

Approved: _____

3/6/95

Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Robin Jennison at 3:30 p. m. on February 16, 1995 in Room 514-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Julian Efir, Legislative Research Department
Patricia Pierron, Legislative Research Department
Kathy Porter, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Susan Wieggers, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Lenore Olson, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

Subcommittee reports were given for FY 95 and FY 96 for the Department of Administration, KPERS, Kansas Corporation Commission, Human Rights Commission, and Commission on Governmental Standards and Conduct covered under **HB 2264**.

HB 2264 - Appropriations for FY 96, KPERS, corporation, commission of governmental standards and conduct, human rights commission, corporation commission, citizen's utility ratepayers board, department of administration.

Representative Lowther presented the subcommittee reports for the Kansas Public Employees Retirement System (KPERS) for FY 95 and FY 96 (Attachment 1). A motion was made by Representative Lowther, seconded by Representative Dean, to adopt the subcommittee reports for FY 95 and FY 96 for KPERS. The motion carried.

The subcommittee reports for FY 95 and FY 96 for the Kansas Corporation Commission (KCC) were presented by Representative Kejr (Attachment 2). A motion was made by Representative Gross, seconded by Representative Reinhardt, to amend the subcommittee report for FY 96 for the KCC, to restore the 6.0 FTE positions in the conservation division, to include the funding for these positions. The motion failed with a count of 7 ayes and 11 nays.

A motion was made by Representative Helgerson, seconded by Representative Kejr, to add to the subcommittee report for FY 96 for the KCC, that the intent of the Appropriations Committee is not to cut the number of wells plugged from 150, that KCC needs time to review this issue, and that the Senate should review the impact that the removal of these positions would have on the plugging of these wells. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Kejr, to include in the FY 96 subcommittee report for the KCC, that the subcommittee has reviewed the performance measures for the KCC and they are comfortable with these indicators. The motion carried.

A motion was made by Representative Kejr, seconded by Representative Reinhardt, to include in the subcommittee report for FY 96 for the KCC, that the Appropriations Committee recommends an interim study on setting up a fund to pay for plugging wells. The motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 p.m. on February 16, 1995.

A motion was made by Representative Kejr, seconded by Representative Cornfield, to adopt as amended the subcommittee reports for FY 95 and FY 96 for the KCC. The motion carried.

Representative Carmody presented the subcommittee reports for FY 95 and FY 96 for the Department of Administration (Attachment 3). A motion was made by Representative Carmody, seconded by Representative Gatlin, to correct a typographical error in the subcommittee report for FY 96 for the Department of Administration at the end of the third paragraph under subcommittee recommendation number 2. The last sentence should read, "SRS and SHARP personnel are currently assessing SRS' needs on currently-owned computer equipment." The motion carried.

Representative Carmody presented the Public Broadcasting Council portion of the FY 96 subcommittee report on the Department of Administration (Attachment 3).

A motion was made by Representative Carmody, seconded by Representative Gatlin, to adopt as amended, the subcommittee reports for FY 95 and FY 96 for the Department of Administration. The motion carried.

The subcommittee reports for FY 95 and FY 96 for the Kansas Human Rights Commission were presented by Representative Neufeld (Attachment 4). A motion was made by Representative Neufeld, seconded by Representative Farmer, to adopt the subcommittee reports for FY 95 and FY 96 for the Kansas Human Rights Commission. The motion carried.

Representative Carmody presented the subcommittee reports for FY 95 and F& 96 for the Commission on Governmental Standards and Conduct (Attachment 5). A motion was made by Representative Carmody, seconded by Representative Gatlin, to adopt the subcommittee reports for FY 95 and FY 96 for the Commission on Governmental Standards and Conduct. The motion carried.

Representative Kejr presented the subcommittee reports for FY 95 and FY 96 for the Citizens' Utility Ratepayer Board (CURB) (Attachment 6). A motion was made by Representative Kejr, seconded by Representative Cornfield, to adopt the subcommittee reports for FY 95 and FY 96 for CURB. The motion carried.

The meeting recessed at 5:20 p.m. and reconvened at 5:30 p.m.

A motion was made by Representative Nichols, seconded by Representative Gross, to amend the subcommittee report for the Kansas Human Rights Commission by taking \$102,591 from \$125,000 in unspent funds for contract investigations and reappropriate it for FY 96 with the intent of restoring the 23.0 FTE's. The motion failed.

A motion was made by Representative Gatlin, seconded by Representative Gross, to introduce a bill regarding the Kansas Human Rights Commission which would remove the statutory requirement for a hearing officer and would allow the agency to contract for the hearings. The motion carried.

A motion was made by Representative Dean, seconded by Representative Reinhardt, to amend the adopted subcommittee report for FY 96 for CURB, to utilize the Governor's recommendation for expenditures of \$368,576, a reduction of \$21,078 collected from assessments on utilities fees and paid to consultants.

A substitute motion was made by Representative Gross to make no changes to the CURB portion of HB 2264 until it has been addressed by the Legislature. The motion died for lack of a second.

A vote was taken on the motion to amend by Representative Dean and the motion failed with a count of 9 ayes and 12 nays. Representatives Dean, Gross, Helgerson, Hochhauser, Nichols, and Reinhardt requested to be recorded as voting aye.

A motion was made by Representative Hochhauser, seconded by Representative Gross, to amend the CURB FY 96 subcommittee recommendation no. 3 to reflect that CURB intervened on behalf of a \$3 million to \$4 million annual rate increase.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 p.m. on February 16, 1995.

A substitute motion was made by Representative Bradley, seconded by Representative Kejr to amend the CURB FY 96 subcommittee recommendation no. 3 to change the last sentence to read: In a case before the Corporation Commission involving a request by Kansas Pipeline Partnership and Kansas Natural Partnership, CURB was the only party that intervned on behalf of a rate increase. The motion carried.

A motion was made by Representative Gatlin, seconded by Representative Helgerson, to strike the CURB FY 96 subcommittee recommendation that legislation be introduced to abolish CURB effective July 1, 1995. The motion failed with a count 6 ayes and 12 nays. Representative Helgerson requested to be recorded as voting aye.

A motion was made by Representative Helgerson, seconded by Representative Dean, to amend the FY 96 subcommittee report for the Public Broadcasting Council to use \$150,000 in State General Fund dollars rather than in EDIF. The motion failed.

A motion was made by Representative Carmody, seconded by Representative Neufeld, to recommend **HB 2264** favorable for passage as amended. The motion carried with a count of 11 ayes and 7 nays.

A motion was made by Representative Dean, seconded by Representative Mollenkamp, to approve the minutes of February 13 and February 14, 1995.

The meeting adjourned at 6:45 p.m.

The next meeting is scheduled for February 20, 1995.

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 2/16/95

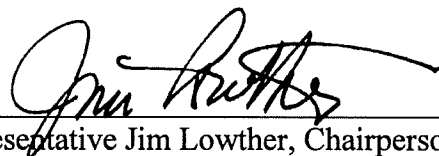
| NAME | REPRESENTING |
|---------------------|--|
| Dore Wilson | Kansas Public Broadcasting Council (KPOB/KSWK) |
| Howard Hill | KPBC (KNAV-FM) |
| Paul Francis | KCAT-TV |
| Dale N. Anderson | KTWU-TV |
| ZOEL PARENTEAU | KPTS, WICW/TA |
| Robert G. Way | KHRC |
| LARRY JACKSON | KKSU - Am, Manhattan |
| Jim Howard | KRPS Pittsburg |
| DALE BOLTON | KANZ Garden City |
| Matt Holt | KCC/Student |
| Bruce Roberts | Dept of Admin Disc |
| Don Heiman | " " " |
| Jon McKenzie | KCC |
| Boeth Runnbaun | CUKB |
| Ann Carlin Ozegovic | DHR |
| Martha Sabekatt | DHR - KCD |
| Sammy Jall | DoA |
| Jeff Wozniak | DoA |
| Janey Magnusson | DoA |

SUBCOMMITTEE REPORT

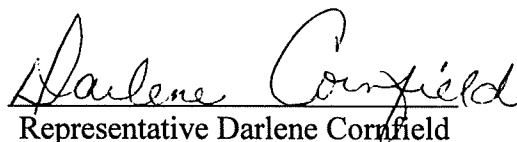
Kansas Public Employees Retirement System (KPERs)

FY 1995 and FY 1996

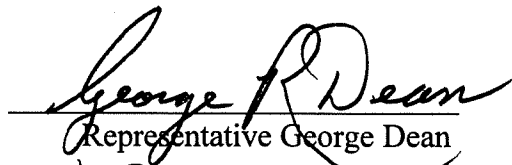
February 13, 1995



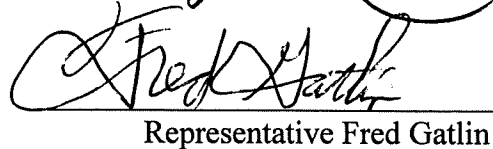
Representative Jim Lowther, Chairperson



Representative Darlene Cornfield



Representative George Dean



Representative Fred Gatlin



Representative Rocky Nichols

2/16/95

Appropriations Committee
Attachment 1

SUBCOMMITTEE REPORT

Agency: Kansas Public Employees
Retirement System (KPERs)

Bill No. 2234

Bill Sec. --

Analyst: Efird

Analysis Pg. No. 785

Budget Page No. 359

| Expenditure Summary | Agency Estimate FY 95 | Governor's Recommendation FY 95 | House Subcommittee Adjustments |
|------------------------------|-----------------------------|---------------------------------------|--------------------------------------|
| State Operations | \$ 20,718,024 | \$ 20,684,521 | \$ (61,549) |
| Other Assistance | 326,166,705 | 326,166,705 | 0 |
| TOTAL | \$ 346,884,729 | \$ 346,851,226 | \$ (61,549) |
| FTE Positions | 76.0 | 76.0 | 0.0 |
| Special Project Appointments | 0.0 | 0.0 | 0.0 |
| TOTAL | 76.0 | 76.0 | 0.0 |

Note: Funding for the KPERs--School employer contributions is included in the Department of Education's budget.

