senate Subcommittee recommended that this be considered as an Omnibus item. Officials of the Home have followed the progress of H.B. 3153 (Conference), which would decrease the amount of the Home's liability for the clean up from the current limit of \$100,000 to \$3,500 and would provide for a refund of amounts expended for clean up in excess of \$3,500. FY 1991 and FY 1992 costs of the cleanup total \$41,746.

B. Governor's Budget Amendment No. 4, pages 25-26, items 54-55.

Department of Human Resources

A. Governor's Budget Amendment No. 4, pages 24-25, items 52-53.

Department of Animal Health

A. The House Committee of the Whole added \$100,000 from the State General Fund and inserted a proviso providing that expenditures shall be made from this account to reduce the fees charged for the Animal Facilities Inspection program. The Conference Committee deleted this provision from the bill and recommended consideration of this item during the Omnibus Session after the resolution of S.B. 752. This issue relates to an apparent conflict in policy between the two Houses. On one hand, the House added \$100,000 along with the proviso reducing fees due to a concern that the current fee structure is too high. The Senate Subcommittee, however, recommended introduction of a bill which would redefine the fee structure for the "puppy program" with the intent of making the program entirely fee funded. A bill was introduced which substantially changed the fee structure of this program. That bill was merged into S.B. 752 which also makes substantive changes to the act.

B. Technical Adjustment. A technical correction is necessary to lapse the proviso requiring the agency to reduce fees for the Animal Facilities Inspection program.

C. Governor's Budget Amendment No. 4, page 27, item 58.

Department of Wildlife and Parks

A. Technical Adjustment. In order to correct a posting error, the expenditure limitation on the Boating Fee Fund should be increased from \$884,551 to \$896,349.

B. Governor's Budget Amendment No. 4, pages 2 and 3, item 3.

Youth Center at Topeka

Teacher Salary Increases. The agency requested a 4.0 percent increase for teacher's salaries in FY 1993. The Governor's budget recommendation for the agency's education contract does not include a salary increase for teachers. The House Subcommittee recommended that this issue be revisited during the Omnibus Session.

Youth Center at Atchison

Teacher Salary Increases. The agency requested a 3.8 percent increase for teacher's salaries in FY 1993. The Governor's budget recommendation for the agency's education contract does not include a salary increase for teachers. The House Subcommittee recommended that this issue be revisited during the Omnibus Session.

Youth Center at Beloit

Teacher Salary Increases. The agency requested a 5.0 percent increase for teacher's salaries in FY 1993. The Governor's budget recommendation for the agency's education contract does not include a salary increase for teachers. The House Subcommittee recommended that this issue be revisited during the Omnibus Session.

Behavioral Sciences Regulatory Board

A. Senate Bill No. 458 (Law) creates the "Alcohol and Other Drug Counselor Registration Act." The bill requires that, on and after January 1, 1993, persons representing themselves as registered alcohol and other drug counselors must be registered with the Behavioral Sciences Regulatory Board. The Board estimates 1,300 people would be eligible to seek registration under the bill. The bill provides for two-year registration at a fee of not to exceed \$100. 20 percent of all fees collected would be credited to the State General Fund. The agency estimates administrative expenditures of \$49,871 associated with the bill. Those estimated expenditures include the following:

1.0 FTE Office Assistant III	\$ 20,783
Contractual Services	21,937
Commodities	1,392
Capital Outlay	5,759
Total	<u>\$ 49,871</u>

Kansas Insurance Department

A. The Department indicates that the additional workload which will be created by the two bills discussed below, **House Bill No. 2777** and **House Bill No. 2797**, generates the need for one new financial analyst trainee position and associated operating expenditures as follows:

1.0 FTE Financial Analyst Trainee	\$ 28,008
Communications	1,947
Office Supplies	437
Furniture and Equipment	3,951
Total	<u>\$ 34,343</u>

House Bill No. 2777 (law) provides additional safeguards against abusive practices which may occur when the same individual or organization controls the sale of business, the underwriting and the payment of claims. The bill specifies certain provisions which must be included in the contract between a controlling broker and a controlled insurer and imposes various disclosure, audit, and reporting requirements. The bill requires controlled insurers to submit, for Department review, annual actuarial opinions on loss reserves for business placed with them by controlling brokers. In addition, controlled insurers must report to the Department, on an annual basis, the amount of commissions paid to controlling brokers as well as comparable amounts paid to noncontrolling brokers for the placement of similar types of business.

House Bill No. 2797 (law) provides for the licensing and regulation of reinsurance intermediaries. This bill requires that all contracts between reinsurance managers and the reinsurance companies they represent be filed with the Department for approval, and requires that the Department license reinsurance intermediaries.

Funding for the positions is requested from the State General Fund; with the approval of House Bill No. 3169, however, funding could come from the insurance department service regulation fund.

B. House Bill No. 3169 (Law) creates the insurance department service regulation fund, for the purpose of funding the insurance company regulation program. The program has been financed from State General Fund appropriations. As currently reflected in House Bill No. 2707, \$4,883,102 is authorized to be expended from the State General Fund. In addition, funding of \$50,290 is recommended from the State General Fund for capital improvements in House Bill No. 2728. This funding would be shifted from the State General Fund to the insurance department service regulation fund.

C. House Bill No. 2511 (Governor) creates the Kansas Health Insurance Association as a nonprofit legal entity and requires all insurers and insurance arrangements providing health care benefits to be members of the Association. The bill creates the Uninsurable Health Insurance Plan Fund in the state treasury. That fund would need to be appropriated.

D. Senate Bill No. 561 (Governor) is intended to promote the availability of health insurance coverage to small employers regardless of their health status or claims experience. The bill requires the Department to approve basic and standard health care benefit plans, file rates used in connection with the plans, resolve coverage and rating issues and review actuarial certifications which must be filed to ensure that the underwriting and rating methods of all small employer health insurance carriers comply with certain conditions set forth in the act. In addition, the Department is required to verify that rates filed by carriers comply with the rating provisions contained in the bill. As the result of the additional workload the Department anticipates will be created by the passage of the bill, the agency is requesting one additional FTE position, a Policy Examiner Trainee, and associated operating expenditures. Those requested expenditures are as follows:

1.0 FTE Financial Analyst Trainee	\$ 28,008
Communications	1,947
Office Supplies	437
Furniture and Equipment	3,951
Total	<u>\$ 34,343</u>

Funding for the position is requested from the State General Fund; with the approval of House Bill No. 3169, however, funding could come from the insurance department service regulation fund.

State Board of Agriculture

A. Senate Bill No. 203 (Law) defines "aquaculture" as the controlled cultivation and harvest of aquatic organisms. The bill designates the State Board of Agriculture as the lead agency to coordinate aquaculture activities and be responsible for the implementation of a state aquaculture plan. The bill also establishes an 11 member Aquaculture Advisory Council and creates the Aquaculture Fund to be used to accept donations and grants to promote and market aquaculture products in Kansas. The fund would need to be appropriated. No estimate of receipts or expenditures from the new fund is available. The agency requests expenditures totaling \$9,350 from the State General Fund to implement the provisions of the bill. The funding request includes the following:

Communications	\$ 1,000
Printing	500
Rents	100
Travel	6,150
Other Contractual Services	1,500
Supplies	100
Total	<u>\$ 9,350</u>

B. House Bill 2670 (Law) eliminates, among others, the Milk Advisory Committee. The agency estimates the savings from eliminating the Milk Advisory Committee at \$300, including \$150 from the State General Fund and \$150 from the Grade A Milk Fee Fund. The \$150 in the Grade A Milk Fee Fund could be utilized to supplant State General Fund financing within the Dairy Inspection Program.

C. House Bill No. 2807 (Governor) creates the Kansas Pecan Commission for the purpose of recommending policy regarding marketing campaigns of development, education, research and publicity for the Kansas pecan industry. The bill creates a seven-member commission, attached to the Division of Markets of the State Board of Agriculture. The bill also creates the Kansas Pecan Commission Fund and provides that 80 percent of the receipts collected are to be credited to the Pecan Commission Fund and 20 percent to the State General Fund. The agency estimates that receipts of approximately \$5,000 will be realized, with \$1,000 credited to the State General Fund and

the balance credited to the Pecan Commission Fund. The agency requests expenditures totaling \$4,000 from the fund for FY 1993, including the following:

Communications	\$ 125
Travel	528
Other Contractual Services	3,247
Supplies	100
Total	<u>\$ 4,000</u>

D. House Bill No. 3079 (Law) concerns standards for measuring and dispensing compressed natural gas used as motor vehicle fuel. This bill would allow compressed natural gas to be dispensed by devices which display and compute sales price in gallon equivalent units or fractions of units. The agency indicates that State General Fund expenditures of \$5,058 would be required in FY 1993. This is based on the agency's estimate that three stations would be retailing compressed natural gas during FY 1993. Requested expenditures include the following:

Freight and Express	\$ 15
Other Professional Fees	105
Capital Outlay	4,938
Total	<u>\$ 5,058</u>

E. Governor's Budget Amendment No. 4, page 26, items 56-57.

STATE OF KANSAS



Revised

OFFICE OF THE GOVERNOR

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

April 23, 1992

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

The Honorable Gus Bogina, Chairperson
Committee on Ways and Means
Senate Chamber
3rd Floor, Statehouse

and

The Honorable George Teagarden, Chairperson
Committee on Appropriations
House of Representatives
3rd Floor, Statehouse

Dear Gentlemen:

With this memorandum I submit the attached amendments to my budget recommendations. The changes, summarized in the table below, include an increase of \$2,265,577 in FY 1992 and an increase of \$38,050 in FY 1993 for demand transfers resulting from the April 3, 1992 revised consensus revenue estimate.

