

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Senator August "Gus" Bogina, Chairperson, at 11:12 a.m. on March 24, 1992 in Room 123-S of the Capitol.

All members were present except:

Senator Kerr, who was excused

Conferees appearing before the committee:

None

INTRODUCTION OF BILLS

It was moved by Senator Gaines and seconded by Senator Feleciano that a senate concurrent resolution (Attachment 1) be introduced to create and maintain a lawyer's fund for client protection. The motion carried.

HB 2721 - Appropriations for FY93, for Kansas public employees retirement system, commission on governmental standards and conduct, human rights commission, corporation commission citizens' utility ratepayer board and department of administration.

COMMISSION ON GOVERNMENTAL STANDARDS AND CONDUCT

Senator Harder reviewed the FY92 and FY93 subcommittee reports, Attachment 2. There were no questions. It was moved by Senator Harder and seconded by Senator Feleciano that the subcommittee reports be adopted. The motion carried.

HUMAN RIGHTS COMMISSION

Senator Rock reviewed the FY92 and FY93 subcommittee reports, Attachment 3. In answer to Senator Brady's inquiry, it was stated that the number of cases reviewed by the average investigator is five per month (item 1, Attachment 3-2). It was stated that the agency handles 1,300 cases per year and the backlog currently is 1,078 cases. Senator Brady suggested that some type of tracking system for special projects or limited term personnel be incorporated in the subcommittee reports.

In answer to Senator Salisbury's question, Brandon Myers, Chief Legal Counsel for the Human Rights Commission, stated that a summary prepared earlier in this legislative session did not indicate that the claims were primarily in smaller business sector.

It was moved by Senator Rock and seconded by Senator Harder that the subcommittee reports be adopted. The motion carried.

KANSAS CORPORATION COMMISSION

Senator Doyen reviewed the FY92 and FY93 subcommittee reports, Attachment 4. In answer to Senator Parrish's question regarding the emergency salary pool (item 1, Attachment 4-5), Senator Doyen noted that it would function similar to the salary pool within the Department of Corrections, except that rather than shifting personnel within the agency, this would provide for contracting with additional personnel for difficult rate cases.

CITIZENS' UTILITY RATEPAYER BOARD

Senator Doyen reviewed the FY92 and FY93 subcommittee reports, Attachment 5. There were no questions.

Senator Doyen moved, Senator Hayden seconded, that the subcommittee reports for the Kansas Corporation Commission and the Citizens' Utility Ratepayer Board be adopted. The motion carried.

DEPARTMENT OF ADMINISTRATION

Senator Gaines reviewed the FY92 and FY93 subcommittee reports, Attachment 6. In discussion regarding the recommendation to introduce legislation that would mandate a single payroll period for all state officers and employees, item 3, Attachment 6-9, the Chairman noted that there are currently five different payroll schedules that are both time consuming and costly for state

government.

Senator Gaines moved, Senator Brady seconded, that the subcommittee report be amended by the deletion of the Governor's recommendation to create an enhanced debt collection program and 2 FTE positions. It was noted by staff that this recommendation would provide a new initiative for bad debt collections, primarily at KUMC. The motion carried.

It was moved by Senator Feleciano and seconded by Senator Moran that the subcommittee report be amended by requesting that the Health Care Commission review the state contract for employee health insurance with HMOs that prohibit state employees from using KUMC for hospital services. The motion carried.

In answer to Senator Salisbury's question, Chairman Bogina noted that the Division of Architectural Services has the authority to move as long as the costs are within the appropriations available.

It was moved by Senator Gaines and seconded by Senator Harder that the subcommittee report as amended be adopted. The motion carried.

The Chairman noted that **HB 2721** would be held in Committee until the subcommittee report on KPERS was complete.

HCR 5050 - Urging completion of a needs analysis of the personnel and payroll functions of the Department of Administration.

It was noted that the state did not conduct a needs analysis prior to the acquisition of the Kansas Financial Information System. Senator Gaines stated his opinion that a committee should be established to evaluate the proposed acquisition of high technology equipment.

Senator Feleciano moved, Senator Gaines seconded, that HCR 5050 be recommended favorable for passage. The motion carried on a roll call vote.

The Chairman adjourned the meeting at 11:55 p.m.

SENATE CONCURRENT RESOLUTION _____

A CONCURRENT RESOLUTION urging the Judicial Branch to create and maintain a lawyer's fund for client protection.

WHEREAS, many states have lawyer's funds for client protection, which are creations of judicial authorities to collect annual fees from active members of the Bar and to use the investment therefrom to pay claims resulting from those few lawyers intentionally absconding with client funds; and

WHEREAS, such actions by lawyers rarely occur but, when the same do occur, the Kansas Supreme Court, as the ultimate regulator of the Bar, should take whatever action is necessary and appropriate to prevent and compensate such losses; and

WHEREAS, the Kansas Bar Association created such a fund in the past but found it to be ineffectual because participation therein was voluntary; and

WHEREAS, the Kansas Bar Association has recommended to the Kansas Supreme Court that it establish a fund and related procedures for all active Kansas attorneys by court rule; and

WHEREAS, no taxpayer monies will be involved in the creation and maintenance of such a fund;

BE IT RESOLVED: That the Legislature believes that inherent power to regulate the practice of law traditionally, constitutionally and appropriately resides in the Supreme Court of Kansas; that this Legislature believes that inherent power reposes with the Supreme Court of Kansas to create a lawyer's fund for client protection, together with such auditing and reporting requirements as may be deemed appropriate by the Court; that this Legislature further believes that inherent power exists for the Court to use monies from the Bar Discipline Fee Fund and for the Court to assess practicing lawyers licensed by the Court to fund said concept, and for the Court to invest and reinvest such funds so as to pay such claims as may be authorized for payment under applicable rules of the Court.

BE IT FURTHER RESOLVED: That the Kansas Supreme Court and the 5,300 members of the Kansas Bar Association should be publicly commended for encouraging such participation by the Bar of Kansas to protect the consumers of legal services in Kansas.

