

Approved: _____

3/6/95

Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Robin Jennison at 1:30 p. m. on February 20, 1995 in Room 514-S of the Capitol

All members were present except:

Representative Edlund, excused
Representative Gross, excused
Representative Wilk, excused

Committee staff present: Alan Conroy, Legislative Research Department
Tim Colton, Legislative Research Department
Pat Mah, Legislative Research Department
Russell Mills, Legislative Research Department
Eric Milstead, Legislative Research Department
Paul West, Legislative Research Department
Susan Wieggers, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Legislative Research Department
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 Corporation for Change, Kansas Soldiers' Home, Commission of Veterans' Affairs, Department on Aging, Department of Revenue for Homestead Property Tax refunds, Department of Human Resources, Department of Wildlife and Parks, and the Department of Health and Environment covered under **HB 2265**.

HB 2265 - Appropriations for FY 96; homestead tax, department of human resources, commission on veteran affairs, department of health & environment, department of aging, corporation for change, department of wildlife and parks.

Representative Farmer presented the subcommittee reports for FY 95 and FY 96 for the Corporation for Change (Attachment 1). A motion was made by Representative Neufeld, seconded by Representative Farmer, to adopt the subcommittee reports for FY 95 and FY 96 for the Corporation for Change. The motion carried.

The subcommittee reports for FY 95 and FY 96 for the Kansas Soldiers' Home were presented by Representative Minor (Attachment 2). A motion was made by Representative Minor, seconded by Representative Neufeld, to adopt the subcommittee reports for FY 95 and FY 96 for the Kansas Soldiers' Home. The motion carried.

Representative Minor presented the subcommittee reports for FY 95 and FY 96 for the Kansas Commission on Veterans' Affairs (Attachment 3). A motion was made by Representative Minor, seconded by Representative Neufeld, to adopt the subcommittee reports for FY 95 and FY 96 for the Kansas Commission on Veterans' Affairs. The motion carried.

The subcommittee reports for FY 95 and FY 96 for the Department of Aging were presented by Representative Goossen (Attachment 4). A motion was made by Representative Helgerson, seconded by Representative Neufeld, to amend the FY 96 subcommittee report to include in the performance indicators the diversions from institutions (Senior Care Act) in the diversions that occur because of the care assessments. The motion carried.

A motion was made by Representative Goossen, seconded by Representative Minor, to adopt the FY 95 and amended FY 96 subcommittee reports for the Department of Aging. The motion carried

The subcommittee reports for FY 95 and FY 96 for the Homestead Property Tax refunds operated by the Department of Revenue (Attachment 5) were presented by Representative Farmer. A motion was made by Representative Lowther, seconded by Representative Gatlin, to amend the FY 96 subcommittee report to encourage the Senate to examine SB 2, regarding proof in income eligibility requirements for homestead property tax refund purposes.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 p.m. on February 20, 1995.

A motion was made by Representative Farmer, seconded by Representative Neufeld, to adopt the FY 95 and amended FY 96 subcommittee reports for the Homestead Property Tax refunds operated by the Department of Revenue. The motion carried.

The subcommittee reports for FY 95 and FY 96 for the Department of Human Resources was presented by Representative Carmody (Attachment 6). A motion was made by Representative Lowther, seconded by Representative Carmody, to amend the FY 96 subcommittee report by adding to the effect that the Senate review a study done in 1994 regarding special needs of minority groups in Kansas and the response to that study prepared by the Advisory Committee on Hispanic Affairs. The motion carried.

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

Representative Kejr presented the FY 95 and FY 96 subcommittee reports for the Department of Wildlife and Parks (Attachment 7). A motion was made by Representative Gatlin, seconded by Representative Lowther, that the Department prepare legislation to be introduced for the 1996 Legislative Session for fee increases or some other means to properly fund the Department of Wildlife and Parks. The motion carried.

A motion was made by Representative Gatlin, seconded by Representative Helgerson, to amend the FY 96 subcommittee report for the Department of Wildlife and Parks by striking subcommittee recommendations no.4, no. 5 and no. 6. The question was divided upon a request by the Chair.

After Committee discussion, a vote was taken on deleting no. 4 and the motion carried.
After further Committee discussion, a vote was taken on deleting no. 5 and the motion carried.
Representative Gatlin, with permission of the second, withdrew his motion to delete no. 6.

A motion was made by Representative Lowther, seconded by Representative Gatlin, to call to the attention of the Senate, regarding the issue of the payment to the U. S. Army Corps of Engineers for the El Dorado State Park, that information about the settlement discussion arrived too late for inclusion and that they consider the amount for FY 96 or FY 97 and the differential between a one-time settlement payment and a payment schedule. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Kejr, to request an opinion from the Attorney General as to whether a payment schedule is required to be started under the agreement with the U.S. Army Corps of Engineers regarding El Dorado State Park. The motion carried.

A motion was made by Representative Kejr, seconded by Representative Farmer, to adopt the FY 95 and amended FY 96 subcommittee reports for the Department of Wildlife and Parks. The motion carried.