	<u>SGF</u>	<u>All Funds</u>
FY 1992	\$(2,428,430)	\$ 8,791,684
FY 1993	5,894,139	39,713,497

Because of the reduced revenue estimate issued by the Consensus Revenue Estimating Group on April 4, 1992, and the magnitude of some essential budget amendment items, I find it necessary to recommend that HB 2111, which addresses revenue accelerators of \$9.4 million in FY 1992 and \$13.6 million in FY 1993, be passed. The bill, as amended by the Senate Committee on Assessment and Taxation, provides the funding necessary to meet the balanced budget statute requirement of KSA 1991 Supp. 75-6701, et seq.

Sincerely yours,

Joan Finney
Joan Finney

HA
4-27-92
Attachment 2

State Treasurer

1. Local Ad Valorem Tax Reduction Fund Demand Transfer Increase

Transfers are made from the State General Fund to the Local Ad Valorem Tax Reduction Fund twice a year, once in July and once in January. The first FY 1992 transfer is based on 4.5 percent of calendar year 1990 sales and use tax collections and the second transfer is based on 4.5 percent of calendar year 1991 sales and use tax collections. Recent adjustments reflect actual information.

The Local Ad Valorem Tax Reduction Fund transfer for FY 1992 totaled \$38,576,324, an increase of \$108,324 over the \$38,468,000 included in my original recommendations. For FY 1993, it is estimated that the Local Ad Valorem Tax Reduction Fund demand transfer will total \$40,300,000, a decrease of \$187,000 below the \$40,487,000 included in the *FY 1993 Governor's Budget Report*. I amend my budget to reflect the most recent information available.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ 108,324	\$ (187,000)
All Other Funds	--	--
All Funds	<u>\$ 108,324</u>	<u>\$ (187,000)</u>

2. County-City Revenue Sharing Fund Demand Transfer

Demand transfers from the County-City Revenue Sharing Fund are made on July 15 and December 10 of each year. I amend my budget to reflect the latest FY 1993 estimate available for this transfer. This estimate of \$31,153,050 exceeds the FY 1993 estimated amount of \$30,983,000 contained in the *FY 1993 Governor's Budget Report* by \$170,050.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ 170,050
All Other Funds	--	--
All Funds	<u>\$ --</u>	<u>\$ 170,050</u>

Department of Wildlife and Parks

3. Temporary Staffing

I amend my budget to include \$300,000 in increased funding for the Department's Parks and Public Lands Program. The additional funding is for temporary seasonal salaries in FY 1993. Of the total amount, \$150,000 would come from the Parks

Fee Fund and the remaining \$150,000 from the Wildlife Fee Fund. The Department needs additional temporary staffing to provide desirable levels of maintenance and operation during spring and summer for the state's park and wildlife areas.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>300,000</u>
All Funds	\$ --	\$ 300,000

Department of Health and Environment

4. Early Childhood Development Services

I amend my budget to allow the Department to expend additional federal funds for Early Childhood Developmental Services in FY 1992. The \$16,957 increase will fund stipends of approximately \$500 each to 28 existing and 7 new local interagency councils.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>16,957</u>	<u>--</u>
All Funds	\$ 16,957	\$ --

5. WIC Data Processing Services

Because of increased caseloads in the Women, Infants and Children Health Program and necessary computer programming changes, I amend my budget to allow the Department to expend an additional \$89,000 in FY 1992 and an additional \$61,500 in FY 1993 for state operations. The amendment represents the availability of additional federal funding and would not divert recommended funding from aid to local units of government.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>89,000</u>	<u>61,500</u>
All Funds	\$ 89,000	\$ 61,500

6. Immunization Special Project Position

In the *FY 1993 Governor's Budget Report*, I recommended the addition of 2.0 FTE special project positions in the Bureau of Disease Control in FY 1993 to be funded from the federal

Immunization Grant Fund. As a condition of FY 1993 funding, the Centers for Disease Control have stipulated that the Epidemiologist be hired by April 1992 and have provided additional federal funding for that purpose. I amend my budget to reflect an additional \$12,285 from the federal fund in the current year.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>12,285</u>	<u>--</u>
All Funds	\$ 12,285	\$ --

7. Air Quality Limited Term Positions

I amend my FY 1993 budget recommendations to reflect the addition of 3.0 limited term FTE positions and \$125,500 of newly available federal funds in the Air Quality Program. The positions and related operating expenditures would allow the Department to prepare for the implementation of regulatory changes in the federal Clean Air Act.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>125,500</u>
All Funds	\$ --	\$ 125,500

8. Tuberculosis Prevention Special Project Positions

The Department has recently received notice of approval for federal grant funding for the prevention of tuberculosis. I amend my FY 1992 and FY 1993 budget recommendations to allow the Department to hire 3.0 special project FTE positions to work directly with tuberculosis patients, advise public health nurses in local health departments, automate the reporting system, and contract treatment services for patients.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>30,973</u>	<u>104,864</u>
All Funds	\$ 30,973	\$ 104,864

9. Federal Indoor Radon Grant

To allow the Department to expend available federal funding for indoor radon contamination testing and prevention, I recommend an FY 1993 increase of \$19,478 from the State Indoor Radon Grant--Federal Fund.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u> --</u>	<u>19,478</u>
All Funds	\$ --	\$ 19,478

10. Preventive Health and Health Services Block Grant

I amend my budget to reflect the addition of \$368,000 of available federal funding through the Preventive Health and Health Services Block Grant in FY 1993. Of the total, \$218,000 is recommended as aid to local units of government to expand the Healthy Start Program, add two teen pregnancy reduction projects, and provide general health screenings for children entering the Kansas school system. The remaining \$150,000 is recommended to contract for epidemiological studies in the areas of chronic disease and injury control.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u> --</u>	<u>368,000</u>
All Funds	\$ --	\$ 368,000

11. Infant and Toddler Program

The Board of Education has notified the Department of the availability of federal funding in FY 1993 for special education, \$250,000 of which is designated for services to developmentally disabled children aged 0 -- 2. Because the Department is the lead agency for the Infant and Toddler Program, the funds would be transferred to the Department for the purchase of special educational services.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u> --</u>	<u>250,000</u>
All Funds	\$ --	\$ 250,000

12. Wolf Creek Station Monitoring

I amend my FY 1993 budget to increase expenditures from the Power Generating Facility Fee Fund by \$85,740 to purchase radiological monitoring equipment and supplies. The amendment is in response to a recent laboratory audit by the Nuclear Regulatory Commission, which suggested the replacement of an obsolete gamma-ray spectroscopic system.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u> --</u>	<u>85,740</u>
All Funds	\$ --	\$ 85,740

13. Rescission of Executive Reorganization Order No. 25

I rescinded my executive reorganization order for the Department of Health and Environment. While I still believe the creation of two independent departments would enhance the efficiency, focus and advocacy of each function, I withdraw the proposal at this time to permit further legislative study.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ (341,018)
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ --	\$ (341,018)

14. Vital Statistics Satellite Office in Kansas City

I amend my FY 1993 budget to establish a Vital Statistics satellite office in the Kansas City clerk's office and staff the office with an additional FTE position in the Department of Health and Environment. While FY 1993 expenditures would be \$215,227 from the State General Fund, operation of the office in subsequent fiscal years would be approximately \$28,500. To provide additional State General Fund revenue, I recommend that the Department, within existing statutory authority, increase the fee for the first copy of a death, stillbirth, marriage, or divorce certificate from \$7.00 to \$10.00, and additional copies of the same certificate from \$4.00 to \$5.00. The new rates will generate approximately \$230,000 of additional revenue to the State General Fund annually.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ 215,227
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ --	\$ 215,227

Department of Commerce and Housing

15. Housing Needs Assessment

To provide an adequate assessment of state housing needs, I amend my budget to increase the FY 1993 expenditure limitation

on the Community Development Block Grant Administrative Match -- Federal Fund by \$100,000 from \$447,593 to \$547,593. Although the state's Comprehensive Housing Affordability Strategy (CHAS) included a state housing needs assessment and the CHAS was approved by the U.S. Department of Housing and Urban Development, the existing assessment does not provide a usable foundation upon which to base a state housing strategy. The additional available funding represents an accumulated but unused federal matching opportunity.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	--	100,000
All Funds	\$ --	\$ 100,000

16. Salaries and Wages Funding Shift

The *FY 1993 Governor's Budget Report* includes \$3,017,804 from the State General Fund and \$343,081 from the Economic Development Initiatives Fund (EDIF) for salaries and wages in the Department of Commerce and Housing in FY 1993. Because of the availability of additional resources in the EDIF, I amend my budget to add \$300,000 from the EDIF and delete \$300,000 from the State General Fund for salaries and wages in the Division of Trade Development.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ (300,000)
All Other Funds	--	300,000
All Funds	\$ --	\$ --

Kansas, Inc.