BE IT FURTHER RESOLVED: That the Secretary of State shall send enrolled copies of this resolution to the Chief Justice of the Kansas Supreme Court.

SWAM
March 24, 1992
Attachment 1

SUBCOMMITTEE REPORT

Agency: Commission on Governmental Standards and Conduct

Bill No. 2729

Bill Sec. 8

Analyst: Mah

Analysis Pg. No. 596

Budget Page No. 216

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>House Adjustments</u>
State Operations:			
State General Fund	\$ 287,652	\$ 287,625	\$ --
Special Revenue Fund	34,416	26,134	(7,079)
Total	<u>\$ 322,068</u>	<u>\$ 313,759</u>	<u>\$ (7,079)</u>
FTE Positions	6.0	6.0	--

Agency Estimate/Governor's Recommendation

FY 1992. The Commission estimates current year expenditures at \$322,068, an increase of \$34,416 from the authorized budget. Financing for the budget includes \$287,652 from the State General Fund (the same amount approved by the 1991 Legislature) and \$34,416 from a fee fund established by 1991 H.B. 2454 (Kansas Commission on Governmental Standards and Conduct Fee Fund). All expenditures from the Fee Fund would be in addition to those approved by the 1991 Legislature. The current year expenditure limitation on the new Fee Fund was established at \$0. The Commission is requesting that this expenditure limitation be removed and that a "no limit" be placed on expenditures from the Fund. In addition, the Commission reports that, of the estimated \$30,000 that was approved by the 1991 Legislature for the salary of temporary personnel, \$10,901 will be used for the salary of a temporary secretary for six months. The remaining funds will be shifted to other operating expenditures (except for \$1,740 which is reduced from the budget as part an overall FY 1992 budget reduction of 1.0 percent). The Commission's current year estimate of \$322,068 includes \$222,253 for salaries and wages and \$99,815 for other operating expenditures.

The Governor's current year recommendation of \$313,759 is an increase of \$26,107 from the authorized budget of \$287,652. Financing for the budget includes \$287,625 from the State General Fund and \$26,134 from Commission on Governmental Standards and Conduct Fee Fund. The Governor concurs with the Commission's plan to shift moneys appropriated (approximately \$17,359) for the salary of temporary personnel to other operating expenditures. Funding for salary and wages is reduced by \$3,028 from the Commission's estimate because of reductions to per diem compensation for Commission members and adjustments to fringe benefit costs to reflect current rates. The recommendation also reduces the Commission's current year estimate for all other operating expenditures by \$5,281.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation, except for the following adjustment:

*SWAM
March 24, 1992
Attachment 2*

1. Delete \$7,079 for operating expenditures from the Governmental Standards and Conduct Fee Fund because of savings estimated by the agency.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

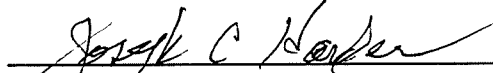
House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the recommendations of the Committee.


<u>Expenditure Summary</u>	<u>House Adj. FY 92</u>	<u>House Rec. FY 92</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 287,625	\$ --
Special Revenue Fund	(7,079)	19,055	--
Total	<u>\$ (7,079)</u>	<u>\$ 306,680</u>	<u>\$ --</u>
FTE Positions	--	6.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House.



 Senator Joseph C. Harder
 Subcommittee Chairman



 Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Commission on Governmental Standards and Conduct

Bill No. 2721

Bill Sec. 3

Analyst: Mah

Analysis Pg. No. 596

Budget Page No. 216

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>House Adjustments</u>
State Operations:			
State General Fund	\$ 328,915	\$ 232,660	\$ --
Special Revenue Fund	82,019	70,280	53,487
Total	<u>\$ 410,934</u>	<u>\$ 302,940</u>	<u>\$ 53,487</u>
FTE Positions	9.0	6.0	--

Agency Request/Governor's Recommendation

FY 1993. The Commission requests an FY 1993 budget of \$410,934. The request includes an increase of \$88,866 over the current year estimate. Included in the request is \$108,759 for the addition of 3.0 new FTE unclassified positions, of which \$82,019 is for salaries and \$26,740 is for other operating expenses. The increase in FTE positions is for a 1.0 new Secretary II, a 1.0 new Auditor, and a 1.0 new Report Examiner. The request also includes \$11,864 for the hiring of a temporary secretary for six months (\$10,938 for salary and \$926 for other operating expenses). Financing for the budget includes \$328,915 from the State General Fund and \$82,019 from the Kansas Commission on Governmental Standards and Conduct Fee Fund, of which \$308,504 is for salaries and wages and \$102,430 for other operating expenditures.

The Governor's FY 1993 recommendation of \$302,940 reduces the Commission's request by \$107,994. Adjustments were made to salary and wage expenditures to delete funding for the 3.0 new FTE positions, to reduce per diem compensation for Commission members, and to reflect current rates for fringe benefit costs. The Governor's recommendation of \$76,673 for all other operating expenditures reduces the Commission's request by \$25,757, including all but \$2,255 of the operating expenditures associated with the requested 3.0 new FTE positions. Financing for the budget includes \$232,660 from the State General Fund and \$70,280 from Commission on Governmental Standards and Conduct Fee Fund.

House Subcommittee Recommendation

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

1. Shift \$10,938 from the State General Fund for the salary of a six-month temporary secretary (including fringes) to other operating expenditures. The effect of the recommendation is to make \$10,938 available in the Governmental

Standards and Conduct Fee Fund that had been budgeted for other operating expenditures.