Agency Estimate/Governor's Recommendation

The revised budget for the current fiscal year is \$25.6 million higher than the approved expenditures for the Kansas Public Retirement System (KPERs). For agency operations, the KPERs Board includes an expenditure limitation decrease of \$5,766 for the administrative expenses associated with agency operations. No additional positions are requested in FY 1995. For investment-related expenses, the Board estimates a reduction of \$1.1 million from the approved amount. For benefit payments, the estimate for retirement, death and disability payments is \$26.6 million higher than estimated last year.

The Governor concurs with the KPERs revisions with one exception. For state operations, the Governor concurs with a decrease of \$5,766 in expenditures for agency operations, with no reduction in the authorized expenditure limitation recommended in the supplemental appropriations bill. For state aid and other assistance, the Governor concurs with the agency's revised estimates.

Differences Between Approved and Revised FY 1995 Budget

| | Approved FY 1995 | Agency's Changes | Governor's Changes |
|-----------------------------|-----------------------|----------------------|-----------------------|
| Agency Admin. Expenses | \$ 4,157,364 | \$ (5,766) | \$ (5,766) |
| Investment-Related Expenses | 17,627,496 | (1,094,573) | (1,094,573) |
| Retirement/ Other Benefits | 299,520,620 | 26,646,085 | 26,646,085 |
| Total | \$ 321,305,480 | \$ 25,579,249 | \$ 25,545,746 |
| FTE Positions | 76.0 | -- | -- |

1-2

House Subcommittee Recommendation

The Subcommittee concurs with the Governor and makes the following additional adjustments to the FY 1995 budget:

1. Add \$15,000 for overtime salaries and wages and increase the expenditure limitation for Agency Operations as required in the supplemental appropriations bill (H.B. 2234).
2. Reduce \$76,549 for investment related fees paid to the KPERS financial managers.

SUBCOMMITTEE REPORT

Agency: Kansas Public Employees Retirement System (KPERs)

Bill No. 2264

Bill Sec. 2

Analyst: Efird

Analysis Pg. No. 785

Budget Page No. 359

| <u>Expenditure Summary</u> | <u>Agency Request FY 96</u> | <u>Governor's Recommendation FY 96</u> | <u>House Subcommittee Adjustments</u> |
|------------------------------|---------------------------------|--|---|
| State Operations | \$ 22,121,065 | \$ 21,967,061 | \$ (468,629) |
| Other Assistance | 349,621,383 | 349,621,383 | 0 |
| TOTAL | <u>\$ 371,742,448</u> | <u>\$ 371,588,444</u> | <u>\$ (468,629)</u> |
| FTE Positions | 78.0 | 76.0 | 0.0 |
| Special Project Appointments | 0.0 | 0.0 | 0.0 |
| TOTAL | <u>76.0</u> | <u>76.0</u> | <u>0.0</u> |

Note: Funding for the KPERs--School employer contributions is included in the Department of Education's budget.

The Kansas Public Retirement System (KPERs) administers three statewide coverage groups: KPERs (for regular state and local employees, school employees, and correctional officers), Kansas Police and Firemen's Retirement System, and Kansas Retirement System for Judges. All coverage groups are defined benefit, contributory plans and have as members most public employees in Kansas. KPERs also administers several other employee benefit and retirement programs: a public employee death and disability benefits program; an optional term life insurance program; a Kansas City Kansas annuitant program; and a legislative employees retirement program.

There are three major programs within the KPERs budget: (1) Operations which handles the daily administrative activities of the System; (2) Benefits which distributes all retirement payments made by the System; and (3) Investment Related Expenses which allows monitoring of investment related fees and contracts.

Agency Request/Governor's Recommendation

The agency estimates a net increase of almost \$24.9 million in FY 1996 expenditures. For state operations, an increase of \$162,364 is requested, primarily due to higher personnel costs, including two new staff. For benefit payments, the FY 1996 estimate for retirement, death and disability payments is an increase of almost \$23.4 million over the current fiscal year.

The Governor's recommendations result in an increase of \$24.8 million in operating expenditures next fiscal year, or approximately the same as the agency's request. For state operations, the Governor concurs with the estimate for investment-related expenses and maintains staffing at the current level, with funding of \$90,909 less than requested by the Board recommended. For other assistance, the Governor concurs with increased benefit payments.

1-4

House Subcommittee Recommendation

The Subcommittee concurs with the Governor and makes the following additional adjustments in the FY 1996 budget:

1. Reduce \$68,255 from Agency Operations for salaries and benefits enhancements which were recommended by the Governor for classified and unclassified personnel.
2. Remove \$48,000 for SHaRP computers and add a like amount to the Department of Administration's budget for the same purpose, subject to determination that the quantity and configuration of equipment needed for the personnel/payroll project is appropriate to this agency.
3. Reduce \$382,374 for investment related fees paid to the KPERS financial managers based on new information provided by KPERS staff concerning adjustments in the estimates costs of the different contracts.
4. Add \$30,000 for contract programming in order for KPERS to develop an integrated claims subsystem and to write documentation for this subsystem. Currently, claims are handled manually, and a computer-based system will improve processing of withdrawal, retirement and death benefit transactions.
5. Recommend that legislation be included in the KPERS omnibus bill to establish a new, unclassified position of Assistant Financial Manager and that the funding of this new position be considered during the Omnibus Appropriations deliberations, if the authorizing legislation passes.
6. Provide additional information about the insurance and disability programs administered by Security Benefit since these financial transactions are not included in the KPERS budget for review by the Legislature. For budget purposes, this program is an off-budget expense and is not included in the budget document reviewed by the Legislature, except that the narrative includes a description of the activities related to this program.

The death and disability benefits program was established in 1966 by K.S.A. 74-4927 *et seq* and total benefits have been paid to members and beneficiaries in excess of \$227 million. KPERS contracts with the Security Benefit Life (SBL) to administer the program. The three components to the program are (1) the basic life insurance program which offers coverage of 150 percent of members' current annual salary; (2) the optional life insurance program which offers members paid coverage up to \$200,000; and (3) the disability income program, a self-insured component which offers coverage up to 67 percent of members' current annual salary. Only lump sum death benefits provided under K.S.A. 74-4989 are included in the reportable part of the KPERS budget.

Financing for this program is derived from a portion of the participating employer contributions to support the regular death and disability components and from the employees for the optional life insurance component. The employer contribution rate is 0.6 percent of payroll, as determined by the KPERS actuarial valuation. For

the State and School employers, this amount is included in the KPERS employer paid assessment of 3.3 percent in FY 1995 and 3.4 percent in FY 1996. The remaining portions of the employer's contributions are allocated to the normal cost and amortization of retirement.

The audited revenues and expenses are taken from the actuarial report for the financial activity associated with the insurance and disability programs. KPERS transferred to SBL \$30.3 million in FY 1994, of which \$26.7 million was paid in benefits by SBL (\$11.2 million for death benefits and \$15.5 million for disability benefits). The administrative services fee was \$244,878 in FY 1994. A 10 percent increase in the fee per transaction cost of administering this service has been requested by SBL in FY 1995. Originally, KPERS staff had discussed the possibility of putting this contract out for bids July 1, 1995, but later indicated that the bid process might not begin until December, 1995.

SUBCOMMITTEE REPORT

Agency: Kansas Corporation Commission

Bill No. --

Bill Sec. --

Analyst: Rampey

Analysis Pg. No. 771

Budget Page No. 126

| <u>Expenditure Summary</u> | <u>Agency Estimate FY 95</u> | <u>Governor's Recommendation FY 95</u> | <u>House Subcommittee Adjustments</u> |
|-------------------------------|--------------------------------------|--|---|
| All Special Revenue Funds: | | | |
| State Operations | \$ 12,612,640 | \$ 12,749,824 | \$ 0 |
| Aid to Local Units | 742,475 | 742,475 | 0 |
| Other Assistance | 0 | 0 | 0 |
| TOTAL | <u>\$ 13,355,115</u> | <u>\$ 13,492,299</u> | <u>\$ 0</u> |
| FTE Positions | 224.0 | 224.0 | -- |
| Special Projects Appointments | 2.0 | 2.0 | -- |

Agency Overview

The State Corporation Commission is allocated 224 FTE positions. Its main office is in Topeka, with field offices in Wichita (the headquarters of the conservation division), Chanute, Dodge City, and Hays. All of the Commission's funding is from special revenue sources, including fees assessed entities that the Commission regulates. Three of the Commission's main sources of revenue -- the Public Service Regulation Fund, the Motor Carrier License Fees Fund, and the Conservation Fee Fund -- were given an aggregate expenditure limit by the Legislature beginning in FY 1994. The aggregate limit allows the Commission the flexibility to make expenditures from any of the three funds as long as it stays within the overall limit.

Agency Estimate/Governor's Recommendation

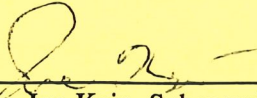
The Commission estimates expenditures of \$13,355,115 in the current year. A potential shortfall in revenues to the Conservation Fee Fund, which was the subject of legislative scrutiny during the 1994 Session, appears to have been averted. In August, the Commission became the first agency to occupy space in the new Wichita state office building when it moved its Wichita-based conservation division.

The Governor recommends expenditures of \$13,492,299, an increase of \$137,184 over the Commission's estimate. The increase is the net effect of reductions in salaries offset by a federal grant in the amount of \$190,732 that was received after the budget was submitted. The 1994 Legislature directed the Commission in SCR No. 1627 to submit an application for a state telecommunications planning grant to the National Telecommunications and Information Administration of the United States Department of Commerce. The state plan is to be developed by the Telecommunications Strategic Planning Committee, which was created by the 1994 Legislature. Other changes made by the Governor to the Commission's FY 1995 estimate include shifting \$100,000 in salary savings in the conservation division to well plugging activities.

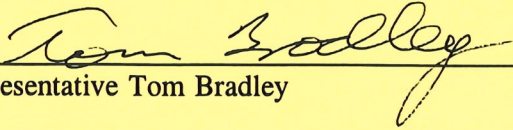
*2/16/95
Appropriations Cmte
Attachment 2*

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.