17. EPSCoR Funding Shift

The *FY 1993 Governor's Budget Report* includes \$1.5 million from the State General Fund in FY 1993 to match an equal amount of federal funding through the Experimental Program to Stimulate Competitive Research (EPSCoR). Because of the availability of additional resources in the Economic Development Initiatives Fund (EDIF), I amend my budget to substitute \$1.5 million from the EDIF for \$1.5 million from the State General Fund.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$(1,500,000)
All Other Funds	--	1,500,000
All Funds	\$ --	\$ --

Kansas Lottery

18. Revised Revenue Estimates

Based on Lottery sales through March of 1992, I am increasing my FY 1992 Lottery sales estimate by \$4.0 million from \$71.0 million to \$75.0 million. In addition to the \$1.2 million of increased sales which statutorily would be credited to the State Gaming Revenues Fund in FY 1992, I recommend that an additional \$800,000 be transferred to the State Gaming Revenues Fund in FY 1992 to reduce the ending balance in the Lottery Operating Fund.

Kansas Racing Commission

19. Pittsburg Race Track

The Kansas Racing Commission recently licensed a new greyhound race track in Pittsburg for parimutuel wagering. The opening date is expected to be October 21, 1992. I recommend the addition of 10.0 FTE positions and \$630,852 to supervise the new racing operation. Of the total, \$431,842 is recommended from the State Racing Fund, and \$199,010 is recommended from the Racing Reimbursable Fund. Revenues to the State Racing Fund are estimated to be \$1,176,900 in FY 1993.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	--	630,852
All Funds	\$ --	\$ 630,852

Kansas Bureau of Investigation

20. Pittsburg Race Track

Because of the new race track, the KBI's Gaming Unit, which is responsible for policing the racing industry in Kansas, must be expanded. For this reason, I amend my budget to include an additional 1.0 FTE position and \$62,441 from the Lottery and Racing Investigation Fee Fund to provide for an additional Special Agent II and related operating expenditures.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	--	62,441
All Funds	\$ --	\$ 62,441

Adjutant General

21. Federally-Funded Positions

The Adjutant General has recently received notification of full federal funding for an additional 2.0 FTE positions. One position would assist the agency in monitoring hazardous materials located on National Guard facilities in Kansas. The other position is a result of increased maintenance duties with the expansion of the Learning Development Center located in Leavenworth, Kansas. To accept the federal funding for these two new positions, I amend my budget to include an additional 2.0 FTE positions and \$52,133 from the Military Fees Fund.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	--	52,133
All Funds	\$ --	\$ 52,133

Department of Administration

22. Temporary Positions

I amend my budget for the Department of Administration so as to make use of temporary employees for renovation projects within the Docking State Office Building. Funding of \$48,675 for FY 1993 should be included in the non-reportable expenditures of the Department of Administration. The recommended funding source is the State Buildings Operating Fund.

23. Federal Cash Management Improvement Act of 1990

I amend my budget to add the following proviso for FY 1993 to allow the transfer of money from the State General Fund to any special revenue fund in order to make interest payments to the federal government.

The director of accounts and reports is authorized to transfer money from the state general fund to any special revenue fund in an amount necessary to make interest payments to the federal government as required by the federal Cash Management Improvement Act of 1990, and amendments thereto, and regulations adopted pursuant thereto. Expenditures of moneys so transferred shall be outside the expenditure limitation pertaining to the special revenue fund to which such money is transferred. The director of

accounts and reports shall notify the division of the budget and the legislative research department of transfers made pursuant to this subsection.

The federal Cash Management Improvement Act (CMIA) of 1990 requires all states to reimburse the federal government for interest earned by the state on federal funds. Any interest earned between the time the state receives the federal funds and the time the funds are expended must be reimbursed. The CMIA presents a problem for the state because, except in only a few circumstances, the interest earned on balances in special revenue funds is credited to the State General Fund. To remedy this problem, the Director of Accounts and Reports will be given the authority to transfer from the State General Fund to the applicable special revenue fund the amount of interest the fund earns on federal funding received prior to its being required for expenditure.

24. Division of Architectural Services Office Space Rental

The Department of Administration anticipates that the Division of Architectural Services will relocate during FY 1993. This relocation will result in additional expenditures for moving, which were not known at the time of my original recommendations. In order to provide for moving expenditures to new office space, I amend my budget to include an additional \$22,000 from the State General Fund.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ 22,000
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ --	\$ 22,000

25. DISC Computer Charges

The Secretary of Administration, upon review of the rates DISC has charged state agencies for computer usage in the current fiscal year, has determined that the DISC rates were set too high. The Department will significantly reduce DISC charges in the next three months, which will generate savings in the budgets of individual agencies. The total reductions per agency are as follows:

	<u>State General Fund</u>	<u>All Other Funds</u>
Department of Revenue	\$206,138	\$ --
Department of Transportation	--	74,452
Department of SRS	30,090	30,089
Department of Administration	40,350	--
University of Kansas	17,520	--
Kansas State University	16,267	--
KU Medical Center	10,438	--
Department of Health and Environment	3,962	3,961
Department of Human Resources	158	7,760
Adjutant General	7,207	--
Department of Wildlife and Parks	576	3,855
Board of Agriculture	2,839	--
Pittsburg State University	2,764	--
Wichita State University	2,681	--
Department of Education	1,299	1,299
Fort Hays State University	2,493	--
Emporia State University	2,420	--
KBI	2,000	--
Highway Patrol	1,880	--
Insurance Department	1,555	275
Corporation Commission	--	1,760
Department of Commerce	--	1,596
Department of Corrections	1,447	--
Parsons State Hospital	1,327	--
Lottery	--	1,171
Larned State Hospital	1,153	--
State Library	<u>1,083</u>	<u>--</u>
 Total	 \$357,647	 \$126,218

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ (357,647)	\$ --
All Other Funds	<u>(126,218)</u>	<u>--</u>
All Funds	\$ (483,865)	\$ --

School for the Deaf

26. Salary Correction

The School for the Deaf is requesting an increase to the Governor's budget recommendation in FY 1993 of \$14,662 from the State General Fund to correct an error in the calculation of salaries. The salaries from the vacant positions deleted by the Governor were computed on an average basis. Upon review by the staff of the School, the actual savings from deleting the intended positions would be \$14,662 less than the amount

calculated based on average salaries. I recommend an addition of \$14,662 from the State General Fund in FY 1993 to correct this error.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ 14,662
All Other Funds	-----	-----
All Funds	\$ --	\$ 14,662

27. Emery Hall Renovation

I recommend \$250,000 from the State Institutions Building Fund for renovation of Emery Hall in FY 1993. This is a three-year renovation project estimated at \$1.9 million. The renovation project has been requested by the School for the Deaf as one option to alleviate various concerns at Emery Hall. The renovation project I am recommending would provide for air conditioning, removal of architectural barriers, and other major structural repairs to the building.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	-----	250,000
All Funds	\$ --	\$ 250,000

Kansas Corporation Commission

28. Adjustment to Salaries and Wages

I recommend an additional \$48,556 for FY 1993 to correct an omission made by the Corporation Commission in submission of its initial budget request. This error was continued in my budget recommendation for the agency. I recommend an increase in the Conservation Fee Fund in FY 1993 of \$48,556 to correct this omission.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	-----	48,556
All Funds	\$ --	\$ 48,556

29. Funding Adjustments

The KCC requests several minor adjustments to various special revenue funds in FY 1993 to reflect more accurately energy section staff time and appropriate funding sources.