2. Add \$53,487 from the Governmental Standards and Conduct Fee Fund to provide for the hiring of three special project positions for a one-year period. This \$53,487, plus an additional \$10,938 of available Fee Fund receipts, will provide a total of \$64,425 for the special project positions (\$58,955 for salaries and wages and \$5,470 for capital outlay and other operating costs.) The \$10,938 is available because of shifting State General funds in item No. 1 to cover other operating expenditures. The Subcommittee recommends adding the positions because of 1989 legislation that brought certain local candidates and their treasurers under the Campaign Finance Act. The impact to the agency because of this legislation is especially significant during election years. There will be an influx of approximately 1,800 new county candidates and 100 new city candidates with their corresponding treasurers. This will more than double the workload of the Commission's current staff.
3. Make any technical adjustments to the FY 1993 appropriation bill (H.B. 2721) to allow it to conform with the Governor's intent.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole Recommendation

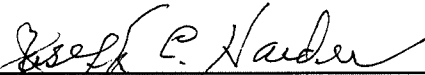
The House Committee of the Whole concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 93</u>	<u>House Rec. FY 93</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 232,660	\$ (4,753)
Special Revenue Fund	53,487	123,767	--
Total	<u>\$ 53,487</u>	<u>\$ 356,427</u>	<u>\$ (4,753)</u>
FTE Positions	--	6.0	--


Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the House with the following adjustment:

1. Delete \$4,753 from the State General Fund in FY 1993 recommended by the Governor for unclassified merit.



Senator Joseph C. Harder
Subcommittee Chairperson



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Human Rights Commission

Bill No. 2721, 2729

Bill Sec. 4

Analyst: Piekalkiewicz

Analysis Pg. No. 612

Budget Page No. 320

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,152,926	\$ 1,050,686	\$ 31,842
Special Revenue Funds	500,288	500,288	--
TOTAL	<u>\$ 1,653,214</u>	<u>\$ 1,550,974</u>	<u>\$ 31,842</u>
 FTE Positions	 42.0	 39.0	 1.0

Agency Request/Governor's Recommendation

The agency requests \$1,653,214 for FY 1993 for the salaries of 42 FTE positions and other operating costs. The request represents a 4.3 percent increase above the revised FY 1992 estimate of \$1,578,209 and includes \$1,152,926 from the State General Fund and \$500,288 from federal funds.

The Governor recommends \$1,050,686 for FY 1993 expenditures, a reduction of \$102,240 (State General Fund) from the agency's request, including reductions of \$74,820 in salaries and wages, \$4,461 in travel costs, \$6,105 in professional services, and \$2,474 in office supplies. Recommended FY 1993 financing includes \$1,050,686 from the State General Fund and \$500,288 from federal funds (32.32 percent of the total). The State General Fund recommendation represents a 0.5 percent increase over the current year State General Fund recommendation of \$1,056,294.

House Subcommittee Recommendations

FY 1992. The House Subcommittee concurs with the Governor's recommendation for FY 1992.

FY 1993. The House Subcommittee concurs with the Governor's recommendation, with the following exception:

1. Add \$31,842 from the State General Fund for 1.0 FTE Investigator position and other operating expenses associated with the position (\$27,090 for the position and \$4,752 for OOE). The Subcommittee notes that the agency is receiving an increasing number of complaints due in part to the passage of amendments to the Kansas Act Against Discrimination in the 1991 Session. In the first six months of FY 1992, an average of 115.5 complaints were filed with the agency, compared to an average of 91.5 complaints per month in FY 1991. Based on past experience and figures, and current work load, the agency requested for FY 1993

*SWAM
March 24, 1992
Attachment 3*

two additional investigator positions and one clerical worker to handle this increased work load and the current backlog of cases. The Subcommittee recommends one of those positions and notes that one position which is currently vacant in the current year will be filled in FY 1993 since the shrinkage rate has been reduced in the Governor's recommendation. Funding is recommended from the State General Fund since in the Governor's recommendation, federal fund expenditures are maximized. Expenditures from federal funds are increased by \$45,000 from FY 1992 to FY 1993.

House Committee and the House Committee of the Whole Recommendations

The House Committee and the House Committee of the Whole concurs.

<u>Expenditure Summary</u>	<u>House Adj. FY 93</u>	<u>House Rec. FY 93</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 31,842	\$ 1,082,528	\$ 25,917
Special Revenue Funds	-	500,288	(9,563)
TOTAL	<u>\$ 31,842</u>	<u>\$ 1,582,816</u>	<u>\$ 16,354</u>
 FTE Positions	 1.0	 40.0	 -

Senate Subcommittee Recommendation

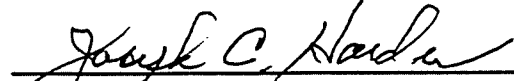
FY 1992. The Senate Subcommittee concurs with the House, with the following exception:

1. Raise expenditure limitation on federal funds by \$16,000 for contractual payments for pro-tem hearing examiners.


FY 1993. The Senate Subcommittee concurs with the House, with the following adjustments:

1. Add \$45,562 for two special projects positions: an Investigator I (\$27,090) and an Office Assistant II (\$18,472). As noted by the House, the Human Rights Commission is receiving an increasing number of complaints due in part to the passage of amendments to the Kansas Act Against Discrimination in the 1991 Session. The additional positions will enable the agency to expedite cases and reduce its backlog of cases.
2. Add \$8,002 for operating expenditures associated with the new positions such as travel, communications, and computer equipment.

3. Delete \$37,210 (\$27,647, State General Fund and \$9,563, federal funds) for step movement, longevity and merit pool, recommended by the Governor.
4. Add a proviso enabling the Executive Director of the Commission to charge and collect fees for educational training programs.
5. Add a proviso enabling the Executive Director of the Commission to charge and collect a fee for the Commission's annual banquet.



Senator Joseph C. Harder
Subcommittee Chair



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Kansas Corporation Commission **Bill No. --** **Bill Sec. --**
Analyst: Rampey **Analysis Pg. No. 606** **Budget Page No. 696**

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
All Special Revenue Funds:			
State Operations	\$ 11,094,795	\$ 11,056,839	\$ 44,307
Other Assistance	1,005,090	2,190,333	--
Total	<u>\$ 12,099,885</u>	<u>\$ 13,247,172</u>	<u>\$ 44,307</u>
 FTE Positions	 229.5	 229.5	 --

Agency Estimate/Governor's Recommendation

The Kansas Corporation Commission (KCC) estimates expenditures of \$12,099,885 in FY 1992. The Governor recommends expenditures of \$13,247,172. The change made by the Governor to the KCC's estimate consists of a reduction of \$37,958 in salaries due to a recalculation of fringe benefits to use the most recent health insurance rates. (The apparent increase in the Governor's total FY 1992 recommendation over the Commission's estimate is due to the Governor using revised estimates for oil overcharge expenditures that were made by the Commission after it submitted its budget.)