Representative Neufeld presented the subcommittee reports for FY 95 and FY 96 for the Department of Health and Environment (Attachment 8 corrected version, with technical corrections). A motion was made by Representative Helgerson, seconded by Representative Farmer, to amend the FY 96 subcommittee report to add to the performance measures and a measure that defines the quality of water and whether it will stay the same, deteriorate or improve over the next several years. The motion carried.

A motion was made by Representative Neufeld, seconded by Representative Farmer, to adopt the FY 95 and amended FY 96 subcommittee reports for the Department of Health and Environment. The motion carried.

A motion was made by Representative Kline, seconded by Representative Neufeld, to amend the subcommittee report for FY 96 that the language specifically include performance measures from the Governor's budget.

A motion was made by Representative Haulmark, seconded by Representative Hochhauser, to pass HB 2265 as amended. The motion carried.

A motion was made by Representative Kline, seconded by Representative Reinhart, to introduce a bill concerning state building construction; relating to standards for energy conservation. The motion carried.

The meeting adjourned at 3:45 p.m.
The next meeting is scheduled for February 21, 1995.

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 2/20/95

NAME	REPRESENTING
Charlie Shrimplin	KDHE
Doug Bowman	Coordinating Council on Early Childhood
SYDNEY HARDMAN	KS ACTION FOR CHILDREN
Aline Knort	KDOA
D.B. Dallas	DOB
Dede Kerth	KDWP
Jana Giler	KDHE
Chris Stanfield	KDHE
Jim Langford	DOB
Steve Posa	KDHE
Ed Garner	KS Assoc Local Health Dept
Ken Hammerschmidt	KDHE
Gr Gomez	KDHR/WC
Dick Smith	KDHR/WC
Reggie Davis	KDHR/UT
David Shufelt	KDHR/Work Camp
Mary Hamer	KDHR
Marc Lowe	KDHR
Larry Schmitt	KDHR

APPROPRIATIONS COMMITTEE GUEST LIST


DATE: 2/20/95

NAME	REPRESENTING
Greg Tugman	DOB
Marty Kennedy	DOB
Bel Ann	KORV
Kirby L. Stegman	DOR
Amy Howell	Intern
Wayne Franklin	Secretary DHR
Roger Aeschliman	KORV
Bill Fuller	Kansas Farm Bureau

HOUSE SUBCOMMITTEE REPORT ON THE CORPORATION FOR CHANGE

FY 1995 and FY 1996


Representative Melvin J. Neufeld , Chair


Representative Duane Goossen


Representative Mike Farmer


Representative Sheila Hochhauser


Representative Melvin G. Minor

2/20/95
Appropriations Cmte
Attachment 1

SUBCOMMITTEE REPORT

Agency: Corporation for Change

Bill No. --

Bill Sec. --

Analyst: West

Analysis Pg. No. 996

Budget Page No. 121

<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	\$ 774,014	\$ 720,599	\$ 0
Aid to Locals	755,749	755,749	0
Total -- Operating	<u>\$ 1,529,763</u>	<u>\$ 1,476,348</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 144,100	\$ 99,886	\$ 0
Aid to Locals	152,060	196,160	0
Total -- Operating	<u>\$ 296,160</u>	<u>\$ 296,046</u>	<u>\$ 0</u>
FTE Positions	0.0	0.0	--
Special Project Appointments	9.0	9.0	--
TOTAL	<u>9.0</u>	<u>9.0</u>	<u>--</u>

Agency Estimate/Governor's Recommendation

The Corporation estimates FY 1995 expenditures of \$1.5 million, a reduction of \$132,102 from the approved budget. Salaries are increased by \$72,650 to reflect the addition of 1.5 positions to assist the Juvenile Justice Task Force and increased estimated fringe benefit costs. Other operating expenditures (OOE) are reduced by \$83,828. Local aid is reduced by \$120,924, including a shift of \$44,100 from the Family and Children Trust Fund account of the State General Fund to state operations.

The Governor recommends FY 1995 expenditures of \$1.5 million, representing a reduction of \$53,415 from the Corporation's estimate. The reduction is in state operations, reflecting adjusted fringe benefit costs and reduced OOE expenses. The Governor concurs with the Corporation's estimate of local aid payments but shifts \$44,100 in State General Fund financing back to local aid.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation for FY 1995.

SUBCOMMITTEE REPORT

Agency: Corporation for Change

Bill No. 2265

Bill Sec. 7

Analyst: West

Analysis Pg. No. 996

Budget Page No. 121

<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	\$ 654,052	\$ 604,512	\$ (10,071)
Aid to Locals	685,284	685,284	0
Total -- Operating	<u>\$ 1,339,336</u>	<u>\$ 1,289,796</u>	<u>\$ (10,071)</u>
State General Fund:			
State Operations	\$ 155,770	\$ 84,837	\$ (999)
Aid to Locals	189,090	177,745	0
Total -- Operating	<u>\$ 344,860</u>	<u>\$ 262,582</u>	<u>\$ (999)</u>
FTE Positions	0.0	0.0	--
Special Project Appointments	8.5	7.5	--
TOTAL	<u>8.5</u>	<u>7.5</u>	<u>--</u>

Agency Request/Governor's Recommendation

The Corporation requests an FY 1996 budget of \$1.3 million, including \$994,476 from federal funds, private sources, and special revenue funds. Requested State General Fund financing of \$344,860 would provide \$155,770 for state operations and \$189,000 for local aid.