Representative Joe Kejr, Subcommittee Chair



Representative Tom Bradley

Representative Richard Edlund



SUBCOMMITTEE REPORT

Agency: Kansas Corporation Commission

Bill No. 2264

Bill Sec. 5

Analyst: Rampey

Analysis Pg. No. 771

Budget Page No. 126

| <u>Expenditure Summary</u> | <u>Agency Request FY 96</u> | <u>Governor's Recommendation FY 96</u> | <u>House Subcommittee Adjustments</u> |
|-------------------------------|---------------------------------|--|---|
| All Special Revenue Funds: | | | |
| State Operations | \$ 13,596,731 | \$ 12,915,032 | \$ (630,665) |
| Aid to Local Units | 775,000 | 775,000 | 0 |
| Other Assistance | 0 | 0 | 0 |
| TOTAL | <u>\$ 14,371,731</u> | <u>\$ 13,690,032</u> | <u>\$ (630,665)</u> |
| FTE Positions | 224.0 | 224.0 | (10.0) |
| Special Projects Appointments | 1.0 | 1.0 | 0.0 |

Agency Request/Governor's Recommendation

The Commission requests authority to spend \$14,371,731 in FY 1996. The amount is an increase of \$1,016,616 over the current year. Major areas of increase include salaries and wages (an increase of \$223,854), and capital outlay (an increase of \$219,681). No new positions are requested. Although the Commission expects an active year with anticipated rate filings and is expected to consider and possibly adopt rules and regulations related to Integrated Resource Planning (IRP), the Chairperson of the Commission believes that, as long as the Commission has adequate funding to hire consultants as needed, it is better for the Commission to request permanent staff only when the need is clearly demonstrated. Other activities that will engage the Commission in FY 1996 include the continuation of its involvement in developing the Telecommunications Strategic Plan mandated by the 1994 Legislature in S.C.R. 1627. In activities that began in FY 1995 and will continue into FY 1996, the Commission is represented on the Telecommunications Strategic Planning Committee that will develop the Plan and is directed to hold hearings concerning telecommunication technologies, services, and competition.

For FY 1996, the Governor recommends expenditures of \$13,690,032, a reduction of \$681,699 from the Commission's request. Of the reduction, \$249,045 is for non-salary operating expenses (excluding capital outlay). The recommended level for these expenses generally would maintain current operations. The remaining portion of the reduction is in the area of capital outlay, which is reduced by \$436,100 (from \$691,536 to \$255,436).

House Subcommittee Recommendations

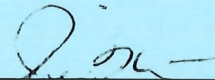
The House Subcommittee concurs with the recommendations of the Governor, with the following exceptions:

1. Delete \$309,186 based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$103,329); classified step movement (\$90,253); a one percent base adjustment for classified employees (\$49,925); and the longevity bonus (\$65,679) from individual agency budgets.

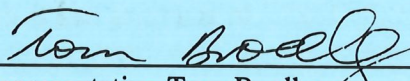
2. Delete \$17,332 from the aggregate expenditure limitation on the Public Service Regulation Fund, the Motor Carrier License Fees Fund, and the Conservation Fee Fund based on the House Appropriations Committee's recommendation to delete funding for computer equipment and software related to the state's new payroll system.

3. Delete 10.0 FTE positions, resulting in a reduction of \$304,147. In recent years, the Commission has had a high turnover rate: The rate was 9.4 percent in FY 1992, 9.9 percent in FY 1993, and 7.0 percent in FY 1994. As of February 1, 1995, 22.5 FTE positions were vacant, which represent 10 percent of the Commission's allocation. It is true that 7.5 FTE positions have been held vacant in the conservation division for more than a year because of a shortfall to the Conservation Fee Fund. But 12 of the vacant positions are in other divisions, including one that has been vacant since December, 1989, and another that has been vacant since June, 1992. Furthermore, 13 of the positions are classified, indicating that the large number of vacancies cannot be attributed solely to changes in unclassified positions that are expected when there is a change in administrations.

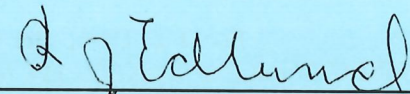
At the Subcommittee's direction, the choice of which positions to cut was made by the Commission. The positions include 1.0 FTE position in the utilities division, 6.0 FTE positions in the conservation division, 1.0 FTE position in the transportation division, and 2.0 FTE positions in the energy division.



Representative Joe Kejr
Subcommittee Chair



Representative Tom Bradley




Representative Richard Edlund

Subcommittee Report

1995 House Bill 2264

Section 7

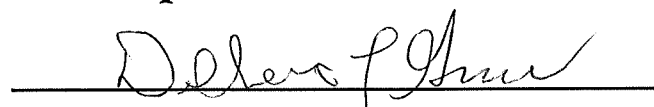
Department of Administration



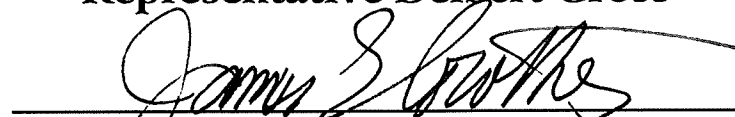
Representative Tim Carmody, Chair



Representative Fred Gatlin



Representative Delbert Gross



Representative James Lowther

*2/16/95
Appropriations Cmte
Attachment 3*

SUBCOMMITTEE REPORT

Agency: Department of Administration

Bill No. 2234

Bill Sec. 10

Analyst: Porter

Analysis Pg. No. 799

Budget Page No. 19

| <u>Expenditure Summary</u> | <u>Agency Estimate FY 95</u> | <u>Governor's Recommendation FY 95</u> | <u>House Subcommittee Adjustments</u> |
|------------------------------|--------------------------------------|--|---|
| All Funds: | | | |
| State Operations | \$ 20,460,389 | \$ 20,432,798 | \$ 0 |
| Aid to Local Units | 565,358 | 565,358 | 0 |
| Other Assistance | 3,185,906 | 3,185,906 | 0 |
| Subtotal - Operating | \$ 24,211,653 | \$ 24,184,062 | \$ 0 |
| Capital Improvements | 1,572,551 | 1,676,951 | 0 |
| TOTAL | <u>\$ 25,784,204</u> | <u>\$ 25,861,013</u> | <u>\$ 0</u> |
| State General Fund: | | | |
| State Operations | \$ 19,646,905 | \$ 19,618,457 | \$ 0 |
| Aid to Local Units | 144,358 | 144,358 | 0 |
| Other Assistance | 847,642 | 847,642 | 0 |
| Capital Improvements | 1,155,139 | 1,259,539 | 0 |
| TOTAL | <u>\$ 21,794,044</u> | <u>\$ 21,869,996</u> | <u>\$ 0</u> |
| FTE Positions: | | | |
| Reportable | 345.9 | 345.9 | -- |
| Nonreportable | 572.1 | 571.8 | -- |
| Subtotal FTE | 918.0 | 917.7 | -- |
| Special Project Appointments | 5.0 | 5.0 | -- |
| TOTAL | <u>923.0</u> | <u>922.7</u> | <u>--</u> |

Agency Estimate/Governor's Recommendation

Reportable Budget Summary. The Department of Administration estimates FY 1995 reportable operating expenditures of \$24,211,653, a reduction of \$3,801,209 from actual FY 1994 expenditures of \$28,012,862. The majority of the reduction (\$3,735,713) is from aid to local units, and reflects the transfer of federal U.S. Bureau of Justice assistance grant funds from the budget of the Department of Administration to the budget of the Kansas Sentencing Commission for distribution by the Criminal Justice Coordinating Council. The estimate also reflects no expenditures for the Executive Satellite Office. This function has been transferred to the budget of the Governor's Office.

The Governor recommends FY 1995 operating expenditures of \$24,184,062. The recommendation reflects a reduction of \$27,591 from the agency estimate for salaries and wages. The reduction is the net result of a downward adjustment for revised health insurance rates and other salaries and

wages adjustments. The Governor concurs with the agency estimate for other operating expenditures. The Governor recommends \$104,400 from the State General Fund for preliminary planning for the renovation of Memorial Hall. The agency had requested funding in the same amount in FY 1996 for this project.

NONREPORTABLE BUDGET

In addition to the reportable budget summarized above, the Department of Administration submits a nonreportable budget. Nonreportable expenditures are expenditures of funds which have come to the Department of Administration as fees or services funds collected from other agencies. These amounts are included as reportable operating expenditures in the budgets of the state agencies using Department of Administration services. If these amounts were to be included as reportable expenditures within the Department of Administration budget, it would constitute a double reporting of the expenditures. The Department of Administration's nonreportable budget is summarized below.

| Nonreportable Budget | | | |
|----------------------|------------------------------|----------------------------------|-----------------------------------|
| <u>Expenditure</u> | <u>Agency Est. FY 95</u> | <u>Governor's Rec. FY 95</u> | <u>House Sub. Adjustments</u> |
| All Funds: | | | |
| State Operations | \$ 71,349,655 | \$ 71,409,799 | \$ 0 |
| Other Assistance | 15,814,858 | 15,814,858 | 0 |
| Total -- Operating | \$ 87,164,513 | \$ 87,224,657 | \$ 0 |
| Capital Improvements | 1,976,618 | 1,976,618 | 0 |
| TOTAL | <u>\$ 89,141,131</u> | <u>\$ 89,201,275</u> | <u>\$ 0</u> |

Nonreportable Budget Summary. The agency requests total FY 1995 nonreportable operating expenditures of \$87,164,513, an increase of \$9,276,988, or 11.9 percent, above FY 1994 actual expenditures of \$77,887,525. Of the increase, the majority (\$8,222,711) is in contractual services.

The Governor recommends FY 1995 nonreportable operating expenditures of \$87,224,657, an increase of \$60,144 from the agency estimate. The increase is the net result of a \$68,716 reduction from the agency estimate for salaries and wages resulting from revised health insurance rates and other adjustments and an increase of \$128,860 for contractual services. The increase in contractual services reflects a change in the way the Debt Setoff Program will account for contract collectors' revenues and fees rather than an actual increase in expenditures.