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor, with the following exception:

1. Include in the KCC's appropriations bill for FY 1992 a new "no limit" fund named the "Institutional Building and Operation Fund." The recommendation would permit the Commission to receive and expend an unanticipated federal grant of \$59,076 that relates to energy conservation. It is estimated that three-fourths of the grant (\$44,307) will be spent in FY 1992 and the remainder (\$14,769) will be spent in FY 1993.

House Committee Recommendation

The House Committee concurs with the Subcommittee.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs with the Committee.

*SWAM
 March 24, 1992
 Attachment 4*

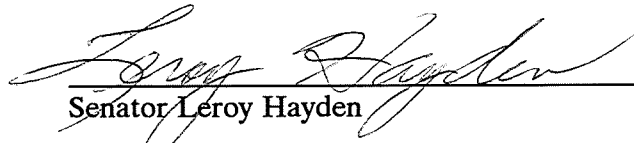
<u>Expenditure Summary</u>	<u>House Adj. FY 92</u>	<u>House Rec. Rec. FY 92</u>	<u>Senate Subcommittee Adjustments</u>
All Special Revenue Funds:			
State Operations	\$ 44,307	\$ 11,101,146	\$ --
Other Assistance		2,190,333	--
Total	<u>\$ 44,307</u>	<u>\$ 13,291,479</u>	<u>\$ --</u>
FTE Positions	--	295.5	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the House.



 Senator Ross Doyen
 Subcommittee Chair



 Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Kansas Corporation Commission **Bill No.** 2721 **Bill Sec.** 5
Analyst: Rampey **Analysis Pg. No.** 606 **Budget Page No.** 696

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
All Special Revenue Funds:			
State Operations	\$ 11,966,555	\$ 10,855,674	\$ 63,325
Other Assistance	1,000,000	500,000	--
Total	<u>\$ 12,966,555</u>	<u>\$ 11,355,674</u>	<u>\$ 63,325</u>
FTE Positions	234.5	224.0	--

Agency Request/Governor's Recommendation

The Kansas Corporation Commission (KCC) requests expenditures of \$12,966,555 for FY 1993. The largest portion of the increase from FY 1992 to FY 1993 is in salaries, which are estimated to be \$8,728,884 in FY 1993, an increase of \$695,516 over the current year. Included in the request is \$117,996 (excluding benefits) for the salaries of 5.0 FTE new positions.

The Governor recommends expenditures of \$11,355,674 in FY 1993, a reduction of \$1,610,881 from the Commission's request. The Governor recommends a reduction in agency operating expenditures of \$1,110,881 from the request, of which \$590,093 is in salaries. The reduction in salaries includes the deletion of 5.5 FTE positions that are currently vacant and reduces the KCC's number of authorized positions from 229.5 FTE to 224.0.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor, with the following exceptions:

1. Add \$48,556 for the salary and benefits of a position that was inadvertently omitted from the budget. Because the omission was a mistake, the Subcommittee thinks the money should be restored. It hopes the Governor also includes the salary in a Governor's Budget Amendment.
2. Include in the KCC's appropriations bill a new "no limit" fund named the "Institutional Building and Operation Fund." The recommendation would permit the Commission to receive and expend an unanticipated federal grant relating to energy conservation that was received in FY 1992. The amount of the grant to be spent in FY 1993 is estimated to be \$14,769.
3. Include in the KCC's appropriations bill authority for the Commission to retain two existing positions in the unclassified service. (During the Commission's 1991

sunset review, it was discovered that specific authorization for two existing positions to be unclassified was lacking.) The positions are an Interagency Coordinator and a Petroleum Engineer in the Conservation Division. Because the KCC is in a process of reorganization, the Subcommittee recommends that the positions be authorized in the appropriations bill. However, it thinks the Commission should seek statutory authorization for these positions in FY 1993 when the Commission's reorganization is final.

4. Recommend the introduction of legislation requested by the Commission relating to the assessment of costs against utilities. The amendments requested by the Commission would improve the KCC's collection process involving the quarterly assessment of utility intrastate gross operating revenues.
5. Review the status of oil overcharge funds and make final recommendations concerning approved projects in the Omnibus Bill. The Subcommittee has reviewed the Governor's recommendations concerning the expenditure of oil overcharge funds, but recommends that the Legislature wait until the end of the Session to identify its priorities, at which time it will have more complete information about how much funding is available.

House Committee Recommendation

The House Committee concurs with the Subcommittee.

House Committee of the Whole


The House Committee of the Whole concurs with the recommendation of the Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 93</u>	<u>House Rec. FY 93</u>	<u>Senate Subcommittee Adjustments</u>
All Special Revenue Funds:			
State Operations	\$ 63,325	\$ 10,918,999	\$ 196,143
Other Assistance	--	500,000	--
Total	<u>\$ 63,325</u>	<u>\$ 11,418,999</u>	<u>\$ 196,143</u>
FTE Positions	--	224.0	--

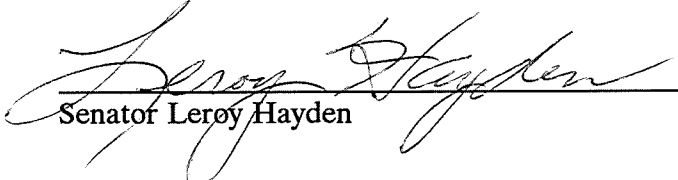
Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the House, with the following exceptions:

1. Add a total of \$196,143 for an emergency salary pool to pay the salaries and wages of special projects and temporary employees. These positions would be outside the position limitation established for the Commission and would be emergency staffing to be used in the event of unexpected workload increases due to case filings and other regulatory activities. To fund the emergency salary pool, the Subcommittee recommends that the expenditure limitations on the following special revenue funds be increased: the Public Service Regulation Fund, from \$4,420,613 to \$4,497,871 (an increase of \$77,258); the Conservation Fee Fund, from \$4,253,371 to \$4,337,903 (an increase of \$84,532); and the Motor Carrier License Fees Fund, from \$1,296,596 to \$1,330,949 (an increase of \$34,353).
2. Make a technical amendment in H.B. 2721 (the Commission's appropriation bill) on page 3, line 38, to delete the word "the" which appears twice in a row.