This request does not include any additional expenditures. Reductions in the federal funds do not require adjustments to the appropriation bill, as the funds are "no limit." I recommend an increase of \$13,496 in the expenditure limitation of the Public Service Regulatory Fee Fund. Reductions in federal funds which offset this increase do not require modification to the appropriation bill. The recommendation does not affect overall expenditures.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
Public Service		
Regulatory Fund	--	13,496
Institutional		
Conservation Fund	--	(7,016)
Energy Extension		
Fund	--	(6,480)
All Funds	\$ --	\$ --

30. Administrative Savings Associated with SB 592

I signed SB 592 into law on April 2, 1992. According to the Corporation Commission, this legislation is estimated to reduce expenditures by \$18,000 from the amount included in my budget recommendation for expenditure for FY 1993. This reduction is due to the elimination of the KCC license plate and renewal decals issued to motor carriers. Therefore, I recommend a reduction in the expenditure limitation on the Motor Carrier License Fee Fund of \$18,000 in FY 1993. Savings in future years from implementation of this legislation are estimated at \$40,000 annually and \$140,000 every fifth year when all license plates are replaced.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	--	(18,000)
All Funds	\$ --	\$ (18,000)

31. Oil Overcharge Receipts and Expenditures

The KCC requests additional expenditures totaling \$455,000 from oil overcharge funds for various projects in FY 1993. The Commission estimates an additional \$460,000 will be received above the amounts included in my budget recommendation for oil overcharge receipts. This does not require any adjustment to the appropriation bill, as the fund is "no limit."

The additional expenditures requested by the KCC are:

<u>Project</u>	<u>Cost</u>
KSU - Extension Engineering Services	\$130,000
KSU - Efficiency Guidelines and Standards	60,000
Governor's Recycling Conference	5,000
Additional Ridesharing Projects	55,000
Nonprofit Energy Audit Program	20,000
Alternative Fuels Education	30,000
Surplus Exchange, Inc.	30,000
Oil Pumping Drive Audits	75,000
Home Energy Rating Systems Planning	20,000
Comprehensive Energy Policy Planning	<u>30,000</u>
Total	\$455,000

I amend my budget to include expenditure of the additional oil overcharge funds. These projects are consistent with the Energy Program's goal of providing grants for projects to improve energy efficiency in all areas of use.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>455,000</u>
All Funds	\$ --	\$ 455,000

Department of Education

32. School District Income Tax Rebate

The Department of Revenue has forwarded the actual amount of the remaining transfers from the State General Fund to the School District Income Tax Rebate Fund for FY 1992. Based on this information, I recommend that the amount budgeted in FY 1992 from the State General Fund for the SDIT rebate be increased from \$204,267,000 to \$206,116,249, an increase of \$1,849,249. No adjustment of the appropriation bill is required, as the SDIT rebate is a "no limit" fund.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ 1,849,249	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 1,849,249	\$ --

Regents' Institutions

33. General Fee Fund Adjustments

The Board of Regents has submitted revised FY 1992 and FY 1993 receipt estimates for the universities' general fee funds. I amend my budget based on the changes in fee fund receipts and an 87.5 percent fee waiver for graduate teaching assistants as approved by the 1992 Legislature. The recommendation will adjust the funding from general fees for each institution as follows:

	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Difference</u>
FY 1992:			
University of Kansas	\$ 52,186,627	\$ 51,423,233	\$(763,394)
KU Medical Center	7,006,058	7,006,058	--
Kansas State	29,673,989	29,498,361	(175,628)
KSU - Vet. Med.	3,573,491	3,461,793	(111,698)
KSU - Salina	498,846	535,944	37,098
Wichita State	17,390,111	17,562,301	172,190
Fort Hays State	5,631,041	5,631,041	--
Emporia State	6,208,869	6,208,869	--
Pittsburg State	<u>7,345,327</u>	<u>7,345,327</u>	<u>--</u>
	\$129,514,359	\$128,672,927	\$(841,432)
FY 1993:			
University of Kansas	\$ 56,956,438	\$ 56,193,266	\$(763,172)
KU Medical Center	7,801,960	7,789,981	(11,979)
Kansas State	32,586,942	32,384,301	(202,641)
KSU - Vet. Med.	3,601,683	3,535,822	(65,861)
KSU - Salina	544,089	581,985	37,896
Wichita State	19,100,796	19,301,321	200,525
Fort Hays State	6,044,313	6,217,838	173,525
Emporia State	6,633,983	7,006,355	372,372
Pittsburg State	<u>7,741,081</u>	<u>8,464,550</u>	<u>723,469</u>
	\$141,011,285	\$141,475,419	\$ 464,134

The revisions require the substitution of \$841,432 from the State General Fund for general fee funds in FY 1992. For FY 1993, \$464,134 in general fee funds is substituted for expenditures from the State General Fund. The net changes for both fiscal years are a shift of \$377,298 from general fee funds to the State General Fund.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ 841,432	\$ (464,134)
All Other Funds	<u>(841,432)</u>	<u>464,134</u>
All Funds	\$ --	\$ --

34. Utility Adjustments

I amend my budget to adjust funding for utility costs at the Regents' institutions for FY 1992 based on the most recent data on actual expenditures and revised projections for the remainder of the fiscal year. Recommended funding adjustments for each institution for FY 1992 are as follows:

	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Additions (Savings)</u>
University of Kansas	\$ 5,581,842	\$ 5,448,120	\$(133,722)
KU Medical Center	4,774,559	5,040,020	265,461
Kansas State	5,659,974	5,524,636	(135,338)
KSU - Vet. Med.	729,517	778,310	48,793
KSU - Salina	121,498	167,930	46,432
Wichita State	2,975,434	3,134,378	158,944
Fort Hays State	839,518	839,518	--
Emporia State	701,444	748,727	47,283
Pittsburg State	<u>7,345,327</u>	<u>7,372,773</u>	<u>27,446</u>
	\$28,729,113	\$29,054,412	\$325,299

I further recommend that the same adjustments made in FY 1992 be made in FY 1993.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ 325,299	\$ 325,299
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 325,299	\$ 325,299

Board of Regents

35. Additional Federal Funds

I amend my budget to expend an additional \$30,000 in FY 1992 and \$93,975 in FY 1993 from federal funds. For FY 1992, I recommend that the funds be used in the Tuition Grant Program. For FY 1993, I recommend that \$93,975 be used to offset State General Fund expenditures for the State Scholarship Program. The Board has indicated that all eligible state scholars will be funded within the total amount recommended for the program.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ (93,975)
All Other Funds	<u>30,000</u>	<u>93,975</u>
All Funds	\$ 30,000	\$ --

36. Nursing Scholarship Program

I amend my budget to reduce the amount recommended for the Nursing Scholarship Program in FY 1992 by \$220,000 from the State General Fund and \$440,000 in all funds. This estimate reflects the most recent projection of program expenditures for FY 1992. The Board was unable to award all scholarships designated for rural areas because of a shortage of rural sponsors.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ (220,000)	\$ --
All Other Funds	(220,000)	--
All Funds	<u>\$ (440,000)</u>	<u>\$ --</u>

37. Additional Special Revenue Scholarship Funds

I amend my budget to substitute additional funds available from various discontinued attendance funds and scholarship repayment funds for expenditures from the State General Fund in FY 1993. The revisions are based on revised estimates of available funds. The additional receipts by program and fund are as follows:

State Scholarship Program:		
Discontinued Attendance Fund		\$69,193
Tuition Grant Program:		
Discontinued Attendance Fund		(44,675)
Osteopathic Scholarship Program:		
Osteopathic Scholarship Repayment Fund		25,700
Nursing Scholarship Program:		
Sponsor Fund		69,750
Teacher Scholarship Program:		
Discontinued Attendance Fund		5,500
Repayment Fund		2,600

The above adjustments produce a savings to the State General Fund of \$128,068 in FY 1993.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ (128,068)
All Other Funds	--	128,068
All Funds	<u>\$ --</u>	<u>\$ --</u>

Kansas State University

38. Peters Recreation Center

I amend my budget to recommend expansion of the Peters Recreation Center. The expansion will add 76,600 square feet to the existing Center at a total cost of \$7,920,000. Of this amount, \$2,693,200 would be expended in FY 1993. The remaining funds would be expended in FY 1994 and FY 1995. The project would be financed with revenue bonds, which would be repaid through student fees. The University indicated that the current facility is being used beyond its capabilities. As a result, scheduling problems have increased, and the availability of activities has been limited. The additional space would relieve the current space problems, allow more activities, and permit better scheduling of activities.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u> --</u>	<u>2,693,200</u>
All Funds	\$ --	\$2,693,200

39. Engineering Research/Storage Building

I amend my budget to include \$130,000 from sponsored research overhead funds for FY 1993 to construct a storage/research building for the Agricultural Engineering Program. The building would be used to store and test equipment. Current facilities do not provide necessary storage and work space.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u> --</u>	<u>130,000</u>
All Funds	\$ --	\$ 130,000

40. Restricted Use Capital Improvement Projects

I amend my budget to recommend that authorization for four capital improvement projects be extended to FY 1993. The projects were originally budgeted for FY 1992, but because of unforeseen circumstances, the projects will not be completed this fiscal year. The first project, financed from the Agronomy-Ashland Farm Account of the Restricted Fees Fund, has the project title "Construct equipment storage building at Ashland farm, Riley county, Kansas" and an expenditure limitation of \$35,000.