The Governor recommends an FY 1996 budget of \$1.3 million, a reduction of \$49,540 from the agency's request for state operations. Recommended State General Fund financing of \$262,582 provides \$84,837 for state operations and \$177,745 for local aid.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's FY 1996 recommendation, with the following adjustment and observations:

1. Delete \$10,071 (\$999 State General Fund) associated with unclassified merit pay.
2. The Subcommittee notes that the Corporation has recently revised its focus away from the provision of services and back to system reform as was the original intent for its creation. The Subcommittee requested performance measures from the Corporation and received the following:

Goal: By January 1, 1996, to develop a specific plan for reforming the service delivery system for children and families in Kansas.

1. Develop a list of desired outcomes for the children and families of Kansas based on the *Blueprint for Investing in the Future of Kansas Children and Families* and on more recent needs assessment and evaluation studies. A focus on outcomes as the measures of service system performance will allow the state to evaluate its progress in implementing real reform.
2. Break-down the outcomes into their component parts and identify performance indicators.
3. Identify the services and supports needed to achieve each of the outcomes.
4. Identify the services and supports now available:
 - a. Identify which of the needed services and supports are now available.
 - b. Identify which are now available and are effective in improving outcomes.
 - c. Identify which services and supports are available but are ineffective or inefficient, or involve unnecessary duplication.
5. Conduct policy and practice analysis to identify gaps:
 - a. Identify services and supports that are needed and missing.
 - b. Identify services and supports that are needed and available, but where change (in such factors as location, eligibility determination, skills, and/or mindsets of front-line staff) is needed to make them effective in improving outcomes.
6. Develop a comprehensive and integrated plan to put missing services and supports in place, to make all services and supports maximally effective in improving outcomes, and to institutionalize change.
 - a. Working with the Governor, legislators, and others, develop a plan to restructure current human services delivery systems (which could include the development of linkages among existing services and agencies, modification of existing services and agencies, creation of new agencies and/or abolishing existing agencies).
 - b. Develop financing strategies to reallocate existing funds.
 - c. Identify barriers in state and federal policies and practices that interfere with the state's/community's ability to improve outcomes.

- d. Help develop the capacity of local communities to play a leadership role in the design of a service delivery system that is responsive to community strengths and needs (this builds on the extensive work the Corporation has done with Local Planning Councils).

While the Subcommittee basically concurs with the Corporation's submission, the Subcommittee notes that item No. 6 must be the primary focus of the Corporation. The Subcommittee directs the Corporation to develop a specific plan of service delivery system reform and present the plan to the 1996 Legislature. Absent the development of a specific plan for reforming the service delivery system for children and families, the Subcommittee questions the need for the Corporation to exist past FY 1996.

The Subcommittee anticipates that the plan will be a bold and radical approach to system reform, while at the same time not putting the state's children at risk. In developing the plan, the Subcommittee also anticipates that the Corporation shall include plans for the reallocation or reassignment of the Corporation's current grant programs and the phasing out of the Corporation's existence. The Subcommittee notes that the best measure of the Corporation's success will be the elimination of the need for its existence.

The Subcommittee also would note that if the Corporation has concerns about system changes currently being contemplated by the Legislature, representatives of the Corporation need to be here to express those concerns.

Finally, the Subcommittee notes that the Corporation will need assistance in developing the plan. The Subcommittee recommends that the appropriate staff of the Legislative, Executive, and Judicial branches of government fully cooperate with the Corporation in its mission.

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home

Bill No. 2234

Bill Sec. 22

Analyst: Wiegiers

Analysis Pg. No. 989

Budget Page No. 541

<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	\$ 1,618,927	\$ 1,332,050	\$ 0
General Fees Fund	2,639,447	2,889,447	215,000
Benefit and Gift Fund	17,160	17,160	0
TOTAL	<u>\$ 4,275,534</u>	<u>\$ 4,238,657</u>	<u>\$ 215,000</u>
FTE Positions	137.8	137.8	--

Agency Estimate/Governor's Recommendation

The Kansas Soldiers' Home estimates FY 1995 operating expenditures of \$4,275,534, an increase of \$110,089, 2.6 percent, above FY 1994 actual expenditures. The Governor recommends expenditures of \$4,238,657, a decrease of \$36,877 below the agency estimate. Salaries and wages were adjusted for decreased health insurance rates and decreased funding for temporary salaries in the nursing home program and the physical plant and dietary subprograms.