House Subcommittee Recommendation

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

1. The Subcommittee notes the Committee's standing recommendation to delete funding recommended by the Governor for individual agencies for the SHARP Project (the Statewide Human Resource and Payroll System Project). The deleted funding would be appropriated or transferred to the Department of Administration in the 1995 Omnibus bill. This mechanism will provide additional SHARP Project oversight of equipment purchases and will allow central reporting of all expenditures for the SHARP Project. Funding approved by the Governor in FY 1995 for SHARP equipment includes \$3,000 SGF and \$313,677 from all other funds.
2. The Subcommittee notes that the Governor recommends FY 1995 funding of \$104,400 for renovation of Memorial Hall (the Kansas State Historical Society building). The agency had requested FY 1996 funding for the project, which would include preparing a program statement and schematic design drawings outlining space to be used by those agencies considered for consolidation into Memorial Hall when it is vacated by the Historical Society. The Subcommittee notes that the Governor's recommendation would accelerate the project schedule and could help to address state agency space needs in a more timely manner. The Subcommittee recommends that the progress of Memorial Hall renovation efforts be reviewed during the Omnibus session.
3. Make technical adjustments to the bill to carry out the recommendations of the Governor.

SUBCOMMITTEE REPORT

Agency: Department of Administration

Bill No. 2264

Bill Sec. 7

Analyst: Porter

Analysis Pg. No. 799

Budget Page No. 19

| <u>Expenditure Summary</u> | <u>Agency Request FY 96</u> | <u>Governor's Recommendation FY 96</u> | <u>House Subcommittee Adjustments</u> |
|------------------------------|---------------------------------|--|---|
| All Funds: | | | |
| State Operations | \$ 23,888,248 | \$ 22,508,184 | \$ (471,843) |
| Aid to Local Units | 995,063 | 491,463 | 22,119 |
| Other Assistance | 4,415,891 | 3,244,601 | 127,881 |
| Subtotal - Operating | \$ 29,299,202 | \$ 26,244,248 | \$ (321,843) |
| Capital Improvements | 2,442,230 | 1,579,500 | 250,000 |
| TOTAL | \$ 31,741,432 | \$ 27,823,748 | \$ (71,843) |
| State General Fund: | | | |
| State Operations | \$ 23,184,632 | \$ 19,690,147 | \$ (454,007) |
| Aid to Local Units | 365,337 | 225,463 | 0 |
| Other Assistance | 2,112,237 | 1,454,513 | 0 |
| Capital Improvements | 2,380,730 | 1,535,500 | 0 |
| TOTAL | \$ 28,042,936 | \$ 22,905,623 | \$ (454,007) |
| FTE Positions: | | | |
| Reportable | 344.2 | 330.6 | -- |
| Nonreportable | 576.8 | 578.4 | -- |
| Subtotal FTE | 921.0 | 909.0 | -- |
| Special Project Appointments | 5.0 | 5.0 | -- |
| TOTAL | 926.0 | 914.0 | -- |

Agency Request/Governor's Recommendation

Reportable Budget Summary. The agency requests a total of \$29,299,202 for operating expenditures in FY 1996, an increase of \$5,087,549, or 21.0 percent, above the FY 1995 estimate of \$24,211,653. Requested financing from the State General Fund of \$23,184,632 is an increase of \$3,537,727, or 18.0 percent, above the FY 1995 estimate of \$19,646,905. Of the \$5,087,549 increase for state operations, \$2,100,000 reflects an increase above the FY 1995 estimate in the amount requested from the State General Fund for the Statewide Human Resource and Payroll System Project (SHARP). Increases above the FY 1995 estimate are requested for salaries and wages (\$471,293), contractual services (\$2,325,314, of which \$2,100,000 is requested within the Office of the Secretary for the SHARP Project), commodities (\$87,686), capital outlay (\$205,405), debt service (\$338,161), aid to local units (\$429,705), and other assistance (\$1,229,985). The agency request for salaries and wages includes an agency-wide turnover rate of 2.5 percent (a reduction of \$351,628 from the salaries and wages base).

3-5

The Governor recommends FY 1996 reportable operating expenditures of \$26,244,248, a reduction of \$3,054,954 from the agency request. Funding of \$19,690,147 is recommended from the State General Fund, a reduction of \$3,494,485 from the agency request. Of the SGF reduction, the majority is due to the Governor's recommendation of \$2,100,000 for the SHARP Project from the State Budget Stabilization Fund rather than the State General Fund, as requested by the agency. Reductions are recommended from the agency requests for salaries and wages (\$669,509), contractual services (\$318,495), commodities (\$47,200), capital outlay (\$344,860), aid to local units (\$503,600), and other assistance (\$1,171,290). The Governor recommends an agency-wide reportable budget turnover rate of 4.0 percent (a reduction of \$529,188 from the salaries and wages base), as compared with the 2.5 percent rate included in the agency request.

NONREPORTABLE BUDGET

In addition to the reportable budget summarized above, the Department of Administration submits a nonreportable budget. Nonreportable expenditures are expenditures of funds which have come to the Department of Administration as fees or services funds collected from other agencies. These amounts are included as reportable operating expenditures in the budgets of the state agencies using Department of Administration services. If these amounts were to be included as reportable expenditures within the Department of Administration budget, it would constitute a double reporting of the expenditures. The Department of Administration's nonreportable budget is summarized below.

| Nonreportable Budget | | | |
|-----------------------------|------------------------------|----------------------------------|---|
| <u>Expenditure</u> | <u>Agency Req. FY 96</u> | <u>Governor's Rec. FY 96</u> | <u>House Subcommittee Adjustments</u> |
| All Funds: | | | |
| State Operations | \$ 73,228,870 | \$ 71,030,193 | \$ (637,956) |
| Other Assistance | 15,800,000 | 15,800,000 | 0 |
| Total -- Operating | <u>\$ 89,028,870</u> | <u>\$ 86,830,193</u> | <u>\$ (637,956)</u> |
| Capital Improvements | 1,604,987 | 1,604,987 | 0 |
| TOTAL | <u><u>\$ 90,633,857</u></u> | <u><u>\$ 88,435,180</u></u> | <u><u>\$ (637,956)</u></u> |

Nonreportable Budget Summary. The agency requests FY 1996 nonreportable operating expenditure authority of \$89,028,870, an increase of \$1,864,357, or 2.1 percent, above the FY 1995 estimate of \$87,164,513. The increase for state operations totals \$1,879,215, and is offset by a reduction in the amount requested for other assistance (\$14,858), which is primarily for workers compensation payments. The FY 1996 request includes an agency-wide nonreportable salaries and wages turnover rate of 3.3 percent (a reduction of \$684,851 from the salaries and wages base).

The Governor recommends FY 1996 nonreportable operating expenditure authority of \$86,830,193, a reduction of \$2,198,677 from the agency request. The reduction is from the request for state operations. The Governor concurs with the agency's request for other assistance. Reductions are recommended from the agency requests for salaries and wages (\$49,377), contractual services (\$561,257),

commodities (\$41,527), and capital outlay (\$1,546,516). The Governor includes an FY 1996 agencywide nonreportable salaries and wages turnover rate of 3.9 percent (a reduction of \$815,837 from the salaries and wages base), as compared with the 3.3 percent rate included in the agency request.

House Subcommittee Recommendation

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

1. Delete \$1,109,799 (including \$454,007 from the State General Fund) based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$62,527); classified step movement (\$453,301); a one percent base adjustment for classified employees (\$259,877); and the longevity bonus (\$334,094) from individual agency budgets.
2. The Subcommittee reviewed the progress of the SHARP Project, including FY 1995 and FY 1996 funding for the project. The Subcommittee notes that the Department of Administration has worked extensively with state agencies to determine individual agency personnel/payroll needs, the types of reports agencies need to generate, and available personnel and equipment, and commends the agency for its efforts.

As in the FY 1995 report, the Subcommittee notes the Committee's standing recommendation to delete funding recommended by the Governor for individual agencies for the SHARP Project. The deleted funding is to be appropriated or transferred to the Department of Administration in the 1995 Omnibus bill. FY 1996 SHARP equipment funding approved by the Governor includes \$303,591 from the SGF and \$55,530 from all other funds. This does not include funding for equipment for the Department of Social and Rehabilitation Services (SRS). SRS and SHARP computer equipment.

The Subcommittee further notes that, with the implementation of the SHARP system, it will be possible for state employees to deposit specified portions of their pay into multiple accounts. Formerly, the direct deposit option allowed deposit of the entire paycheck amount into only one account. The Department of Administration stated that it will aggressively promote the direct deposit option.

3. The Subcommittee notes one additional outcome of the transition to the SHARP system. 1995 S.B. 175 would update present personnel terminology and functions to coincide with changes made possible by the transition to SHARP system technology. Among other provisions, the agency states that S.B. 175 would simplify the application process for candidates for state positions. Currently, applicants complete an application for examination for each job class for which they want to apply. Applicants are then scored and placed on an eligible list for that class. Often, in the present system, applicants believe they are applying for a vacant position, but in reality they are only being ranked for a list that will be used at a later time if and when there is a vacancy in that particular class.

The agency states that, with the passage of S.B. 175, job candidates would initially register their basic skills with the state. Candidates would only register once, but would be free to update their listing of skills at any time. Candidates could then apply for actual vacant positions as vacancies occur. The SHARP system would screen candidates for specific vacancies to see if they meet the minimum qualifications. Candidates meeting those minimum qualifications would be further screened for specific skills and characteristics required for that particular vacancy. The use of this method, according to the agency, will provide agencies with a pool of candidates uniquely suited for a particular position.