The remaining three projects were originally approved for Kansas State University's budget but will now appear in the newly-created budget for Kansas State University--Extension Systems and Agriculture Research Programs. Two of the projects are from the Colby Experiment Station Fee Fund and are entitled "Construct equipment storage building in Thomas county" and "Construct pesticide storage building in Thomas county." The expenditure limitations for these two projects are \$25,000 and \$15,000, respectively. The final project would be financed from the Fort Hays Experiment Station Fee Fund with the project title "Construct two equipment storage buildings in Ellis county" and an expenditure limitation of \$90,000.

Kansas State University--Salina, College of Technology

41. New Aircraft Paint Booth Structure

I amend my budget to include \$200,000 from federal funds in FY 1993 to construct an aircraft paint booth structure. The structure would be 6,000 square feet and would house a paint booth, a preparation area, a detailing area, a small office, and a paint storage area.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>200,000</u>
All Funds	\$ --	\$ 200,000

42. Aeronautical Program Equipment

I amend my budget to recommend expenditure of \$7.5 million in federal funds in FY 1992. The funds are part of a federal grant made to the College and will be used to purchase equipment for the Aeronautical Program. The majority of the funds (\$5,640,000) will be used to purchase aircraft. The College intends to purchase 17 Beech Sundowners, 6 Beech Bonanzas, 4 Beech Barons, 1 Beech King Air, and 3 Cessna C-150 Aerobats. The remainder of the funds would be used to purchase pilot training simulators, computers, and other equipment.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>7,500,000</u>	<u>--</u>
All Funds	\$ 7,500,000	\$ --

43. Aviation Training Contract .

I amend my budget to recommend expenditure of an additional \$3,248,000 in restricted use funds in FY 1993. I also recommend the restricted use position limitation be increased by 21.0 unclassified positions and 2.0 classified positions. This increase will allow the College to fulfill a contract with McDonnell Douglas Training Systems, Inc. to provide pilot training for 112 new students. McDonnell Douglas will sponsor the students and pay the College \$29,000 per student. Kansas State University believes the contract will benefit the College of Technology and the Salina community.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>3,248,000</u>
All Funds	\$ --	\$3,248,000

Fort Hays State University

44. Off-Campus Programs

I amend by budget to add \$76,142 from the State General Fund and increase expenditures from the General Fees Fund by \$176,382 for FY 1993. Expenditures from restricted use sources are also increased by \$64,530. I also recommend the restricted use position limitation be increased by 3.0 FTE positions. The University would use the additional funds to offer upper-division courses in Business and Education at off-campus sites at Colby, Dodge City, Garden City, and Liberal. The courses would generate the additional General Fee Fund and restricted use revenues. This would help to fill the higher education void left in southwestern Kansas by the closing of St. Mary of the Plains College in Dodge City. I recommend, however, that the technical conditions established by the Board of Regents concerning these off-campus courses be applied.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ 76,142
All Other Funds	--	<u>240,912</u>
All Funds	\$ --	\$ 317,054

University of Kansas Medical Center

45. Medical Scholarship Repayment Fund

The FY 1992 budget of the University of Kansas Medical Center, as recommended in the *FY 1993 Governor's Budget Report*,

includes expenditures from the Medical Scholarship Repayment Fund of \$6,551,803. This amount assumes a reappropriated balance of \$2,851,803 from FY 1991, receipts of \$4,200,000 in FY 1992, and a balance forward to FY 1993 of \$500,000. Of the expenditures recommended, \$5,372,843 is for operating expenditures and \$1,178,960 is recommended for the financing of medical scholarships.

The FY 1992 expenditure estimate, as included in the *FY 1993 Governor's Budget Report*, assumes receipts in FY 1992 of \$4,200,000. However, receipts to date in the current fiscal year total \$3,574,371 compared to \$3,590,472 received at this time in FY 1991. Actual FY 1991 receipts were \$4,552,420 by year's end.

I amend my budget to permit additional expenditures from the Medical Scholarship Fund in FY 1992 for state operations of \$200,000 and to reduce State General Fund expenditures by a like amount. This amendment assumes receipts in FY 1992 will be \$4,400,000 rather than \$4,200,000, more closely approximating the FY 1991 total of \$4,552,420.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ (200,000)	\$ --
All Other Funds	<u>200,000</u>	<u>--</u>
All Funds	\$ --	\$ --

Department of Corrections and Systemwide Corrections

46. Corrections Systemwide Reductions

I amend my budget for the correctional system to reflect a State General Fund savings of \$1,797,817. A total of \$500,000 is reduced from the El Dorado Correctional Facility budget because the first year operational expenditures are less than anticipated. The same is true of Larned Correctional Mental Health Facility, where expenditures are reduced by \$475,000. A reduction of \$400,000 is being made in offender programs to reflect savings found in program contracts, and there are salary savings of \$70,000 in the Department of Corrections because of delays in filling positions. Expenditures for debt service payments are reduced by a total of \$352,817 as a result of utilizing balances in bond accounts to make payments and reduced principal and interest payments for the Pooled Money Investment Board loan. I am shifting these savings to fund necessary increases to the correctional budgets, mainly resulting from an increased average daily population estimate.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$(1,797,817)	\$ --
All Other Funds	--	--
All Funds	<u>\$(1,797,817)</u>	<u>\$ --</u>

47. Increases in Correctional Facility Average Daily Populations

I amend my budget to add State General Fund monies totaling \$322,321 in FY 1992 and \$1,281,267 in FY 1993 in order to accommodate modified average daily population (ADP) estimates. I am increasing funding for the correctional facilities, inmate medical and mental health, and offender programs. My original budget was based upon systemwide average daily population estimates of 5,663 inmates in FY 1992 and 5,819 inmates in FY 1993. Based on the population growth that the system has experienced in the current year, the Department of Corrections has increased the average daily population estimate for FY 1992 by 175 inmates and by 387 inmates in FY 1993. The revised ADP estimates for FY 1992 and FY 1993 are 5,838 inmates and 6,206 inmates, respectively. The table below illustrates the distribution of additional funding.

<u>Facility</u>	<u>FY 1992</u>		<u>FY 1993</u>	
	<u>+/- ADP</u>	<u>Funding</u>	<u>+/- ADP</u>	<u>Funding</u>
Lansing Correctional Facility	14	\$ 27,246	133	\$ 234,703
Hutchinson Correctional Facility	39	60,290	183	277,551
El Dorado Correctional Facility	(10)	--*	18	23,791
Norton Correctional Facility	15	28,284	--	--
Ellsworth Correctional Facility	35	55,210	--	--
Topeka Correctional Facility	75	121,793	53	88,305
Winfield Correctional Facility	15	24,653	--	--
Wichita Work Release Facility	5	4,845	--	--
Larned Correctional MH Facility	(10)	--*	--	--
Other	(3)	--	--	--
Facility Subtotal	175	\$322,321	387	\$ 624,350
Offender Programs	--	--	--	300,000
Inmate Medical and Mental Health	--	--	--	356,917
Total	175	\$322,321	387	\$1,281,267

* Included in FY 1992 expenditure reduction.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ 322,321	\$1,281,267
All Other Funds	--	--
All Funds	<u>\$ 322,321</u>	<u>\$1,281,267</u>

48. Lansing Correctional Facility Utility Rate Increase

I amend my budget to add \$37,614 from the State General Fund in FY 1993 to pay for sewer utility rate increases recently implemented by the City of Lansing. The increase is for only the rate increase and is not to be used to pay additional surcharges.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ 37,614
All Other Funds	<u> --</u>	<u> --</u>
All Funds	\$ --	\$ 37,614

49. Kansas Correctional Industries

I amend my budget for Kansas Correctional Industries by authorizing additional expenditures of \$564,310 in FY 1992 and \$20,000 in FY 1993 from the Correctional Industries Fund. The increased expenditures in FY 1992 are to purchase raw materials related to the manufacture of products. Sales in FY 1992 have exceeded expectations. The increase in FY 1993 is for a market analysis and pricing study.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u> 564,310</u>	<u> 20,000</u>
All Funds	\$ 564,310	\$ 20,000

50. Transfer of Positions between Correctional Facilities

I recommend a transfer of 2.0 FTE positions and \$57,310 (\$28,655 State General Fund; \$28,655 General Fees Fund) from the El Dorado Correctional Facility to the Winfield Correctional Facility for FY 1993. The responsibility for maintaining the roadside parks and highways in that area of the state has been shifted to the Winfield Correctional Facility. My amendment facilitates this transfer of responsibility. The positions are funded half by the State General Fund and half by a transfer from the State Highway Fund.