House Subcommittee Recommendation

The House subcommittee concurs with the Governor's recommendation with the following changes and observations:

1. The Subcommittee noted the agency's concern over the possible loss of federal Veterans' Administration (VA) reimbursement monies if the nursing care section located in Halsey Hall does not become licensed as an Intermediate Care Facility instead of a Recuperative Care Facility as it is now. The Subcommittee took these concerns under consideration when making their recommendations.
2. Increase the expenditure limitation in the General Fees Fund by \$215,000. These funds are to be used for two capital improvement projects in order for the nursing care facility to meet Intermediate Care Facility (ICF) licensure requirements. The two projects are a Sprinkler, Fire and Alarm System for Halsey Hall (\$150,000) and an Emergency Power Back-up for the facility (\$65,000).
3. The Subcommittee recommends that the above funds be put under a separate fee fund capital improvement account and that language be included so that any unused funds in the account at the end of FY 1995 be reappropriated to FY 1996.

*2/20/95
Appropriations Cmte
Attachment 2*

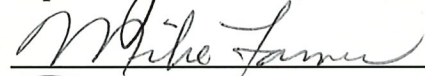
4. The Subcommittee expressed a desire for privatizing the Kansas Soldiers' Home either by sale, lease or a federal takeover. The Subcommittee recommends that the agency and the Department of Administration work together to study the feasibility of such action and report to the Senate on their progress.

The status of the General Fees Fund, based on the House Subcommittee recommendation, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1994</u>	<u>Estimated FY 1995</u>
Beginning Balance	\$ 167,798	\$ 311,753
Net Receipts	2,689,836	3,155,671
Total Funds Available	\$ 2,857,634	\$ 3,467,424
Less: Expenditures	2,545,881	3,104,447
Ending Balance	<u>\$ 311,753</u>	<u>\$ 362,977</u>
Ending Balance as Percentage of Expenditures	12.2%	11.7%



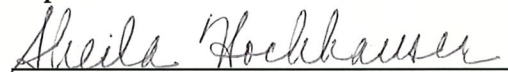
Representative Melvin Neufeld, Chair



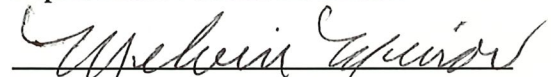
Representative Mike Farmer



Representative Duane Goossen



Representative Sheila Hochhauser



Representative Melvin Minor

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home

Bill No. 2265

Bill Sec. 4

Analyst: Wieggers

Analysis Pg. No. 985

Budget Page No. 541

<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	\$ 1,620,000	\$ 1,425,999	\$ (372,603)
General Fees Fund	2,887,161	2,959,093	301,157
Benefit and Gift Fund	17,160	17,160	0
Total	<u>\$ 4,524,321</u>	<u>\$ 4,402,252</u>	<u>\$ (71,446)</u>
FTE Positions	140.8	137.8	3.0

Agency Request/Governor's Recommendation

The agency requests FY 1996 expenditures of \$4,524,321, an increase of \$248,787, 5.8 percent, above the FY 1995 estimate. The agency requests 3.0 new FTE Health Care Assistant positions. The positions are requested in order to meet the requirements for Intermediate Care Facility (ICF) licensure instead of licensure as a Recuperative Care Facility. Licensure as an ICF is necessary to continue receiving federal Veterans Administration reimbursement funds. The Governor recommends \$4,402,252 for FY 1996, a decrease of \$122,069 below the agency request. The recommendation does not include funding for the additional 3.0 FTE positions. The recommendation for salaries and wages reflects adjustments for a 1.0 percent classified base salary increase, a 3.5 percent unclassified merit pool, decreased health insurance rates and decreased funding for temporary salaries in the nursing home, physical plant and dietary parograms.

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

<u>Performance Measure</u>	<u>Actual FY 1994</u>	<u>Estimated FY 1995</u>	<u>Estimated FY 1996*</u>
Average Daily Census	222	233	237
Percentage of operating expenses recovered	61.4%	55.9%	61.2%
Operating cost per resident	\$19,217	\$19,776	\$19,776

* Level of performance under Governor's recommendation.

House Subcommittee Recommendation

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

1. Delete \$125,211, including \$61,603 from the State General Fund, based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$4,457); classified step movement (\$50,017); a one percent base adjustment for classified employees (\$28,283); and the longevity bonus (\$42,454) from individual agency budgets.
2. Increase the expenditure limitation on the General Fees fund by \$364,765.
3. The Subcommittee noted the agency's concern over the possible loss of federal Veterans' Administration (VA) reimbursement monies if the nursing care section located in Halsey Hall does not become licensed as an Intermediate Care Facility instead of a Recuperative Care Facility as it is now. The Subcommittee took these concerns under consideration when making their recommendations.
4. Add 3.0 FTE Health Care Assistant positions for the nursing home section. Salaries and wages for these employees is to be funded from the General Fees Fund. The Subcommittee recognizes the need for these positions in order for the nursing section to become licensed as an Intermediate Care Facility. According to the agency, this licensure is necessary for the facility to continue receiving federal VA reimbursement funds.
5. Delete \$311,000 from the State General Fund to offset the increased expenditure limitation in the General Fees Fund.
6. The Subcommittee expressed a desire for privatizing the Kansas Soldiers' Home either by sale, lease, or a federal takeover. The Subcommittee recommends that the agency and the Department of Administration work together to study the feasibility of such action and report to the Senate on their progress.