4. The Subcommittee notes that the number of FTE positions approved for the Department of Administration has declined steadily in recent fiscal years. A total of 918.0 FTE positions were included in the actual FY 1994 budget. The Governor recommends 917.7 FTE positions in FY 1995 and 909.0 FTE positions in FY 1996. At the same time some positions are being reduced, additional responsibilities and functions have been added to the agency budget, some of which have resulted in the addition of FTE positions. For example, the FY 1995 and FY 1996 budgets include 3.0 FTE positions for the SHARP Project and 1.0 FTE Chief Information Architect as the result of legislation enacted by the 1994 Legislature. These positions were not included in the FY 1994 budget. One FTE position was deleted from the State Treasurer's office and added to the Department of Administration budget in FY 1994 to reflect a shift in responsibilities between the two agencies in the area of warrant processing. The Subcommittee commends the agency for its efforts to reduce FTE positions.
5. The Subcommittee concurs with the recommendation of the Joint Committee on State Building Construction, which concurs with the Governor's recommendations for capital improvements with one adjustment: the addition of \$250,000 for roof replacement and scupper installation for the Judicial Center. The Subcommittee was informed that the roof is approximately twenty years old and that it leaks. The Joint Committee on State Building Construction recommended that the project be funded from the available balance from the State Budget Stabilization Fund (\$169,556) and that the remaining \$80,444 be financed through adjusting other amounts to be transferred from the State Budget Stabilization Fund or from some other funding source to be identified at a later date. The House Subcommittee recommends that the transfer recommended from the State Budget Stabilization Fund to the State Emergency Fund be reduced by \$80,444 and that the entire \$250,000 roofing project be financed from the State Budget Stabilization Fund.
6. The Subcommittee requested an update on the retirement reductions required by 1993 H.B. 2211. As of February 6, 1995, the following reductions of positions and funds have been achieved:

| | | |
|--------------------------|---------------|-------------------|
| Positions: | | |
| Retirements Filed | (313.7) | |
| Retirements Restored | 184.2 | |
| Net Reduction | (129.5) | (41.3% Reduction) |
| Savings Captured: | | |
| State General Fund | (\$1,229,739) | |
| All Funds | (\$3,256,282) | |

It should be noted that the positions and savings captured include some positions still in the retirement restoration process which may still be restored to agency budgets for a portion of the remaining year. However, if all positions currently under appeal were restored, the total reduction would equal 27.7 percent of the retirements filed.

7. The Subcommittee notes that, as requested by the 1994 Legislature, the agency prepared a report on providing lightning rod protection for state-owned buildings. The Subcommittee reviewed this report and notes that, of the 1,218 buildings owned by the State, 873, or 72 percent, do not have lightning rod protection. The Department estimates that it would cost a total of \$18,500,000 to install lightning rod protection to all buildings which are not currently protected by lightning rods. The Subcommittee notes that the State currently insures those state buildings with a value of \$500,000 or more that are not otherwise insured. The current policy has a \$2,000,000 deductible and an annual stop gap loss of \$25,000,000.

8. The Subcommittee reviewed the Central Motor Pool Program in detail, including the number of vehicles currently in the motor pool, their locations, the number of vehicles permanently assigned to state agencies, the costs of program administration, and other aspects of the program. The Subcommittee notes that the Central Motor Pool composite rate per mile, which reflects an average rate for all types of vehicles, was \$.2038 per mile in FY 1994, is \$.2077 per mile in FY 1995, and is estimated to be \$.2167 per mile in FY 1996. The rate for compact sedans, the most prevalent type of vehicle included in the fleet, is \$.19 per mile in FY 1995 and is estimated to be \$.20 in FY 1996. These rates may be compared with the private car reimbursement rate included in the Governor's Budget Instructions for FY 1996 and with the private mileage rate allowed by the federal government, both of which are \$.28 per mile in FY 1995 and are estimated to be \$.29 per mile in FY 1996. The Subcommittee further notes that a recent Legislative Post Audit report was critical of the State Parole Board for its reliance on reimbursement for private mileage, rather than reducing its travel expenditures through more extensive use of the Central Motor Pool Program. The Subcommittee concurs with the Governor's recommendation for the Central Motor Pool Program, which includes the purchase of 228 replacement vehicles and 129 vehicles for fleet expansion.

3-9

9. The Subcommittee notes that the agency's capital improvements request for FY 1996 includes a funding request for two reports regarding the Statehouse: an historic structure report, at a cost of \$50,000 from the State General Fund, and a historic interiors report, at a cost of \$135,000 from the State General Fund. Neither project was recommended by the Governor. The historic structure report would identify all historic structural characteristics of the Statehouse and would utilize the services of a qualified architectural firm which specializes in such reports. The historic interiors report would identify all historical interior characteristics of the Statehouse. The report would be expected to identify individual elements and materials used throughout the building, such as paint, stencils, wall fabric, plaster, and wainscot, to determine the type of material, age and date constructed, and whether the element is classified as historic or not. Both reports would be expected to provide a foundation for development of a preservation master plan. The Subcommittee notes that both reports would be helpful in developing a comprehensive plan for the Statehouse and that the Department of Administration stands ready to implement both studies, if funded. The Subcommittee does not recommend funding for the projects, but provides this narrative for informational and planning purposes.
10. The Subcommittee notes an additional concern regarding the Capitol Area Complex. The Subcommittee concludes that there is a need for a strategic, long-range plan for all properties currently owned by the state. The plan should also include consideration of those properties surrounding the Capitol Area Complex which are not owned by the state, but which could affect state holdings or could present potential solutions to space and parking concerns for state agencies. The Subcommittee notes that the Department of Administration is currently authorized to conduct a Shawnee County consolidation study, which is looking at ways to utilize properties currently owned or leased by the state.
11. Make technical adjustments to the bill to carry out the recommendations of the Governor.
12. The Subcommittee reviewed the status of the KANS-A-N contract negotiations. The agency reports that final negotiations indicate that charges for the "backbone" network, or fixed cost portion of the contract are very attractive and should result in substantial cost reductions for the state. It is hoped that negotiations for the variable cost portion of the contract, which will provide service enhancements, will be as successful. Currently, it appears that the contract will be a seven-year contract, with the state retaining the right to terminate the contract after two years with no penalty to the state. The agency states that these favorable terms reflect the state's purchasing power and the vendor's willingness to negotiate.
13. The Subcommittee discussed the issue of the DISC (Division of Information Systems and Communications) rate change for INK (Information Network of Kansas) access. Beginning in December 1994, DISC began to charge INK a fee for access to 800-line services provided by DISC. Although the fee was designed to recover only the costs of providing this service to INK, the charge resulted in some controversy because INK had formerly not been charged for the service and INK began to pass the charges on to all of its customers, including public libraries. DISC personnel

concluded that, in retrospect, two actions should have been taken. DISC should have entered into a contract with INK for DISC services and should have established a cost-based rate approximately 18 months ago, when library usage began to increase dramatically for Internet access. DISC, INK, and the libraries are working together to develop a lower cost for 800-line access from DISC vendors. DISC will work with INK to develop a pricing schedule for the libraries that provides access to Internet at a lower cost, possibly on a tiered cost basis based on usage, and to encourage prudent use of INK access to the Internet.

PUBLIC BROADCASTING COUNCIL

1. Add \$150,000 from the Economic Development Initiatives Fund (EDIF) for equipment grant matching funds for the Public Broadcasting Council and shift \$150,000 of SGF funding from equipment grants to operating grants. The Subcommittee recommendation would provide the same level of support for equipment grants as recommended by the Governor and would add \$150,000 above the amount recommended by the Governor for operating grants.

The Subcommittee notes that EDIF funding has been used for Public Broadcasting Council equipment grant matching funds in previous years and further notes that a key factor in economic development is the quality of life afforded the residents of a particular area. The availability of public broadcasting stations may enhance the quality of life for Kansas residents, particularly in areas of rural Kansas.

The Subcommittee recommendation would not provide the level of support requested by the Council, which was based on \$1.00 per capita of the total state population. The recommendation would, however, increase state support from the approximately \$.44 per capita recommended by the Governor to approximately \$.50 per capita.

The Subcommittee's recommendation for Public Broadcasting Council funding is noted on the following table.

| Expenditure | Actual FY 94 | Agency Est. FY 95 | Gov. Rec. FY 95 | Agency Req. FY 96 | Gov. Rec. FY 96 | House Sub. Adj. |
|--|-------------------|----------------------|---------------------|----------------------|---------------------|--------------------|
| SGF (Grants to Public Broadcasting Stations): | | | | | | |
| Aid to Local Units | \$ 121,249 | \$ 144,358 | \$ 144,358 | \$ 365,337 | \$ 160,907 | \$ 22,119 |
| Other Assistance | 502,746 | 847,642 | 847,642 | 2,112,237 | 930,293 | 127,881 |
| Subtotal -- SGF | | | | | | |
| Oper. Grants | \$ 623,995 | \$ 992,000 | \$ 992,000 | \$ 2,477,574 | \$ 1,091,200 | \$ 150,000 |
| Equipment Grants: | | | | | | |
| SGF | | | | | | |
| Aid to Local Units | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 64,556 | \$ 0 |
| Other Assistance | 0 | 0 | 0 | 0 | 524,220 | (150,000) |
| EDIF | | | | | | |
| Aid to Local Units | 151,255 | 155,000 | 155,000 | 363,726 | 0 | 0 |
| Other Assistance | 168,300 | 533,776 | 533,776 | 513,566 | 0 | 150,000 |
| Subtotal - Equip. Grants | \$ 319,555 | \$ 688,776 | \$ 688,776 | \$ 877,292 | \$ 588,776 | \$ 0 |
| TOTAL | \$ 943,550 | \$ 1,680,776 | \$ 1,680,776 | \$ 3,354,866 | \$ 1,679,976 | \$ 150,000 |

2. The Subcommittee notes that, according to the Public Broadcasting Council, state support for public broadcasting represents 7 percent of the aggregate total operating budgets of public television and radio stations. Private support for public broadcasting totals approximately \$7,800,000, or approximately \$3.12 per capita. State support represent differing levels of the total operating budgets of the individual stations, as noted in the following table.

| State Support for Public Radio and Television Stations as a Percentage of Total Station Operating Budget | |
|---|---|
| Public Television Stations | Percentage of Total Operating Budget |
| KCPT-TV, Kansas City | 2.6% |
| KPTS-TV, Wichita | 7.7% |
| KTWU-TV, Topeka | 8.8% |
| KOOD-TV (Smoky Hills Public TV), Bunker Hill | 23.0% |
| KANU-FM, Lawrence | 3.0% |
| Radio Kansas, Hutchinson | 3.5% |
| KMUW-FM, Wichita | 5.0% |
| KRPS-FM, Pittsburg | 7.7% |
| KKSU-AM, Manhattan | 8.0% |
| High Plains Public Radio, Garden City | 21.5% |

I. General Administration -- Reportable and Nonreportable

| Employee Award Board | | | |
|---------------------------------|---------------------------|--------------------------------|--------------------------------|
| | <u>Actual FY 1994</u> | <u>Agency Est. FY 1995</u> | <u>Agency Est. FY 1996</u> |
| Number of Suggestions Submitted | 201 | 145 | 200 |
| Total of Estimated Savings | \$ 237,711 | \$ 200,000 | \$ 300,000 |

| Legal Services | | | |
|---|---------------------------|--------------------------------|--------------------------------|
| | <u>Actual FY 1994</u> | <u>Agency Est. FY 1995</u> | <u>Agency Req. FY 1996</u> |
| KUMC contract collections | \$ 20,323 | \$ 99,959 | \$ 173,400 |
| Write-off collections and collections for contracts from other state agencies | 7,471 | 10,000 | 13,500 |
| Fees avoided through assigning new Northeast Kansas workers' compensation cases to Legal Section | 44,200 | 58,300 | 77,000 |