51. Housing Unit for Women at Topeka Correctional Facility

In order to eliminate the practice of co-correctional prison operations in the state of Kansas, I amend my budget to finance the construction of an 85-bed, self-contained, high security housing unit for women on the grounds of the Topeka Correctional Facility. The building would be located on property to the rear of the Central Unit and adjacent to the

Reception and Diagnostic Unit. The construction would take 18 months and require a total of \$2.7 million. I am financing the construction of the building from the Correctional Institutions Building Fund (CIBF) with appropriations of \$1.9 million in FY 1993 and \$800,000 in FY 1994. The project would require no additional monies in FY 1993, as the \$1.9 million would be shifted from the rehabilitation and repair account in the Department of Corrections.

Department of Human Resources

52. Relocation of Mainframe Computer to ESSI Building

The U.S. Department of Labor has notified the Department of Human Resources that action must be taken to move DHR's mainframe computer from the Landon State Office Building to the DHR-owned ESSI Building in Topeka. The Department of Labor has objected to the use of federal Employment Security funds for the renting of computer space in LSOB, because the ESSI Building has an unused computer facility that was built with federal funds. If the move is not made, then the U.S. Department of Labor could require reimbursement for the total amount of federal funds used to rent space in LSOB over the last decade.

My budget amendment provides \$601,000 from the Special Employment Security Fund and \$129,000 in federal Reed Act monies for a total of \$730,000 to fund ESSI computer room upgrades and associated moving costs. The Department indicates that approximately \$348,500 recommended from the state Special Employment Security Fund for capital improvements could be amortized back into the fund using federal Employment Security grants.

	<u>FY 1992</u>	<u>FY 1993</u>	
State General Fund	\$ --	\$ --	
All Other Funds	730,000	--	
All Funds	<u>\$ 730,000</u>	<u>\$ --</u>	

53. Workers' Compensation Program

At the end of FY 1992, the statutorily-mandated Medical Fee Schedule will be ready for publication and distribution, which will increase the operating expenditures within the Division of Workers' Compensation. Therefore, I amend my budget to include a \$25,884 increase to the expenditure limitation on the Workmen's Compensation Fee Fund in FY 1992 to cover additional expenses associated with the Medical Fee Schedule. Implementation of the Medical Fee Schedule in the Workers'

Compensation Program will require the development of Utilization Review Criteria and contracting for Medical Peer Reviews in FY 1993.

In addition, a decrease in the shrinkage rate for the Division of Workers' Compensation is necessary in order to fill two positions in the area of medical cost containment. Therefore, I amend my budget to provide an increase of \$285,000 to the Workmen's Compensation Fee Fund expenditure limitation in FY 1993. This amount would cover the costs of implementing the Medical Fee Schedule as well as lower the recommended shrinkage rate from 4.1 percent to 2.2 percent.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>25,884</u>	<u>285,000</u>
All Funds	\$ 25,884	\$ 285,000

Kansas Commission on Veterans' Affairs

54. Water Contamination Clean-up Increased Costs

Since I submitted my budget, the Kansas Department of Health and Environment has recommended modifications to the pollution recovery system being implemented at the Kansas Soldiers' Home, which will increase the clean-up project's estimated costs. My budget originally contained \$22,622 from the State Institutions Building Fund for the water contamination clean-up in FY 1992. I recommend an additional \$20,000 from the State Institutions Building Fund in FY 1992 to cover clean-up cost increases.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>20,000</u>	<u>--</u>
All Funds	\$ 20,000	\$ --

55. Kansas Soldiers' Home Hospital Bed Purchase

My budget, as originally submitted, provided \$25,000 for the replacement of ten beds at the Kansas Soldiers' Home in FY 1993. It assumed that annual replacement of the agency's 86 hospital beds will continue for eight years. However, new information indicates that it will be more cost effective for the agency to make two large purchases in FY 1993 and FY 1994, thereby completing the bed replacement at a much earlier date. Total savings for the two-year purchase plan are estimated at \$103,000. Therefore, I amend my budget to include an

additional \$27,000 from the Soldiers' Home Fee Fund for bed replacement in FY 1993. Total FY 1993 funding for this project is \$52,000, which will allow the Soldiers' Home to purchase 40 beds at a cost of \$1,300 each.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u> --</u>	<u>27,000</u>
All Funds	\$ --	\$ 27,000

Board of Agriculture

56. Dislocated Workers Grant

Executive Directive No. 92-179 established and gave authority for expenditure of monies from the federal fund account entitled "Dislocated Workers Grant--Federal Fund" for FY 1992. The grant is to be used to develop and administer the statewide Economic Dislocation Workers Adjustment Act Hotline Program. This program is to provide a referral service to dislocated workers of employment assistance opportunities. Because this program is expected to continue during FY 1993 with additional federal funding and because no line item has been included to authorize expenditures of monies from this fund for FY 1993, expenditure authority of "no limit" needs to be established for this special revenue fund for FY 1993.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u> --</u>	<u>250,417</u>
All Funds	\$ --	\$ 250,417

57. Federal Grant for Pesticide Misuse Cases

The Kansas State Board of Agriculture was informed in January of this year that it was awarded an additional grant from the Federal Environmental Protection Agency. The monies are to be specifically utilized to alleviate the backlog and turnaround time of pesticide misuse cases. The funds are to be credited to the Federal Pesticide Enforcement Fund and will pay the salaries and wages of three special project positions. An additional federal grant is expected to be received in FY 1993 for this purpose. Therefore, I amend my budget to include an additional \$39,003 from this special revenue fund in FY 1992 and \$99,572, with a "no limit" on this fund, for FY 1993.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>39,003</u>	<u>99,572</u>
All Funds	\$ 39,003	\$ 99,572

Animal Health Department

58. Additional Companion Animal Inspectors

In order to accelerate the enforcement activities on companion animal facilities, I amend my budget to increase expenditures for this program by \$61,778 in FY 1993. Funds of \$46,678 will be used for 2.0 FTE positions, and \$15,100 will be used for related travel expenditures. The additional positions will be inspectors who will seek out and inspect licensed and unlicensed companion animal facilities. Their duty will be to determine if the facilities are operating according to standards and to facilitate the closure of substandard operations. The Animal Dealers Fee Fund will support \$3,000 of this effort, with the remainder being funded from the State General Fund.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ 58,778
All Other Funds	<u>--</u>	<u>3,000</u>
All Funds	\$ --	\$ 61,778

Kansas Board of Barbering

59. Travel and Subsistence

I amend my budget to include \$4,007 from the Barber Examiner Fee Fund in FY 1992 for additional travel and subsistence expenses. My recommendation would cover the \$3,550 in expenses the Board incurred for four investigative hearings in the current year and would allow it to continue its inspection and regulation activities for the remainder of the year.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>4,007</u>	<u>--</u>
All Funds	\$ 4,007	\$ --

Department of Transportation

60. Purchase Lindsborg Subarea Shop

I amend my budget to include \$140,000 from the State Highway Fund in FY 1992 to purchase property for a subarea shop in Lindsborg. The subarea currently leases an old John Deere dealership for \$20,000 per year, and the owner has recently offered to sell the site to the Department. My recommendation represents a savings of \$655,000, as \$795,000 had been estimated for expenditure in FY 1995 through FY 1997 for the construction of a new building.

My recommendation for capital improvements to agency buildings, with this amendment, would total \$2,390,873 in FY 1992, representing an increase of \$140,000 over the \$2,250,873 currently budgeted. The current amount budgeted includes an appropriation of \$723,096 and \$1,527,777 in projects carried into the current year.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	140,000	--
All Funds	<u>\$ 140,000</u>	<u>\$ --</u>

61. Consensus Revenue Estimate Adjustments to Sales Tax Transfer

I amend my budget to increase the 10.0 percent sales tax transfer by \$229,246 in FY 1992 to reflect the actual amount transferred. In addition, I recommend the FY 1993 10.0 percent sales tax transfer be increased by \$300,000 to reflect the latest consensus revenue estimate.