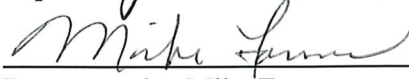
The status of the General Fees Fund, based on the House Subcommittee recommendation, is as follows:

Resource Estimate	Actual FY 1994	Estimated FY 1995	Estimated FY 1996
Beginning Balance	\$ 167,798	\$ 311,753	\$ 362,997
Net Receipts	2,689,836	3,155,671	3,260,861
Total Funds Available	<u>\$ 2,857,634</u>	<u>3,467,424</u>	<u>\$ 3,623,858</u>
Less: Expenditures	2,545,881	3,104,447	3,260,250
Ending Balance	<u><u>\$ 311,753</u></u>	<u><u>\$ 362,977</u></u>	<u><u>\$ 363,608</u></u>
Ending Balance as Percentage of Expenditures	12.2%	11.7%	9.0%

2-4



Representative Melvin Neufeld, Chair



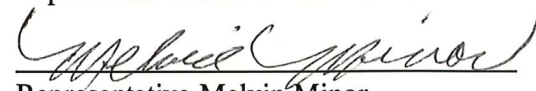
Representative Mike Farmer



Representative Duane Goossen



Representative Sheila Hochhauser



Representative Melvin Minor

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Veterans' Affairs

Bill No. 2234

Bill Sec. 22

Analyst: Wiegiers

Analysis Pg. No. 985

Budget Page No. 541

<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	\$ 1,496,347	\$ 1,482,986	\$ 0
Fee Funds	98,000	98,000	0
TOTAL	<u><u>\$ 1,594,347</u></u>	<u><u>\$ 1,580,986</u></u>	<u><u>\$ 0</u></u>
 FTE Positions	 54.0	 54.0	 --

Agency Estimate/Governor's Recommendation

The agency estimates FY 1995 operating expenditures of \$1,594,347, an increase of \$26,043, or 1.7 percent, over the FY 1994 expenditures. The request includes a supplemental request of \$22,918 from State General Funds. The Governor recommends expenditures of \$1,580,986, a decrease of \$13,361 below the agency estimate. The Governor's recommendation includes a supplemental State General Fund amount of \$9,557.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation with the following comments and changes:

1. The Subcommittee recommends the agency provide information to the Senate on the effects of the downsizing and possible closure of the Fort Riley military base on the Commission.
2. The Subcommittee recognizes the uncertainty facing the Commission with regard to the downsizing and possible closure of Fort Riley. This recognition is reflected in the Subcommittee's reluctance to make additional changes to the agency budget and its concurrence with the Governor's recommendation.
3. The Subcommittee expressed its concern with the decrease in Federal Funds and the increase in State General Fund financing over the last several years when the purpose of the Commission is to assist veterans in receiving Federal Veterans' Administration benefits.
4. The Subcommittee recommends the Commission cooperate with other state agencies to formulate a plan to close some of the field offices across the state. The

*2/20/95
Appropriations Committee
Attachment 3.*

recommendation does not require the elimination of all positions in the closed field offices but only that the offices be combined into fewer locations.

5. The Subcommittee recommends the Commission report to the Senate on the amount of cost sharing done by various veterans' organizations in providing the Commission's services to the citizens of Kansas. The agency should also provide information it can find on cost sharing by veterans' organizations in other states in providing similar services to their citizens.

The status of the fee fund, based on the Subcommittee recommendation, is as follows:

<u>Resource Estimate</u>	<u>Actual FY 1994</u>	<u>Estimated FY 1995</u>
Beginning Balance	\$ 32,210	\$ 12,367
Net Receipts	81,795	87,000
Total Funds Available	\$ 114,105	\$ 99,367
Less: Expenditures	101,738	98,000
Ending Balance	<u>\$ 12,367</u>	<u>\$ 1,367</u>
Ending Balance as Percentage of Expenditures	12.2%	1.4%



Representative Melvin Neufeld, Chair




Representative Mike Farmer



Representative Duane Goossen



Representative Sheila Hochhauser



Representative Melvin Minor

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Veterans' Affairs

Bill No. 2265

Bill Sec. 4

Analyst: Wieggers

Analysis Pg. No. 985

Budget Page No. 541

<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	\$ 1,622,537	\$ 1,550,755	\$ (48,311)
Fee Funds	83,867	82,867	1,000
TOTAL	<u><u>\$ 1,706,404</u></u>	<u><u>\$ 1,633,622</u></u>	<u><u>\$ (47,311)</u></u>
FTE Positions	55.0	54.0	--

Agency Request/Governor's Recommendation

The Commission request FY 1996 expenditures of \$1,706,404, an increase of \$112,057, or 7.0 percent, above the FY 1995 estimate. The request includes 1.0 additional FTE Management Analyst II position at a cost of \$33,742 including fringe benefits. The Governor recommends expenditures of \$1,633,622, a decrease of \$72,782 below the agency request. The recommendation does not include the additional 1.0 FTE position requested by the agency. Salaries and wages were adjusted to reflect a 1.0 percent classified base salary increase, a 3.5 percent unclassified merit pool and decreased health insurance rates.