II. Division of Information Systems and Communications (DISC) -- Nonreportable

| Central Mail Services Subprogram | | | |
|--|---------------------------|--|---------------------------------------|
| <u>Measure</u> | <u>Actual FY 1994</u> | <u>Agency Estimate FY 1995</u> | <u>Agency Request FY 1996</u> |
| Pieces of mail per year (in millions) | 9.9 | 10.1 | 10.3 |
| Automated presorted pieces (in millions) | 4.2 | 4.3 | 5.0 |

| Information Services Subprogram | | | |
|--|---------------------------|--|---------------------------------------|
| <u>Measure</u> | <u>Actual FY 1994</u> | <u>Agency Estimate FY 1995</u> | <u>Agency Request FY 1996</u> |
| Average Turn Around Time for Batch Jobs (In Hours) | 1.75 | 1.75 | 1.50 |
| Average Response Time for On-Line Applications (Seconds) | 0.75 | 0.60 | 0.60 |
| System Availability (Up Time) | 99.5% | 99.7% | 99.7% |

| Telecommunications Subprogram | | | |
|--|---------------------------|--------------------------------|--------------------------------|
| <u>Measure</u> | <u>Actual FY 1994</u> | <u>Agency Est. FY 1995</u> | <u>Agency Req. FY 1996</u> |
| Network circuit availability in percentage per month | 99.99% | 99.99% | 99.99% |
| Voice minutes used | 40,991,515 | 44,270,836 | 50,043,596 |
| Video hours used | 4,626 | 7,363 | 9,152 |
| Data circuit connects | 107,970 | 113,345 | 121,562 |
| Dial-up data packets sent/received | 3.5 billion | 4.4 billion | 5.0 billion |
| Operator assisted calls | 428,563 | 385,707 | 350,096 |

III. Division of Accounts and Reports -- Reportable and Nonreportable

| | <u>Actual FY 1994</u> | <u>Estimated FY 1995</u> | <u>Estimated FY 1996</u> |
|---|---------------------------|------------------------------|------------------------------|
| Number of warrants issued (in thousands) | 4,111 | 4,173 | 4,236 |
| Dollars of transactions (in millions) | \$ 10,912 | \$ 11,076 | \$ 11,242 |
| Percent of improper transactions rejected | 4.2% | 4.2% | 4.2% |
| Amount of delinquent receivables collected (in thousands) | \$ 6,371 | \$ 5,753 | \$ 6,753 |
| Average number of accounts on file: | | | |
| Set-off accounts | 113,000 | 163,000 | 163,000 |
| Write-off accounts | 39,800 | 41,000 | 37,000 |

IV. Division of the Budget -- Reportable

| | <u>Actual FY 1994</u> | <u>Estimated FY 1995</u> | <u>Estimated FY 1996</u> |
|--|---------------------------|------------------------------|------------------------------|
| Percentage of dollar errors compared to the Governor's recommendation for the current and forthcoming fiscal years combined (expressed as one hundred thousand of one percent) | 11 | 9 | 6 |
| Number of <i>Governor's Budget Report</i> documents produced | 1,300 | 1,500 | 1,500 |
| Obtain a revenue accuracy index of at least 99.0 percent | 97.25 | 99.00 | 99.00 |
| Percentage deviation of actual current fiscal year expenditures versus approved budgets (SGF only) | 1.35 | 1.00 | 0.75 |
| Percentage of fiscal notes completed by the bill's hearing date | 64% | 75% | 80% |

3-15

V. Division of Personnel Services -- Reportable and Nonreportable

| | <u>Actual FY 1994</u> | <u>Estimated FY 1995</u> | <u>Estimated FY 1996</u> |
|---|---------------------------|------------------------------|------------------------------|
| Increase in percent of division staff involved in quality management teams | -- | 30% | 85% |
| Increase in number of quality management projects in the division | -- | -- | 20 |
| Increase in percentage of state agencies with implementation plans adopted and followed | 4% | 15% | 60% |
| Percentage reduction in transactions concerning movement of employees between agencies | -- | -- | 39% |
| Employees using division's training services | 67 | 150 | 150 |
| Number of Lifeline cases | 921 | 950 | 980 |
| Number of workers compensation claims | 5,998 | 5,698 | 5,278 |
| Employees returning to work after on-the-job injury | 5,854 | 5,556 | 5,413 |
| Average time in days employees are away from job during recovery | 11.6 | 11.0 | 10.5 |

VI. Division of Purchases -- Reportable.

| | <u>Actual FY 1994</u> | <u>Estimated FY 1995</u> | <u>Estimated FY 1996</u> |
|---|---------------------------|------------------------------|------------------------------|
| Reduction in sole source requests | 1,227 | 1,150 | 1,350 |
| Reduced rebids due to restrictive specifications | 45 | 40 | 55 |
| Number of statewide contracts | 1,671 | 1,700 | 1,300 |
| Number of vendors on file | 21,386 | 22,400 | 20,000 |
| Contracts using life-cycle cost formulas and energy-efficient standards in bid specifications | 61 | 75 | 75 |

VIII. Architectural Services -- Reportable and Nonreportable

| | <u>Actual FY 1994</u> | <u>Agency Est. FY 1995</u> | <u>Agency Req. FY 1996</u> |
|--|---------------------------|--------------------------------|--------------------------------|
| Number of projects bid over budget | 3 | 3 | 3 |
| Percent reduction of average delays in construction from previous year | -- | 10% | 10% |
| Amount of change orders on projects designed by in-house staff | \$134,000 | \$127,000 | \$114,000 |

XI. Facilities Management -- Reportable and Nonreportable

| | <u>Actual FY 1994</u> | <u>Estimated FY 1995</u> | <u>Estimated FY 1996</u> |
|--|---------------------------|------------------------------|------------------------------|
| Percentage of preventative maintenance work performed on schedule | 98.0% | 95.0% | 95.0% |
| Percentage of customer surveys rated satisfactory or higher for house-keeping services | 98.4% | 90.0% | 90.0% |
| Percentage of motor pool dispatch trips not interrupted with a breakdown or unscheduled service call | 99.9% | 95.0% | 95.0% |
| Central motor pool composite rate per mile | \$.2038 | \$.2077 | \$.2167 |

SUBCOMMITTEE REPORT

Agency: Kansas Human Rights Commission

Bill No. 2234

Bill Sec. 18

Analyst: Wiegiers

Analysis Pg. No. 778

Budget Page No. 353

| <u>Expenditure Summary</u> | <u>Agency Request FY 1995</u> | <u>Governor's Recommendation FY 1995</u> | <u>House Subcommittee Adjustments</u> |
|-------------------------------|---------------------------------------|--|---|
| State Operations: | | | |
| State General Fund | \$ 1,407,046 | \$ 1,394,972 | \$ 0 |
| Special Revenue Funds | 573,733 | 580,625 | 0 |
| TOTAL | \$ 1,980,779 | \$ 1,975,597 | \$ 0 |
| FTE Positions | 43.0 | 43.0 | 0.0 |
| Special Projects Appointments | 2.0 | 2.0 | 0.0 |

Agency Request/Governor's Recommendation

The Commission estimates FY 1995 operating expenditures of \$1,980,779, an increase of \$250,280, or 14.5 percent, over the FY 1994 actual expenditures. The request includes a State General Fund supplemental request of \$6,642. The FY 1995 estimate includes \$1,407,046 from the State General Fund, \$562,882 from federal Equal Employment Opportunity Commission (EEOC) and Housing and Urban Development (HUD) funds, and \$10,851 from HUD Incentive Funds, a special federal program to promote education about fair housing. The 1994 Legislature appropriated \$125,000 to the agency in FY 1995 for contracting with outside investigative services. The agency requests an unlimited reappropriation of any of these funds not used by the agency at the end of FY 1995. The Governor recommends expenditures of \$1,975,597, a decrease of \$4,822 below the agency estimate. The recommendation includes \$1,552,977 for salaries and wages, \$400,449 for contractual services, \$13,200 for commodities and \$8,971 for capital outlay. The recommendation for salaries and wages reflects a decrease in health insurance rates. The Governor does not recommend the unlimited reappropriation language.

The following table shows selected agency performance measures:

*2/16/95
Appropriations Cmte
Attachment 4*

| Performance Measure | Actual FY 1994 | Agency Est. FY 1995 |
|--|-------------------|------------------------|
| Number of public contacts at intake | 6,866 | 6,850 |
| Number of complaints filed | 1,876 | 1,872 |
| Number of complaints closed | 1,352 | 1,584 |
| Number of cases assigned to Preliminary Investigation Conference (PIC) unit. | 1,263 | 1,263 |
| Number of cases resolved by PIC unit. | 734 | 734 |
| Open Case Inventory | 2,416 | 2,704 |
| Processing Delay Time* | 19.7 | 24.1 |
| * Months between filing and assignment for investigation. | | |

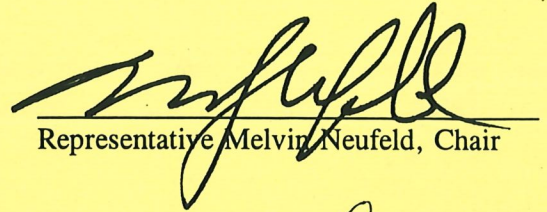
House Subcommittee Recommendation

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

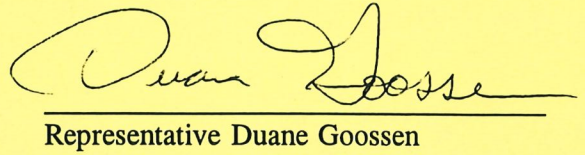
1. The Subcommittee encourages the agency to pursue a third party mediation plan with Kansas Legal Services or other appropriate organization.
2. The Subcommittee recommends the agency assign more current investigative staff to the Preliminary Investigation Conference (PIC) unit to help resolve cases more quickly. The Subcommittee encourages the increased use of the PIC unit to help prevent further backlog.