Senator Ross Doyen, Chair



Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Citizens' Utility Ratepayer Board Bill No. 2721 Bill Sec. 6
Analyst: Rampey Analysis Pg. No. 624 Budget Page No. 112

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 318,153	\$ 313,430	\$ --
FTE Positions	3.0	3.0	--

Agency Request/Governor's Recommendation

FY 1992. Expenditures are estimated to be \$312,585 in FY 1992. The Governor recommends expenditures of \$311,625, a reduction of \$960 from the Board's request. The reduction is in salaries and consists of adjustments to fringe benefits and a slight increase in the shrinkage rate.

FY 1993. The 1991 Legislature enacted legislation that separates the Citizens' Utility Ratepayer Board (CURB) from the Kansas Corporation Commission (KCC) for budgetary purposes. FY 1993 is the first year that CURB has submitted a budget separate from the KCC. The Board is requesting 1.0 FTE new position, a managing rate economist, which would bring the position allocation to 4.0 FTE. The Governor recommends expenditures of \$313,430 for FY 1993, a reduction of \$4,723 from the Board's request. The Governor does not approve the addition of a new position.

House Subcommittee Recommendation

FY 1992. The House Subcommittee concurs with the Governor.

FY 1993. The House Subcommittee concurs with the Governor.

House Committee Recommendation

FY 1992. The House Committee concurs with the Subcommittee.

FY 1993. The House Committee concurs with the Subcommittee.

House Committee of the Whole Recommendation

FY 1992. The House concurs with the Committee.

FY 1993. The House concurs with the Committee.

SWAM
March 24, 1992
Attachment 5

Senate Subcommittee Recommendation

FY 1992. The Senate Subcommittee concurs with the House.

FY 1993. The Senate Subcommittee concurs with the House, with the following exception:

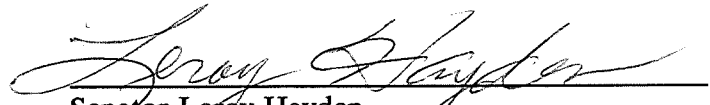
1. At the request of CURB, the Subcommittee recommends that legislation be introduced concerning the procedures CURB should follow in contracting for professional services. In general, state agencies contract for professional services pursuant to K.S.A. 75-3799. However, the Legislature has made an exception for the State Corporation Commission because of the uniqueness of some of the contracts it enters into, particularly for outside consultants in rate cases. The procedure followed by the Commission is found in K.S.A. 66-1513.

As long as CURB was part of the Commission, it also fell under the provisions of K.S.A. 66-1513. However, when it becomes a separate agency in FY 1993, the Attorney General has ruled that it must follow procedures set forth in K.S.A. 75-3799, which apply to all other agencies.

Because CURB is subject to some of the same circumstances as the Commission with respect to its involvement in rate cases and its use of consultants, the Subcommittee recommends that K.S.A. 66-1513 be amended so that it will continue to apply to CURB as well as to the Commission.



 Senator Ross Doyen
 Subcommittee Chair



 Senator Leroy Hayden

SUBCOMMITTEE REPORT

Agency: Department of Administration

Bill No. 2729

Bill Sec. 9

Analyst: Duffy

Analysis Pg. No. 553

Budget Page No. 22

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 20,675,521	\$ 20,585,256	\$ --
Aid to Local Units	5,498,200	4,367,363	--
Other Assistance	32,640	32,640	--
Subtotal - Operating	<u>\$ 26,206,361</u>	<u>\$ 24,985,259</u>	<u>\$ --</u>
Capital Improvements:	668,343	684,750	--
TOTAL	<u><u>\$ 26,874,704</u></u>	<u><u>\$ 25,670,009</u></u>	<u><u>\$ --</u></u>
State General Fund:			
State Operations	\$ 19,788,600	\$ 19,698,659	\$ --
Capital Improvements	616,343	632,750	--
TOTAL	<u><u>\$ 20,404,943</u></u>	<u><u>\$ 20,331,409</u></u>	<u><u>\$ --</u></u>

Note: In addition to the reportable budget summarized in the preceding table, the Department of Administration submits a nonreportable budget. Such expenditures are included in the reportable operating budgets of user state agencies.

Nonreportable Budget

All Funds:			
State Operations	\$ 58,293,976	\$ 58,120,416	\$ --
Aid to Local Units	0	0	--
Other Assistance	9,515,777	9,515,777	--
Subtotal - Operating	<u>\$ 67,809,753</u>	<u>\$ 67,636,193</u>	<u>\$ --</u>
Capital Improvements	2,290,998	2,488,320	--
TOTAL	<u><u>\$ 70,100,751</u></u>	<u><u>\$ 70,124,513</u></u>	<u><u>\$ --</u></u>
FTE Positions			
Reportable	383.0	381.0	--
Nonreportable	540.0	538.0	--
Total	<u><u>923.0</u></u>	<u><u>919.0</u></u>	<u><u>--</u></u>

Agency Estimate/Governor's Recommendation

Revised FY 1992 Reportable Expenditure Summary. The revised FY 1992 State General Fund budget estimate of \$20,404,943 reflects the amount authorized by the 1991 Legislature. Also included in the FY 1992 budget is the estimated expenditure of \$6,469,761 from federal funds, special revenue funds and intragovernmental service funds.