House Subcommittee Recommendation

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

1. The Subcommittee noted the agency's performance measures.

<u>Performance Measures</u>	<u>Actual FY 1994</u>	<u>Estimated FY 1995</u>	<u>Estimated FY 1996*</u>
Number of personal contacts	111,731	99,890	99,890
Number of field contacts	32,750	28,854	29,143
Number of claims filed	16,270	15,255	15,407

* Estimated level of performance under the Governor's recommendation

2. Delete \$48,311 from the State General Fund based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$1,970); classified step movement (\$26,545); a one percent base adjustment for classified employees (\$12,695); and the longevity bonus (\$7,101) from individual agency budgets.

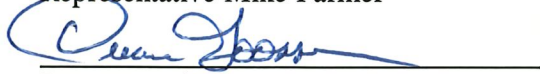
3. The Subcommittee recognizes the uncertainty facing the Commission with regard to the downsizing and possible closure of Fort Riley. This recognition is reflected in the Subcommittee's reluctance to make additional changes to the agency budget and its concurrence with the Governor's recommendation.
4. The Subcommittee expressed its concern with the decrease in Federal Funds and the increase in State General Fund financing over the last several years when the purpose of the Commission is to assist veterans in receiving Federal Veterans' Administration benefits.
5. The Subcommittee recommends the Commission cooperate with other state agencies to formulate a plan to close some of the field offices across the state. The recommendation does not require the elimination of all positions in the closed field offices but only that the offices be combined into fewer locations.
6. The Subcommittee recommends fee fund expenditures of \$83,867 which is equal to the agency request.
7. The Subcommittee recommends the Commission report to the Senate on the amount of cost sharing done by various veterans' organizations in providing the Commission's services to the citizens of Kansas. The agency should also provide information it can find on cost sharing by veterans' organizations in other states in providing similar services to their citizens.

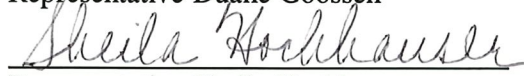
The status of the fee fund, based on the Subcommittee recommendation, is as follows:

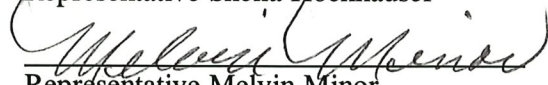
Resource Estimate	Actual FY 1994	Estimated FY 1995	Estimated FY 1996
Beginning Balance	\$ 32,210	\$ 12,367	\$ 1,367
Net Receipts	81,795	87,000	84,500
Total Funds Available	\$ 114,105	\$ 99,367	\$ 85,867
Less: Expenditures	101,738	98,000	83,867
Ending Balance	<u>\$ 12,367</u>	<u>\$ 1,367</u>	<u>\$ 2,000</u>
Ending Balance as Percentage of Expenditures	12.2%	1.4%	2.4%


 Representative Melvin Neufeld, Chair


 Representative Mike Farmer


 Representative Duane Goossen


 Representative Sheila Hochhauser


 Representative Melvin Minor

Subcommittee Report

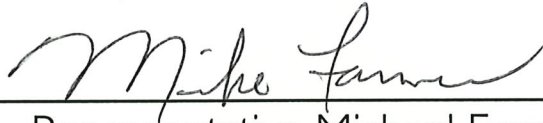
Kansas Department on Aging

1995 House Bill 2265

§ 6



Representative Melvin Neufeld, Chairman



Representative Michael Farmer



Representative Duane Goossen



Representative Sheila Hochhauser



Representative Melvin Minor

2/20/95
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SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 2234

Bill Sec. 17

Analyst: Colton

Analysis Pg. No. 974

Budget Page No. 47

<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	\$ 2,990,420	\$ 3,021,471	\$ 0
Aid to Local Units	4,465,147	4,465,147	0
Other Assistance	12,587,486	12,587,486	0
TOTAL	\$ 20,043,053	\$ 20,074,104	\$ 0
State General Fund:			
State Operations	\$ 1,318,673	\$ 1,349,008	\$ 0
Aid to Local Units	1,318,867	1,318,867	0
Other Assistance	3,488,055	3,488,055	0
TOTAL	\$ 6,125,595	\$ 6,155,930	\$ 0
FTE Positions	40.0	40.0	0.0
Special Project Appointments	6.8	6.8	0.0
TOTAL	46.8	46.8	0.0

Agency Estimate/Governor's Recommendation

1. State Operations. The agency estimates FY 1995 expenditures for state operations of \$2,990,420. The Governor recommends \$3,021,471. The Governor's recommendation includes supplemental funding of about \$29,000 for the Client Assessment, Referral and Evaluation (CARE) Program, which was added to the agency by the 1994 Legislature.