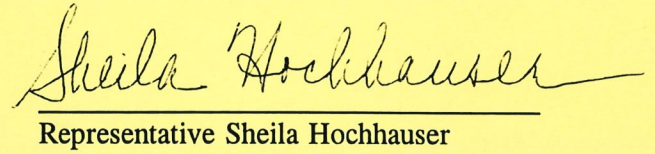
The status of the agency Special Revenue Fund, base on the House Subcommittee recommendation, is as follows:

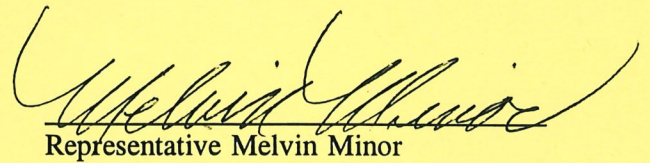
| Resource Estimate | Actual FY 1994 | Estimated FY 1995 |
|--|-------------------|----------------------|
| Beginning Balance | \$ 113,592 | \$ 115,755 |
| Net Receipts | 374,960 | 481,360 |
| Total Funds Available | <u>488,552</u> | <u>597,115</u> |
| Less: Expenditures | 372,796 | 580,625 |
| Ending Balance | <u>\$ 115,756</u> | <u>\$ 16,490</u> |
| Ending Balance as Percentage of Expenditures | 31.1% | 2.8% |


Representative Melvin Neufeld, Chair


Representative Mike Farmer


Representative Duane Goossen


Representative Sheila Hochhauser


Representative Melvin Minor

SUBCOMMITTEE REPORT

Agency: Kansas Human Rights Commission

Bill No. 2264

Bill Sec. 4

Analyst: Wiegiers

Analysis Pg. No. 778

Budget Page No. 353

| <u>Expenditure Summary</u> | <u>Agency Request FY 1996</u> | <u>Governor's Recommendation FY 1996</u> | <u>House Subcommittee Adjustments</u> |
|-------------------------------|-----------------------------------|--|---|
| State Operations: | | | |
| State General Fund | \$ 1,618,195 | \$ 1,315,808 | \$ 37,105 |
| Special Revenue Funds | 549,148 | 603,308 | (277,402) |
| TOTAL | <u>\$ 2,167,343</u> | <u>\$ 1,909,116</u> | <u>\$ (240,297)</u> |
| FTE Positions | 45.0 | 43.0 | (23.0) |
| Special Projects Appointments | 8.0 | 2.0 | 0.0 |
| TOTAL | <u>53.0</u> | <u>45.0</u> | <u>(23.0)</u> |

Agency Request/Governor's Recommendation

The Commission requests a total of \$2,167,343 for FY 1996, an increase of \$185,423, 9.4 percent, over the revised FY 1995 amount. The request includes funding of \$1,618,195 from the State General Fund and \$549,148 from federal funds. The Commission requests that 2.0 existing special projects appointments be made permanent FTE positions, and requests an additional 8.0 new special projects appointments. The additional personnel requested include: 5.0 Special Investigators I, 1.0 Special Investigator II, 1.0 Office Assistant II, and 1.0 Office Assistant III. The agency also requests additional funding of \$26,106 for 648 square feet of additional office space, office furniture, equipment and operational support for the new staff. The Governor recommends expenditures of \$1,909,116, a decrease of \$258,227, or 11.9 percent, below the agency request. The recommendation does not include the conversion of the 2.0 special projects appointments to FTE positions or the addition of the 8.0 new special projects appointments.

The following table shows selected performance measures and estimated levels of performance under the Governor's recommendation:

| | <u>Actual FY 1994</u> | <u>Estimate FY 1995</u> | <u>Agency FY 1996</u> | <u>Estimated FY 1996*</u> |
|--|---------------------------|-----------------------------|---------------------------|-------------------------------|
| Number of public contacts at intake | 6,866 | 6,850 | 6,645 | -- |
| Number of complaints filed | 1,876 | 1,872 | 1,776 | 1,776 |
| Number of complaints closed | 1,352 | 1,584 | 1,944 | 1,584 |
| Number of cases assigned to Preliminary Investigation Conference (PIC) unit. | 1,263 | 1,263 | 1,275 | 1,263 |
| Number of cases resolved by PIC unit | 734 | 734 | 741 | 734 |
| Open Case Inventory | 2,416 | 2,704 | 2,536 | -- |
| Processing Delay Time* (in months) | 19.7 | 24.1 | 20.2 | -- |

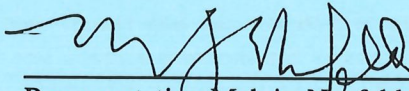
* Time between filing and assignment for full investigation.
 ** Estimated level of performance based on the Governor's recommendation.

4-4

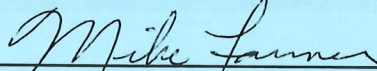
House Subcommittee Recommendation

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


1. Delete \$81,687, including \$49,947 from State General Fund based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$6,868); classified step movement (\$45,071); a one percent base adjustment for classified employees (\$12,659); and the longevity bonus (\$17,089) from individual agency budgets.
2. The Subcommittee recommends deleting \$658,610 (\$412,948 State General Fund and \$245,662 Special Revenue Funds) to reflect the elimination of 23.0 FTE positions in FY 1996. The positions to be eliminated include 3.0 Office Assistants, 4.0 Secretaries and 16.0 investigators. (Note: The above amount does not include classified step movement, the 1.0 percent base salary adjustment, the 3.5 percent unclassified merit pool and longevity accounted for in number 1 above.)
3. The Subcommittee encourages the agency to increase its utilization of the Preliminary Investigation Conference (PIC). The Subcommittee also recommends that the remaining investigative staff be primarily assigned to the Preliminary Investigation Conference (PIC) unit to help resolve incoming cases more quickly.
4. Add \$500,000 State General Fund for a contract with Kansas Legal Services for third-party mediation services. The Subcommittee encourages the agency to continue to pursue third-party mediation services.




Representative Melvin Neufeld, Chair




Representative Mike Farmer



Representative Duane Goossen



Representative Sheila Hochhauser



Representative Melvin Minor

SUBCOMMITTEE REPORT

Agency: Commission on Governmental Standards and Conduct

Bill No. --

Bill Sec. --

Analyst: Pierron

Analysis Pg. No. 767

Budget Page No. 199

| <u>Expenditure Summary</u> | <u>Agency Estimate FY 95</u> | <u>Governor's Recommendation FY 95</u> | <u>House Subcommittee Adjustments</u> |
|------------------------------|----------------------------------|--|---|
| State Operations: | | | |
| State General Fund | \$ 322,011 | \$ 322,011 | \$ 0 |
| Special Revenue Fund | 74,341 | 72,396 | 0 |
| TOTAL | <u>\$ 396,352</u> | <u>\$ 394,407</u> | <u>\$ 0</u> |
| FTE Positions | 6.0 | 6.0 | -- |
| Special Project Appointments | 3.0 | 3.0 | -- |
| TOTAL | <u>9.0</u> | <u>9.0</u> | <u>--</u> |

Agency Estimate/Governor's Recommendation

For FY 1995, the Commission estimates expenditures of \$396,352, as approved by the 1994 Legislature as adjusted for State Finance Council action. The Governor recommends \$394,407, a decrease of \$1,945 from the agency's revised estimate.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor and notes the following performance indicators:

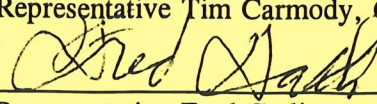
| | Performance Indicators | | |
|--|-------------------------------|------------------------------|------------------------------|
| | <u>FY 1994 Actual</u> | <u>FY 1995 Estimate*</u> | <u>FY 1996 Estimate*</u> |
| Percentage of information completed within eight hours | 99.0% | 99.0% | 99.0% |
| Percentage of individuals receiving a failure to file notice | 8.0% | 7.0% | 6.0% |
| Percentage of campaign finance receipts and expenditures | | | |
| Reports which contain errors | 25.0% | 35.0% | 25.0% |
| Number of opinions issued by commission | 39 | 40 | 40 |
| Information seminars conducted | 15 | 25 | 20 |

* Estimated level of performance under Governor's recommendation.

*2/16/95
Appropriations Cmte
Attachment 5*



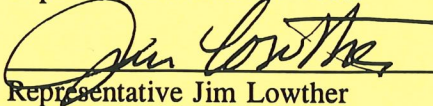
Representative Tim Carmody, Chair



Representative Fred Gatlin



Representative Delbert Gross



Representative Jim Lowther

SUBCOMMITTEE REPORT

Agency: Commission on Governmental Standards and Conduct

Bill No. 2264

Bill Sec. 3

Analyst: Pierron

Analysis Pg. No. 767

Budget Page No. 199

| <u>Expenditure Summary</u> | <u>Agency Request FY 96</u> | <u>Governor's Recommendation FY 96</u> | <u>House Subcommittee Adjustments</u> |
|------------------------------|---------------------------------|--|---|
| State Operations: | | | |
| State General Fund | \$ 337,853 | \$ 306,657 | \$ (7,798) |
| Special Revenue Fund | 120,436 | 147,937 | (7,769) |
| TOTAL | \$ 458,289 | \$ 454,594 | \$ (15,567) |
| FTE Positions | 6.0 | 8.0 | 0.0 |
| Special Project Appointments | 4.0 | 2.0 | 0.0 |
| TOTAL | 10.0 | 10.0 | 0.0 |

Agency Request/Governor's Recommendation

The Commission requests FY 1996 expenditures of \$458,289, an increase of \$61,937 (15.6%) above the revised FY 1995 estimate. Requested increases over the revised FY 1995 amount include the following: \$42,621 (14.0 percent) for salaries and wages; \$6,720 (8.3 percent) for contractual services; and \$12,596 (286 percent) for capital outlay.