*SWAM
March 24, 1992
Attachment 6*

The Governor's FY 1992 recommendation for total reportable expenditures of \$25,670,009 includes expenditures from the State General Fund of \$19,698,659 which is \$89,941 less than the agency's FY 1992 estimate from the State General Fund. Adjustments made by the Governor to the FY 1992 revised budget for state operations include a reduction of \$120,852 (all funds) due to revised employee health insurance rates; a lowering of the shrinkage rate from 4.1 percent to 3.5 percent which results in the addition of \$75,365 (all funds); and miscellaneous net reductions totaling \$3,457. The Governor recommends a net reduction of 1.0 FTE position in the current year. The Governor's recommendation for aid to local units reflects a reduction in expenditures of \$1,130,837 because these expenditures are reflected in other state agency budgets and would represent a duplication if also counted in the Department of Administration.

Revised FY 1992 Nonreportable Expenditure Summary. The revised FY 1992 nonreportable budget estimate of \$70,100,751 reflects a decrease of \$1,998,076, including the reduction of \$506,029 in DISC expenditures, from the estimated nonreportable budget of \$72,098,827.

The Governor's FY 1992 recommendation for total nonreportable expenditures of \$70,124,513 includes expenditures for state operations of \$58,120,416, which is \$173,560 less than the amount estimated by the agency. Adjustments made by the Governor to the nonreportable state operations budget include a reduction of \$87,861 due to revised employee health insurance rates; a reduction of \$19,557 for professional consulting services for the Health Care Commission; a reduction of \$19,248 for utilities; and miscellaneous reductions totaling \$46,894.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs.

<u>Expenditure Summary</u>	<u>House Adj. FY 92</u>	<u>House Rec. FY 92</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 20,585,256	\$ --
Aid to Local Units	--	4,367,363	--
Other Assistance	--	32,640	--
Subtotal - Operating	<u>\$ --</u>	<u>\$ 24,985,259</u>	<u>\$ --</u>
Capital Improvements:	--	684,750	--
TOTAL	<u><u>\$ --</u></u>	<u><u>\$ 25,670,009</u></u>	<u><u>\$ --</u></u>
State General Fund:			
State Operations	\$ --	\$ 19,698,659	\$ --
Capital Improvements	--	632,750	--
TOTAL	<u><u>\$ --</u></u>	<u><u>\$ 20,331,409</u></u>	<u><u>\$ --</u></u>


Nonreportable Budget

All Funds:			
State Operations	\$ --	\$ 58,120,416	\$ --
Aid to Local Units	--	0	--
Other Assistance	--	9,515,777	--
Subtotal - Operating	<u>\$ --</u>	<u>\$ 67,636,193</u>	<u>\$ --</u>
Capital Improvements	--	2,488,320	--
TOTAL	<u><u>\$ --</u></u>	<u><u>\$ 70,124,513</u></u>	<u><u>\$ --</u></u>
FTE Positions			
Reportable	--	381.0	--
Nonreportable	--	538.0	--
Total	<u><u>--</u></u>	<u><u>919.0</u></u>	<u><u>--</u></u>

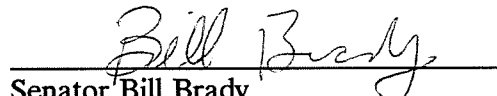
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendation with the following adjustment:

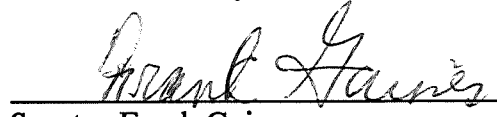
1. Insert language in H.B. 2729 (supplemental) to authorize the Secretary of Administration to refinance equipment being financed by state agencies through the equipment financing program. Based on current interest rates, there is an estimated net savings of approximately \$390,000. The Subcommittee notes that 1992 H.B. 3168 would authorize the refinancing of Pooled Money Investment Board loans with bond financing.



Senator August Bogina, Jr.
Subcommittee Chair



Senator Bill Brady



Senator Frank Gaines

SUBCOMMITTEE REPORT

Agency: Department of Administration

Bill No. 2721,2728

Bill Sec. 7,3

Analyst: Duffy

Analysis Pg. No. 553

Budget Page No. 22

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 21,633,080	\$ 20,692,028	\$ --
Aid to Local Units	5,503,900	4,377,066	--
Other Assistance	33,290	33,290	--
Subtotal - Operating	<u>\$ 27,170,270</u>	<u>\$ 25,102,384</u>	<u>\$ --</u>
Capital Improvements:	1,302,020	1,122,500	--
TOTAL	<u><u>\$ 28,472,290</u></u>	<u><u>\$ 26,224,884</u></u>	<u><u>\$ --</u></u>
State General Fund:			
State Operations	\$ 20,516,214	\$ 19,619,172	\$ --
Capital Improvements	1,179,520	340,000	--
TOTAL	<u><u>\$ 21,695,734</u></u>	<u><u>\$ 19,959,172</u></u>	<u><u>\$ --</u></u>

Note: In addition to the reportable budget summarized in the preceding table, the Department of Administration submits a nonreportable budget. Such expenditures are included in the reportable operating budgets of user state agencies.

Nonreportable Budget

All Funds:			
State Operations	\$ 62,482,093	\$ 59,973,823	\$ (2,297)
Aid to Local Units	0	0	--
Other Assistance	11,166,000	11,166,000	--
Subtotal - Operating	<u>\$ 73,648,093</u>	<u>\$ 71,139,823</u>	<u>\$ (2,297)</u>
Capital Improvements	1,455,210	1,179,870	--
TOTAL	<u><u>\$ 75,103,303</u></u>	<u><u>\$ 72,319,693</u></u>	<u><u>\$ (2,297)</u></u>
FTE Positions			
Reportable	385.8	374.8	--
Nonreportable	561.2	544.2	--
Total	<u>947.0</u>	<u>919.0</u>	<u>--</u>

Agency Request/Governor's Recommendation

FY 1993 Reportable Budget Summary. The FY 1993 reportable operating request of \$27,170,270 is an increase of 4 percent (\$1,039,957) over the FY 1992 revised operating estimate. The agency's FY 1993 operating budget request includes the following new initiatives: (1) GAAP (Generally Accepted Accounting Principles) Consultant Study -- \$100,000 (SGF); (2) new Program Coordinator position for Drug Abuse program -- \$35,911 (25 percent SGF); (3) payroll/personnel

computer study -- \$150,000 (SGF); (4) 2.0 new FTE positions for Accounts and Reports related to GAAP -- \$69,561 (SGF); and (5) new office space for architectural services -- (\$87,684 (SGF).