The April 3, 1992 consensus revenue estimate of \$797,000,000 for sales tax revenues increases the November estimate by \$2,000,000. Year-to-date transfers to the State Highway Fund total \$78,025,246, an increase of \$229,246 from my original recommendation of \$77,796,000. The sales tax estimate for FY 1993 of \$830,000,000 also increases the November estimate by \$5,000,000, and the internal distribution would increase the 10.0 percent transfer to \$82,200,000, an increase of \$300,000 from the original estimate of \$81,900,000.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ 229,246	\$ 300,000
All Other Funds	--	--
All Funds	<u>\$ 229,246</u>	<u>\$ 300,000</u>

62. Motor Carrier Property Tax Transfer

I amend my budget to increase the FY 1992 Motor Carrier Property Tax demand transfer from the State General Fund to the Special City and County Highway Fund by \$78,758. My recommendation would increase the current amount from \$9,689,000 to \$9,767,758 to reflect the current year's actual transfer amounts. In addition, the FY 1993 transfer is decreased from \$11,050,000 to \$10,805,000, a decrease of \$245,000, which is consistent with the revised consensus revenue estimate of April 3, 1992.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ 78,758	\$ (245,000)
All Other Funds	--	--
All Funds	<u>\$ 78,758</u>	<u>\$ (245,000)</u>

Larned State Hospital

63. Restore Substance Abuse Program

I amend my budget to restore funding for Larned State Hospital's substance abuse unit in FY 1993. The recommendation totals \$764,199 and includes \$513,161 from the State General Fund, \$53,648 from the Hospital Fee Fund, \$197,390 from the Title XIX fund, and the restoration of 23.5 FTE positions.

I had recommended that the program be closed in FY 1993 and that \$380,000 from the State General Fund be reallocated to the Department of Social and Rehabilitation Services' Alcohol and Drug Abuse Services program to begin a community-based substance abuse treatment program at Larned. Since that time, I have directed the Department of Social and Rehabilitation Services to conduct a feasibility study for the implementation of this program to be included in the Hospital's FY 1994 budget request. My recommendation will restore the operating expenses for an additional year until that study is completed.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ 513,161
General Fees		53,648
Title XIX	--	<u>197,390</u>
All Funds	<u>\$ --</u>	<u>\$ 764,199</u>

64. Larned State Security Hospital

I amend my budget for a total of \$622,615 to reduce shrinkage and increase the average daily census at the Larned

State Security Hospital in FY 1993. My recommendation includes \$441,845 from the State General Fund, \$180,770 from the agency's general fees fund and the addition of 1.0 FTE social worker. My recommendation is contingent on the passage of HB 3182, which would designate the State Security Hospital as the only state institution to house all district court referrals charged or convicted of felonies. The proposed statutory changes would not only reduce the number of dangerous patients housed at Osawatomie and Topeka, it would also help to reduce the number of court referrals.

My recommendation includes a reduction of the Hospital's shrinkage rate from 5.0 percent to 3.0 percent in FY 1993 at a cost of \$559,198. The shrinkage adjustment would enable the Hospital to fill approximately 16.0 to 23.0 vacant positions to staff the census increase. My recommendation also includes an additional social worker at a cost of \$25,961 to gather the information needed for the increased number of court referrals. Support costs for the increased census would total \$37,456.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ 441,845
All Other Funds	--	180,770
All Funds	\$ --	\$ 622,615

Topeka State Hospital

65. Fee Fund

I amend my budget to add \$252,471 from the State General Fund in FY 1992 to cover a fee fund revenue shortfall for Topeka State Hospital. Several factors have resulted in lower revenues than originally projected and include reduced collections from private insurance companies and a lower Medicare reimbursement rate. In its FY 1992 projections, the Hospital had used a Medicare reimbursement rate of \$202 per day, while Medicare is actually reimbursing the Hospital at \$175 per day. The difference will be settled based on the FY 1992 cost report and should be received during FY 1993 and FY 1994.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ 252,471	\$ --
Hospital Fee Fund	(252,471)	--
All Funds	\$ --	\$ --

66. Exterior Lighting

I amend my budget to include \$259,700 from the State Institutions Building Fund in FY 1993 for enhancements to the outside lighting at Topeka State Hospital. Because the hospital has personnel on duty 24 hours a day, my recommendation would provide additional lighting for those walking the grounds during the night shift and provide greater visibility for security personnel.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
State Inst. Bldg. Fund	--	259,700
All Funds	\$ --	\$ 259,700

67. Hospital-Wide Re-Keying

I amend my budget to include \$77,367 from the State General Fund in FY 1993 for the replacement of the Hospital's locking system. The present system is 20 years old, and the agency has had problems in the past with unauthorized duplicates because of lost keys or past employees failing to turn in their old keys. My recommendation would install a system comprising core cylinders that allow a parent key to replace any door cylinder with a new keyed cylinder. Computer software would also be installed to track the keys as they are issued. My recommendation would reduce the number of keys needed by the staff and would minimize the time needed to replace keys and locks on the campus.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ 77,367
All Other Funds	--	--
All Funds	\$ --	\$ 77,367

68. Local Area Network

I amend my budget to include \$77,177 from the State General Fund in FY 1993 to install a local area computer network at Topeka State Hospital. The network would connect all of the Hospital's buildings and would add to the agency's security by providing a computerized tracking system for patients and staff. In addition, the system would provide a warning system, which would alert the entire Hospital in the event of an emergency.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ 77,177
All Other Funds	--	--
All Funds	\$ --	\$ 77,177

Osawatomie State Hospital

69. Osawatomie State Hospital Fee Fund

Osawatomie State Hospital recently received a payment of \$1,230,535 to its fee fund for Medicare payments for services rendered in FY 1989. A portion of the payment was federal reimbursements for a higher patient length of stay at the hospital and the remainder was a refund for catastrophic coverage.

Medicare implemented a catastrophic coverage program between January and October 1989, which the Hospital billed. However, approximately \$900,000 of these collections had to be refunded to Medicare. The Health Care Financing Administration recently ruled in favor of the Hospital and ordered a portion of the monies to be returned. I recommend that the Osawatomie State Hospital Fee Fund be increased by \$1,230,535 in FY 1992 and that its State General Fund appropriation be reduced by the same amount.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$(1,230,535)	\$ --
Hospital Fee Fund	<u>1,230,535</u>	<u>--</u>
All Funds	\$ --	\$ --

70. Restore Substance Abuse Program

I amend my budget to restore funding for Osawatomie State Hospital's substance abuse unit in FY 1993. The recommendation totals \$1,158,106 and includes \$696,839 from the State General Fund, \$193,239 from the Hospital Fee Fund, \$268,028 from the Title XIX fund, and the restoration of 37.0 FTE positions.

I had recommended that the program be closed in FY 1993 and that \$830,000 from the State General Fund be reallocated to the Department of Social and Rehabilitation Services' Alcohol and Drug Abuse Services program to begin a community-based substance abuse treatment program at Larned. Since that time, I have directed the Department of Social and Rehabilitation Services to conduct a feasibility study for the implementation of this program to be included in the Hospital's FY 1994 budget request. My recommendation will restore the operating expenses for an additional year until that study is completed.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ 696,839
Title XIX	--	268,028
General Fee Fund	<u>--</u>	<u>193,239</u>
All Funds	\$ --	\$1,158,106

Parsons State Hospital

71. Salaries and Wages

My recommendations for Parsons State Hospital salaries and wages contained an error in the shrinkage calculation that resulted in lower than intended salary and wage expenditure amounts. I therefore amend my budget to add funding of \$550,452 in FY 1992 and \$139,066 in FY 1993.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ 184,685	\$ 56,901
All Other Funds	<u>365,767</u>	<u>82,165</u>
All Funds	\$ 550,452	\$ 139,066

72. Unbudgeted Federal Audit Adjustment

I amend my FY 1993 recommendations to increase the Title XIX share of the Parsons State Hospital budget by \$600,000 to reflect the unanticipated receipt of additional federal audit adjustments.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ (600,000)
All Other Funds	<u>--</u>	<u>600,000</u>
All Funds	\$ --	\$ --

Winfield State Hospital

73. Salaries and Wages

Winfield State Hospital has been unable to meet its budgeted FY 1992 shrinkage rate. I therefore amend my budget to add \$155,500 from the agency's fee fund to make up this shortfall.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>155,500</u>	<u>--</u>
All Funds	\$ 155,500	\$ --

Kansas Neurological Institute

74. Salaries and Wages

My recommendations for salaries and wages contained an error in the shrinkage calculation that resulted in lower than intended expenditure amounts. In addition, the agency has not been successful at reducing its patient populations at the recommended rate. I therefore amend my budget to add funding for salaries of \$433,517 in FY 1992 and \$202,064 in FY 1993.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ 26,745	\$ 82,846
All Other Funds	<u>406,772</u>	<u>119,218</u>
All Funds	\$ 433,517	\$ 202,064