2. Grants. The agency estimates expenditures for aid and other assistance of \$17,052,633. The agency used reappropriated State General Fund moneys from FY 1994 to expand base funding for the Senior Care Act in FY 1995. By doing this, they increased the number of persons served under the Senior Care Act from about 2,700 to 3,000. Other adjustments in the current year include the addition of \$354,746 in federal flood disaster relief, and \$312,760 in other federal fund adjustments. The Governor concurs with the agency estimate.

House Subcommittee Recommendation

Concur.

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SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 2134

Bill Sec. 6

Analyst: Colton

Analysis Pg. No. 974

Budget Page No. 47

<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	\$ 4,290,755	\$ 3,926,824	\$ (113,559)
Aid to Local Units	4,663,122	4,483,261	0
Other Assistance	12,702,742	12,425,616	0
TOTAL	<u>\$ 21,656,619</u>	<u>\$ 20,835,701</u>	<u>\$ (113,559)</u>
State General Fund:			
State Operations	\$ 2,021,612	\$ 1,674,351	\$ (72,579)
Aid to Local Units	1,434,493	1,259,424	0
Other Assistance	3,782,639	3,515,162	0
TOTAL	<u>\$ 7,238,744</u>	<u>\$ 6,448,937</u>	<u>\$ (72,579)</u>
FTE Positions	47.8	40.0	0.0
Special Project Appointments	4.5	6.8	0.0
TOTAL	<u>52.3</u>	<u>46.8</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

1. State Operations. The agency requests FY 1996 expenditures for state operations of \$4,290,755. This is an increase of \$1,300,335 from the agency's revised current year estimate. Included in the requested increase is \$201,932 for 6.5 new FTE positions; the agency also seeks the reclassification of 1.25 FTE special projects ombudsman positions to classified FTE positions. Also included in the agency request is an increase of \$971,835 for the expansion of the CARE program (the agency expects that the number of assessments that it will perform under the CARE program will double from FY 1995 to FY 1996). In addition, the requested increase includes funding for operating expenditures associated with the Healthy Lifestyles Demonstration Program that the agency proposes to implement (see below).

The Governor recommends \$3,926,824 for state operations in FY 1996. The Governor does not recommend funding for the requested 6.5 new FTE positions, and does not recommend the reclassification of the 1.25 special projects ombudsman positions. With respect to FY 1995, the Governor recommends an increase in funding for the CARE program of \$894,694, and projects that this funding will be adequate for 15,514 assessments in FY 1996 (FY 1995 assessments are estimated at 7,757 in the Governor's recommendation). Because the Governor does not recommend the proposed Healthy Lifestyles Demonstration Program, the requested increase for OOE associated with the program is not included in his FY 1996 recommendation. The Governor's recommendations include funding for classified employee

step movement, a 1-percent base salary adjustment for classified employees and a 3½-percent merit increase for unclassified employees.

2. Grants. The agency proposes grant funding in FY 1996 of \$17,365,864, which is an increase of 1.8 percent over the FY 1995 estimate of \$17,052,633. In the agency request, the FY 1995 expansion of Senior Care Act services is continued, and there is one enhancement: the Healthy Lifestyles Demonstration Program. This program, which would cost \$181,733 (State General Fund) to implement, would aim to teach seniors how to maintain or improve health by good nutrition and exercise habits.

The Governor recommends FY 1996 grant funding of \$16,908,877. Essentially the Governor concurs with the agency estimate (including the continuation of expanded Senior Care Act services), with one exception: the Governor does not recommend the implementation of the Healthy Lifestyles Demonstration Program.

House Subcommittee Recommendation

Concur with the Governor, except:

1. Put funding for the Governor's salary plan (\$36,048 SGF, \$77,028 all funds) in another bill.
2. Remove recommended funding for software (\$4,984), and \$31,547 in requested funding for travel and computer training. This funding is for software for the agency's management information services plan, and for travel and computer training for Department on Aging staff. The Subcommittee believes that the Department on Aging and the Department of Social and Rehabilitation Services (SRS) should begin discussions with regard to a compatible computer system for both agencies, and draw up an information management plan that would eliminate future compatibility problems between the agencies. This plan should be presented to the Legislature at Omnibus time, when funding for software, personnel, and other expenditures necessary to implement the plan can be considered.
3. The Subcommittee notes that the agency requested an increase of \$25,000 (from \$20,000 to \$45,000) for the Retired Senior Volunteer Program (RSVP). This request was not recommended by the Governor. While the Subcommittee supports the Governor's recommendation, the Subcommittee has asked the agency to put together information on the program and its effectiveness, and present that information to the Senate Subcommittee that will review this budget. In light of the information presented, the Senate Subcommittee can consider whether the requested increase in funding for RSVP is justified.
4. The Subcommittee notes that, after removal of funding for pay plan recommended by the Governor, there has been an increase of \$287,294, or 4.7 percent, in funding from the State General Fund. This increase is due principally due to the annualization of the CARE program, which was begun under the direction of the Department on Aging on January 1, 1995, and which was funded in FY 1995 for one-half of a year.