The agency's FY 1996 request includes salaries and wages funding of \$348,074. The Commission currently has a 6.0 FTE position limitation. The request would provide an additional annual salary funding of \$28,784 (without fringe benefits) to upgrade one special projects position (\$8,784) and to provide funding for an additional financial investigator/auditor special projects position, (\$20,000). The request would also provide for a continuation of staff and Commission per diem at the FY 1995 level as follows: 6.0 unclassified FTE positions; 3.0 special projects personnel; unclassified merit increase of 2.5 percent; per diem for the following Commission meetings: 12 monthly meetings; 12 planning meetings; three hearings; and two subcommittee meetings.

Funding for the FY 1996 budget includes \$337,853 from the State General Fund and \$120,436 from the Kansas Commission on Governmental Standards and Conduct Fee Fund.

For FY 1996, the Governor recommends a total of \$454,594, a decrease of \$3,695 from the amount requested by the agency. The Governor's recommendation includes \$306,657 from the State General Fund and \$147,937 from the Kansas Commission on Governmental Standards and Conduct Fee Fund. The Governor recommends 8.0 FTE positions. This is an addition of 2.0 FTE positions over the FY 1996 agency request.

House Subcommittee Recommendation

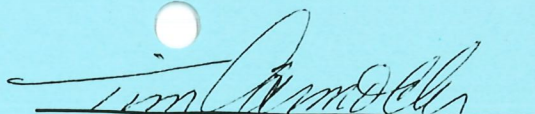
The House Subcommittee concurs with the recommendations of the Governor, with the following notations:

1. Delete \$15,567 for longevity pay and unclassified merit pool adjustments (\$7,798 from the State General Fund and \$7,769 from the Kansas Commission on Governmental Standards and Conduct Fee Fund).
2. 100 percent of all filings are desk audited, that is, reviewed for completeness. However, the agency also desires to perform field audits on at least 10 percent of the filings which would be approximately 400 audits annually. The recommended budget will still not fund the agency to its desired level of field auditing but it will double the number of field audits currently being performed. A total of 17 field audits are presently being done in a fiscal year and the recommended budget would facilitate 35-40 in FY 1996.
3. Currently, bills are being proposed that may impact the agency budget by adding expenditures or possibly generating increased revenues. The Subcommittee recommends that if any of these bills pass, a review of the budget be made for omnibus consideration.
4. At current projections, the agency should have sufficient funds to cover current services but its fee fund fluctuate to such an extent that the agency carryover balance varies significantly.
5. The Committee notes the following performance indicators:

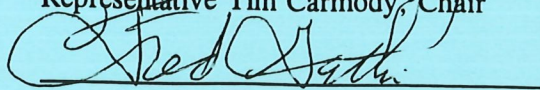
| | Performance Indicators | | |
|--|------------------------|----------------------|----------------------|
| | FY 1994 Actual | FY 1995 Estimate* | FY 1996 Estimate* |
| Percentage of information completed within eight hours | 99.0% | 99.0% | 99.0% |
| Percentage of individuals receiving a failure to file notice | 8.0% | 7.0% | 6.0% |
| Percentage of campaign finance receipts and expenditures | | | |
| Reports which contain errors | 25.0% | 35.0% | 25.0% |
| Number of opinions issued by commission | 39 | 40 | 40 |
| Information seminars conducted | 15 | 25 | 20 |

* Estimated level of performance under Governor's recommendation.

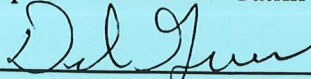
5-4



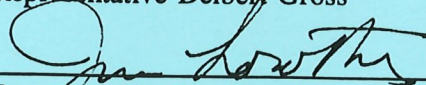
Representative Tim Carmody, Chair



Representative Fred Gatlin



Representative Delbert Gross



Representative Jim Lowther

SUBCOMMITTEE REPORT

Agency: Citizens' Utility Ratepayer Board

Bill No. --

Bill Sec. --

Analyst: Rampey

Analysis Pg. No. 795

Budget Page No. 104

| <u>Expenditure Summary</u> | <u>Agency Estimate FY 95</u> | <u>Governor's Recommendation FY 95</u> | <u>House Subcommittee Adjustments</u> |
|------------------------------|--------------------------------------|--|---|
| State Operations: | | | |
| Special Revenue Fund | \$ 363,361 | \$ 362,259 | \$ 0 |
| FTE Positions | 3.0 | 3.0 | 0.0 |
| Special Projects Appointment | 1.0 | 1.0 | 0.0 |
| TOTAL | <u>4.0</u> | <u>4.0</u> | <u>0.0</u> |

Agency Mission

The mission of the Citizens' Utility Ratepayer Board (CURB) is "to protect the interests of residential and small commercial utility ratepayers of the State of Kansas." To do this, CURB "strive[s] to ensure that any rates, orders or rules issued by the Kansas Corporation Commission (KCC) are reasonable and fair to residential and small commercial ratepayers." CURB participates in electric, gas, telephone, and water-related cases before the KCC that involve residential and small commercial ratepayers. (CURB does not participate in cases involving electric and telephone cooperatives that have a membership of fewer than 15,000.) The Board estimates that it has saved Kansas consumers approximately \$60 million in energy, commodity, usage, and customer service charges. (According to the Board, the savings are based on adjustments made by the KCC that are attributable solely to evidence submitted by CURB.)

To fulfill its mission, the Board has resolved to participate in those electric, gas, telephone, and water utility proceedings before the KCC that have the most significant impact on residential and small commercial utility ratepayers in Kansas; to assess and analyze the resource planning done by electric utilities; and to educate the residential and small commercial ratepayers on the importance of their participation in the ratemaking process.

Agency Overview

CURB began in 1988 as a creation of the KCC. At that time, it was not statutory. Legislation creating CURB as a statutory entity attached to the KCC for administrative purposes was enacted in 1989. The legislation created a five-member board appointed by the Governor that had the authority to employ a consumer counsel who could intervene on behalf of consumers in hearings before the KCC. The statutes provide that CURB's financing comes from assessments levied against certain public utility companies. The 1991 Legislature enacted legislation separating CURB from the KCC for budgeting, purchasing, and related management purposes, effective in FY 1993. However, the KCC

*2/16/95
Appropriations Cmte
Attachment 6*

continues to do the actual calculations that determine how much each utility will be assessed to finance CURB.

The Board is authorized 3.0 FTE positions: an attorney who serves as the consumer counsel (unclassified), an office specialist, and a secretary (both classified). Since FY 1994, the Board also has had a special projects position filled by an attorney. In order to augment the expertise of its staff, the Board contracts with economists, accountants, engineers, and other professionals when it is involved in rate cases.

Agency Estimate/Governor's Recommendation

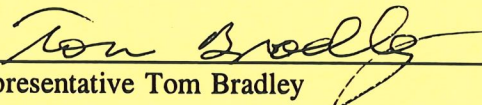
The Board estimates expenditures of \$363,361, which is the amount approved by the 1994 Legislature, as adjusted by State Finance Council action. At the end of December, 1994, the consumer counsel announced his resignation, effective January 17, 1995. The individual holding the position had worked for the Board since March, 1994. Prior to that time, the position had been vacant for several months.

House Subcommittee Recommendations

The House Subcommittee concurs with the recommendations of the Governor.



Representative Joe Kejr, Chair



Representative Tom Bradley

Representative Richard Edlund

SUBCOMMITTEE REPORT

Agency: Citizens' Utility Ratepayer Board

Bill No. 2264

Bill Sec. 6

Analyst: Rampey

Analysis Pg. No. 795

Budget Page No. 104

| <u>Expenditure Summary</u> | <u>Agency Request FY 96</u> | <u>Governor's Recommendation FY 96</u> | <u>House Subcommittee Adjustments</u> |
|-------------------------------|---------------------------------|--|---|
| State Operations: | | | |
| Special Revenue Fund | \$ 389,654 | \$ 368,576 | \$ (368,576) |
| FTE Positions | 4.0 | 4.0 | (4.0) |
| Special Projects Appointments | 0.0 | 0.0 | 0.0 |

Agency Request/Governor's Recommendation

The Board estimates expenditures of \$389,654 in FY 1996, an increase of \$26,293 (7.2 percent) over its estimate for the current year. The change is primarily accounted for by a \$20,000 increase in fees for consultants (from \$150,000 in FY 1995 to \$170,000 in FY 1996). No new staff positions are requested, but the Board requests that the special projects position be made permanent.

The Governor recommends expenditures of \$368,576 in FY 1996, a reduction of \$21,078 from the Board's request. The reduction consists largely of fees for consultants. The Governor concurs with the Board's request to shift the special projects position to a permanent position.

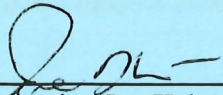
House Subcommittee Recommendations

The House Subcommittee recommends that all funding for the Citizens' Utility Ratepayer Board be eliminated for FY 1996 and that legislation be introduced to abolish the Board, effective July 1, 1995. The Subcommittee makes its recommendation for the following reasons:

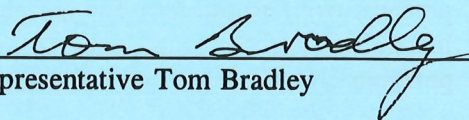
1. CURB's mission, which is "to protect the interests of residential and small commercial utility ratepayers of the State of Kansas" is superfluous given the mission of the Kansas Corporation Commission, which is to "protect the public interest through impartial and efficient resolution of all jurisdictional issues." No effective case was made before the Subcommittee that the Corporation Commission fails to consider the interests of residential and small commercial utility ratepayers in its deliberations. Therefore, the Subcommittee concludes that CURB is unnecessary.
2. An increasing trend toward deregulation will mean more competition among utilities, which will benefit all utility consumers. The idea that any group of ratepayers is in need of an advocate will become increasingly outdated as competition among utilities grows.

3. Assuming for the sake of argument that residential and small commercial utility ratepayers are in need of an advocate, the recent history of CURB casts doubt as to its effectiveness. In a case before the Corporation Commission involving a request by Kansas Pipeline Partnership and Kansas Natural Partnership for a \$67 million rate increase, CURB was the only party that intervened on behalf of the rate increase.

The Subcommittee encourages the Division of Personnel Services to make every effort to assist the Board's three employees in securing other employment in the state system, if they choose. In particular, the Subcommittee notes that CURB once was a part of the Kansas Corporation Commission and that the CURB staff may be qualified to perform duties performed by the Commission, if appropriate openings are available.



Representative Joe Kejr
Subcommittee Chair



Representative Tom Bradley

Representative Richard Edlund

6-4