The Governor recommends an FY 1993 reportable operating budget of \$25,102,384 which includes the shift of 6.2 FTE positions to the nonreportable budget. The Governor's FY 1993 recommendation: (1) does not fund the GAAP consultant study; (2) does not fund the new drug coordinator position; (3) does fund the payroll/personnel computer study, but funding is shifted to the nonreportable budget; (4) does not fund the requested new positions for Accounts and Reports; and (5) does not fund new office space for Architectural Services. In addition, the Governor recommends the transfer of \$500,500 from the State General Fund to establish a \$1.0 million balance in the State Emergency Fund.

FY 1993 Nonreportable Budget Summary. The FY 1993 nonreportable operating request of \$73,648,093 is an increase of \$5,838,340 or an 8.6 percent increase over the FY 1992 revised operating expenditures. The FY 1993 salary and wage request would support 561.2 FTE positions, a net increase of 21.2 FTE positions over the agency's revised estimate for the current year. The agency's FY 1993 nonreportable operating budget request includes the following new initiatives: (1) expanded debt collection services by the Legal Section -- \$82,342; (2) 5.0 new FTE positions for DISC -- \$160,467; (3) capital outlay for DISC (purchased outright and financed) -- \$1,358,464; (4) 6.0 new FTE positions for Accounts and Reports -- \$219,825; (5) increase in workers' compensation claims -- \$1,650,223; (6) new equipment for the printing plant -- \$213,463; and (7) 294 vehicles requested by the motor pool -- \$2,983,434.

The Governor recommends an FY 1993 nonreportable operating budget of \$71,139,823 including the shift of 6.2 FTE positions from the reportable budget. In response to the agency's request the Governor's FY 1993 recommendation: (1) funds the expanded debt collection services by the legal section; (2) does not fund the requested new positions for DISC; (3) does not fund the new positions for Accounts and Reports; (4) funds expenditures of \$611,352 for DISC capital outlay; (5) concurs with the agency's request for increased expenditures of \$1,650,223 for Workers' Compensation claims; (6) concurs with the agency's request for capital outlay for the printing plant; and (7) funds 266 new vehicles at a cost of \$2,674,845.

House Subcommittee Recommendation

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

Reportable Budget

1. Reduce the State General Fund transfer to the State Emergency Fund by \$500,000. The Subcommittee's recommendation results in a balance of \$500,000 in the State Emergency Fund, pending further allocations.
2. Adjust the appropriation bill to reflect two line items for the State General Fund (salaries and wages and other operating expenditures) for each of the divisions of included in the appropriation bill.

3. The Subcommittee adopts a Governor's Budget Amendment to add the expenditure limitation for official hospitality. It was inadvertently omitted.

Nonreportable Budget

1. Reduce \$2,297 for professional services for Health Benefits Administration. The recommendation provides for \$60,443 for professional services, the same level as FY 1992.
2. The Subcommittee concurs with the level of expenditures for DISC recommended by the Governor, but imposes expenditure limitations on DISC's Information Technology Fund and Information Technology Reserve Fund of \$24,679,505 and \$5,640,184, respectively; and returns the Central Mail Fund to "no limit." Under the Governor's recommendation, the three funds had a combined limitation of \$34,081,693.
3. Add a proviso to the total FTE limitation for the Department of Administration of 919.0 FTE to provide that positions funded from the nonreportable budget shall not exceed 544.2 FTE positions.
4. Correct posting errors in the appropriations bill (H.B. 2721) to accurately reflect the Governor's recommendations: (1) change the State General Fund figure for facilities management from \$2,028,656 to \$2,028,756 and (2) change the figure for the building and ground fund from \$294,596 to \$201,776.
5. The Subcommittee recommends that the Department conduct a study of activities funded from the reportable budget and ascertain whether there are "service" functions of the Department of Administration which would be more appropriately funded from "user fees" (*i.e.*, nonreportable budget) rather than the State General Fund. The Subcommittee asks that the results be reported to the 1993 Legislature, specifically the House Appropriations Subcommittee assigned to the Department of Administration's budget.
6. The Subcommittee encourages Central Mail to aggressively pursue automation initiatives including bar coding of the state's mail to position the state to take advantage of substantial postal discounts offered by the U.S. Postal Service to major mailers who bar code zip+4 mail. The Subcommittee understands that the Department is developing a plan for bar coding the state's mail and is working with state agencies in changing mail preparation and processing. The Subcommittee anticipates that the Department will complete planning and include a proposal in the FY 1994 budget request.

House Committee Recommendation

The House Committee concurs with the House Subcommittee's recommendations, with the following adjustment:

- Delete \$123,000 from the proposed General Facilities Building Fund in H.B. 2728 (capital improvements bill) for Statehouse Parking Reconstruction to be consistent with prior House Appropriation Committee action to fund this project from the State Highway Fund in KDOT's budget.

House Committee of the Whole Recommendation

The House Committee of the Whole concurs.