Department of Social and Rehabilitation Services

75. Medicaid Management Information Systems

The agency reports that Medicaid Management Information Systems development expenditures totaling \$1,225,249 originally budgeted in FY 1992 will not occur until FY 1993. Therefore, there is a need to shift funding between the two years.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ (306,312)	\$ 306,312
All Other Funds	<u>(918,937)</u>	<u>918,937</u>
All Funds	\$(1,225,249)	\$1,225,249

76. KanWork Savings

I recommend reductions in FY 1992 funding for the KanWork program of \$746,731, including \$265,020 from the State General Fund, because of savings in the implementation of the program in the current year. My recommendation reflects the fact that the agency has experienced slower than expected implementation of this program.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ (265,020)	\$ --
All Other Funds	<u>(481,711)</u>	<u>--</u>
All Funds	\$ (746,731)	\$ --

77. Foster Care and Adoption Support Caseload

My recommendation includes increases in the Foster Care and Adoption Support Program in FY 1993 totaling \$2,239,210,

including \$1,917,003 from the State General Fund, for increases in rates and caseloads. This increase results mainly from increases in Foster Care costs associated with higher levels of care.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$1,917,003
All Other Funds	<u>--</u>	<u>322,207</u>
All Funds	\$ --	\$2,239,210

78. Reduced Funding for Intermediate Care Facilities

Compared to my original budget recommendations, the Department has experienced lower than expected spending for intermediate care facilities for the mentally retarded. To reflect these savings correctly, I recommend reductions in funding of \$1,033,905, including \$1,013,330 from the State General Fund, in FY 1992 and \$1,222,720, including \$314,412 from the State General Fund, in FY 1993.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$(1,013,330)	\$ (314,412)
All Other Funds	<u>(20,575)</u>	<u>(908,308)</u>
All Funds	\$(1,033,905)	\$(1,222,720)

79. Shift of Computer Enhancement Funding

The Department's upgrade of the Child Support Enforcement computer system has proceeded at a rate slower than budgeted. Therefore, I amend my budget to shift expenditures of special revenue funds from FY 1992 to FY 1993. The recommendation would involve no additional expenditure of funds or any obligation from the State General Fund.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>(270,000)</u>	<u>270,000</u>
All Funds	\$ (270,000)	\$ 270,000

80. Community Placements for Mentally Retarded Patients

In FY 1992, the agency has been unable to place individuals from mental retardation institutions into community programs at the rate initially projected. I therefore amend my budget to capture unneeded funds from home and community-based services for the mentally retarded in FY 1992 totaling \$1,539,796, including \$639,939 from the State General Fund.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ (639,939)	\$ --
All Other Funds	<u>(899,857)</u>	<u>--</u>
All Funds	\$(1,539,796)	\$ --

81. Low Income Energy Assistance

For FY 1993, I amend my budget to increase the availability of federal LIEAP Block Grant funds totaling \$762,838 and the amounts available from oil overcharge funds by \$750,000. My original recommendation reflected the best available information regarding LIEAP funding. Since that time, Congress has acted and made available some additional funding for this program. In addition, the recent warm winter has made additional oil overcharge funds available for carry forward and expenditure in FY 1993. I also amend my budget to reduce expenditures from the LIEAP and Weatherization Trust Fund by \$1,512,838, so this recommendation has no impact on overall expenditures or expenditures from the State General Fund.

82. Correction of Position Limitation

I amend my budget to correct the total position limitation by changing the proviso to exempt from the count certain workers in the community-based long-term care program. The result of this action is to reduce the agency position limitation by 13.0 FTE positions for FY 1993.

83. Youth Services Federal Funds

I have been informed that the agency has been able to capture additional federal funds in support of social services and foster care. I amend my FY 1993 budget to reflect this change in funding.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$(5,447,430)
All Other Funds	<u>--</u>	<u>5,447,430</u>
All Funds	\$ --	\$ --

84. Substance Abuse Programs

The Department of Social and Rehabilitation Services states that it will require additional time to implement my recommendations on substance abuse reform. I amend my budget to remove funding of \$1,910,000 from alcohol and drug abuse services that would have implemented expanded community

programs in FY 1993. This reduction will be offset by increases in state hospital budgets.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$(1,910,000)
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$(1,910,000)

85. Fee Fund Shift

I amend my budget to shift \$2,700,000 in FY 1992 expenditures from the State General Fund to the SRS Fee Fund. The fee fund balances are adequate to accommodate these changes, which will aid in maintaining State General Fund balances.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$(2,700,000)	\$ --
All Other Funds	<u>2,700,000</u>	<u>--</u>
All Funds	\$ --	\$ --

86. Blind Vendors Expenditure Limitation

The agency reports that its blind vendors require additional expenditures for the purchase of vending machines to be installed in new federal office buildings in Johnson and Wyandotte counties. I include \$19,000 from the Blind Vending Stand Assessment Fee Fund for the purchase of these machines.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>19,000</u>	<u>--</u>
All Funds	\$ 19,000	\$ --

87. AFDC Caseload

Because of unanticipated increases in the number of individuals and families receiving benefits from Aid to Families with Dependent Children, additional funding is required in FY 1992 and FY 1993 to fund caseload adjustments in cash assistance programs. My recommendation had included 1,000,000 person months of benefits in FY 1992 and 1,050,000 person months in FY 1993. The recommendation had assumed some savings because of extended unemployment insurance benefit payments. Current estimates indicate that caseloads will total 1,010,000 in FY 1992 and 1,080,000 in FY 1993. The revised FY 1992 costs also include an average

General Assistance cost of \$141.20 per person month based on actual experience.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ 240,255	\$2,061,774
All Other Funds	<u>935,388</u>	<u>2,051,244</u>
All Funds	\$ 1,175,643	\$4,113,018

88. Medical Program Caseload

I recommend increases in estimated caseloads for the Medical Assistance program in FY 1992 and FY 1993. The increases result from shifts among several population groups. The major source of increased costs appears to be an unexpected growth in the mandatory pregnant women and children program. This program, which serves income eligible women and children, provides comprehensive health services under the Medicaid program.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ 343,385	\$ 8,692,912
All Other Funds	<u>35,934</u>	<u>11,184,348</u>
All Funds	\$ 379,319	\$19,877,260

Department of Revenue

89. Homestead Property Tax Refunds

On the basis of income tax returns received to date, the Department of Revenue estimates the need for additional resources to finance refunds from the Homestead Property Tax Program. In order to provide sufficient financing for refunds in accordance with Kansas law, I amend my budget to add \$1.5 million from the State General Fund for FY 1992.

	<u>FY 1992</u>	<u>FY 1993</u>
State General Fund	\$ 1,500,000	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 1,500,000	\$ --



OFFICE OF THE SECRETARY
900 Jackson St., Suite 502
Topeka, Kansas 66612-1220
(913) 296-2281
FAX (913) 296-6953
Equal Opportunity Employer

DEPARTMENT OF WILDLIFE AND P.
JOAN FINNEY, Governor
JACK LACEY, Secretary
JOHN S. C. HERRON, Assistant Secretary

MEMORANDUM

To: Honorable George Teagarden, Chairman, Appropriations Committee
Members of the House Appropriations Committee

From: Jack Lacey, Secretary

Date: April 28, 1992

Re: Feasibility Study with Corps of Engineers

Over the course of the past few months, the Kansas Department of Wildlife and Parks studied and explored the possibility of Wildlife and Parks managing Army Corps of Engineers's parks within Kansas. The Corps of Engineers was searching for a method to streamline operations, scale down budgets and find ways to economize. Transferring management responsibility of Corps of Engineers's parks to "non-Federal" or private interests was an objective.

The process began in 1989, when the Army Corps of Engineers canvassed state governments for interest in this project. Since most of Kansas state parks are tied to Corps operated reservoirs and federally owned land and Wildlife and Parks is searching for ways to improve, offer new programs and provide access to public land, the two parties began a feasibility study in 1991.

In order for Kansas to manage the additional property, the Corps of Engineers would provide approximately \$35 million dollars (four times the annual Corps of Engineers park operations and maintenance budget) to Wildlife and Parks. The money would be deposited into an interest bearing account: from which Wildlife and Parks would draw interest to help alleviate costs on the newly acquired Corps park areas. The remaining expenses would be paid by permit and entry fees. A goal of this plan - for Wildlife and Parks - was to make the new areas financially self sustaining.

After careful study and analysis of the Corps plan and offer, KDWP determined that this idea was not in the best interest of Kansas. Accepting the Corps offer would have placed a financial burden on Wildlife and Parks and offered the citizens of Kansas few new benefits. On April 14, 1992, I held a press conference and announced that all discussions and feasibility studies with the Corps of Engineers were over.