Expenditure Summary	House Adj. FY 93	House Rec. FY 93	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ --	\$ 20,692,028	\$ --
Aid to Local Units	--	4,377,066	--
Other Assistance	--	33,290	--
Subtotal - Operating	\$ --	\$ 25,102,384	\$ --
Capital Improvements:	(123,000)	999,500	--
TOTAL	\$ (123,000)	\$ 26,101,884	\$ --
State General Fund:			
State Operations	\$ --	\$ 19,619,172	\$ --
Capital Improvements	--	340,000	575,000
TOTAL	\$ --	\$ 19,959,172	\$ 575,000
Nonreportable Budget			
All Funds:			
State Operations	\$ (2,297)	\$ 59,971,526	\$ (30,000)
Aid to Local Units	--	0	--
Other Assistance	--	11,166,000	--
Subtotal - Operating	\$ (2,297)	\$ 71,137,526	\$ (30,000)
Capital Improvements	--	1,179,870	--
TOTAL	\$ (2,297)	\$ 72,317,396	\$ (30,000)
FTE Positions			
Reportable	--	374.8	--
Nonreportable	--	544.2	--
Total	--	919.0	--

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendations with the following adjustments:

Reportable

1. Increase the State General Fund transfer to the State Emergency Fund by \$250,000. The Subcommittee's recommendation results in a balance of \$750,000 in the State Emergency Fund, pending further allocations, compared to the House recommendation of a balance of \$500,000.
2. Shift funding from the proposed General Facilities Building Fund (\$575,000) to the State General Fund in H.B. 2728 (capital improvements bill) on the following projects: exterior stonework statehouse (\$300,000) and rehabilitation and repair -- statehouse (\$139,500), rehabilitation and repair -- judicial center (\$81,000); and rehabilitation and repair -- governor's residence (\$54,500). The Senate Subcommittee's recommendations for rehabilitation and repair projects at the statehouse, judicial center and governor's residence are contained in separate line items.
3. Introduce legislation to mandate a single payroll period for all state officers and employees which would be bi-weekly, effective July 1, 1992. Currently, the State has multiple payroll cycles (monthly, two different semimonthly, and bi-weekly). Conversion to a single payroll cycle would simplify the payroll process and in the long-term reduce costs.
4. The Senate Subcommittee met in executive session to consult with an Assistant Attorney General regarding contracts for the Kansas Financial Information Systems (KFIS). Senator Bill Brady moved, and Senator Frank Gaines seconded the following motion, which was adopted:

I move that the open meeting of the subcommittee on the Department of Administration of the Senate Committee on Ways and Means be recessed for a closed, executive meeting for the purpose of consulting with an Assistant Attorney General regarding contracts for the Kansas Financial Information Systems (KFIS) on matters which are privileged in the attorney-client relationship, that the subcommittee resume the open meeting in Room 123-S of the Statehouse at 10:00 am, and that this motion, if adopted, shall be recorded in the minutes of the subcommittee and shall be maintained as a part of the permanent records of the subcommittee and the Senate Committee on Ways and Means.

In response to legislative concerns about the KFIS project during the 1991 Legislative Session, the Chairman of Ways and Means submitted a letter to the Attorney General on behalf of the Committee to request a review of the contractual obligations of vendors involved with the project, specifically Peat, Marwick and Main. The Senate Subcommittee believes there is no merit in pursuing legal recourse against Peat Marwick and Main. Amendments to the

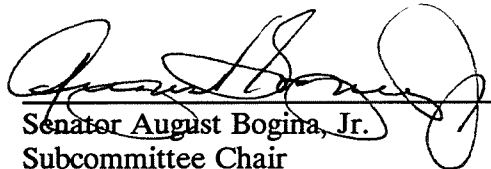
contract made by the Department of Administration which changed the agreement to a contract for a specified number of hours worked, rather than a performance contract eliminated the state's opportunity to pursue legal recourse against the firm for not completing the project. It is the Subcommittee's opinion that the Department of Administration is solely responsible for the significant loss of taxpayer dollars, as a result of the failure of the KFIS project.

5. The current lease for the office space rented by the Division of Architectural Services at 625 Polk expires at the end of this fiscal year. The area leased consists of 11,000 square feet (\$6.94 per square foot) on the main floor and 3,500 square feet (no charge) in the basement used for archive storage. The Department reported that the present facility has several major problems including the lack of handicap accessibility, lighting and mechanical problems, and a less than desirable neighborhood. The Department issued a Request for Proposal in December, 1991 for office space, but has not yet made a decision. The Subcommittee requests a Governor's Budget Amendment on this item if additional funding for rent and moving expenses will be incurred in FY 1993.
6. The Subcommittee requests that the Secretary of Administration study the advantages and disadvantages of providing maintenance and custodial services to state-owned buildings in the immediate vicinity of the capitol complex, such as the Memorial Building and the recently acquired Insurance Department building. The Subcommittee requests that this report and the Secretary's recommendation be made to the Joint Committee on State Building Construction for a recommendation to the 1993 Legislature regarding the role of the Department of Administration in maintaining, repairing and managing state-owned buildings in the capitol complex area.
7. The Subcommittee reviewed the Department's proposal to establish a mechanism to deal with interest payments associated with the federal Cash Management Improvement Act of 1990. The Subcommittee suggests that the Department request a Governor's Budget Amendment for possible inclusion in the omnibus appropriation bill.
8. Make a technical adjustment to the FY 1993 appropriation bill to add a proviso to the Facilities Management -- salaries and wages line item authorizing 1.0 unclassified positions to reflect the Governor's recommendation.

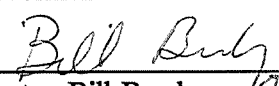
Nonreportable

1. Remove the proviso added by the House which provides that positions funded from the nonreportable budget shall not exceed 544.2 FTE positions.
2. Reduce \$30,000 from the Cafeteria Benefits Fund for consulting services for Health Benefits Administration.
3. Insert language in the FY 1993 appropriation bill to authorize the Secretary of Administration to refinance equipment being financed by state agencies through

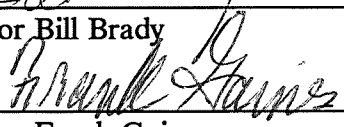
the equipment financing program. Based on current interest rates, there is an estimated net savings of approximately \$390,000. The Subcommittee notes that 1992 H.B. 3168 would authorize the refinancing of Pooled Money Investment Board loans with bond financing.



Senator August Bogina, Jr.
Subcommittee Chair



Senator Bill Brady



Senator Frank Gaines