Before the beginning of calendar year 1995, nursing-home preadmission screenings were contracted out by SRS to a private firm, Bock Associates. Because of discontent with the way in which nursing home pre-admission screenings were being carried out, 1994 House Bill 2581 transferred responsibility for such screenings from SRS to the Department on Aging, which now conducts such screenings through the CARE program. One-half of administrative costs of the program are reimbursable through Medicaid, as well as three-quarters of direct-care expenditures. The following table shows expenditures for nursing-home preadmission screenings for fiscal years FY 1994, 1995 and 1996.

	In Millions (All Funds)		
	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>
SRS	\$ 1.594	\$ 0.75	\$ 0
Department on Aging	0	1.183	2.078
TOTAL	<u>\$ 1.594</u>	<u>\$ 1.933</u>	<u>\$ 2.078</u>

It must be cautioned that the figures shown above are projections. The program has only been in operation for one month, and so it is difficult to make long-term projections of what actual CARE program expenditures will be. The agency has reported that it plans to monitor CARE program activities over the next several months in order to have a better idea of what long-term expenditures will be. Based upon this, the agency has indicated that it will, if necessary, ask for a Governor's budget amendment in order to see that the program is adequately funded. FY 1995 expenditures include start-up costs.

5. The Subcommittee notes that proposals currently under consideration in Congress could affect programs at the Department on Aging, *e.g.*, Job Training Partnership Act funding. Such proposals could have significant effects upon the agency's ability to provide services to older Kansans, and, if such proposals pass, the agency may have to adjust its management and programming strategies. The Subcommittee did learn, however, that Older Americans Act nutrition funding has been removed from the nutrition block-grant proposal currently under consideration in Washington.

*Selected Performance Indicators
Kansas Department on Aging*

Number of Meals Served

	Actual FY 94	Estimated FY 95	Estimated FY 96
Older Americans Act	3,887,579	3,900,632	3,900,632
In-Home	439,708	439,708	439,708

Persons Served by Senior Care Act

	Actual FY 94	Estimated FY 95	Estimated FY 96
Persons Served	2,689	3,000	3,000

Diversions from Institutions--Senior Care Act

	Actual FY 94	Estimated FY 95	Estimated FY 96
Diversions	36%	40%	44%

Employment Placements

	Actual FY 94	Estimated FY 95	Estimated FY 96
Placements	985	1,030	1,016

Medicare Counselling with Individuals

	Actual FY 94	Estimated FY 95	Estimated FY 96
Individuals Served	1,659	1,991	2,389

Written Materials on Elder Rights Distributed

	Actual FY 94	Estimated FY 95	Estimated FY 96
Pieces Distributed	35,500	35,500	25,500

CARE Community Forums Conducted

	Actual FY 94	Estimated FY 95	Estimated FY 96
Forums	N/A	11	22

CARE Assessments

	Actual FY 94	Estimated FY 95	Estimated FY 96
Level I Assessments	N/A	6,732	13,464
Level II Assessments	N/A	1,025	2,050

SUBCOMMITTEE REPORT

Agency: Department of Revenue --
Homestead Property Tax Refunds

Bill No. 2234

Bill Sec. 21

Analyst: Milstead

Analysis Pg. No. 994

Budget Page No. 451

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
State General Fund:			
Homestead Tax Refund	\$ 9,100,000	\$ 9,100,000	\$ 0
FTE Positions	0.0	0.0	0.0

Agency Estimate/Governor's Recommendation

The agency's current year estimate of \$9,100,000 is an increase of \$391,683 above the budget approved by the 1994 Legislature. The increase in estimated expenditures is largely attributable to higher than estimated actual expenditures in FY 1994. A State General Fund supplemental appropriation of \$391,683 is requested in order to finance the current year estimate. The Governor concurs with the agency's request.


House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's FY 1995 recommendation.

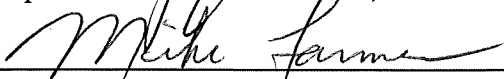
The following table summarizes program activity from FY 1993-FY 1995:

Homestead Property Tax Refunds FY 1993 -- FY 1996					
	<u>Actual FY 1993</u>	<u>Actual FY 1994</u>	<u>Estimate FY 1995</u>	<u>Gov. Rec. FY 1995</u>	<u>House Subc. Adj.</u>
Number of Refunds	47,405	46,623	46,500	46,500	0
Average Refund	194.49 \$	190.03 \$	185.00 \$	185.00 \$	0
Amount of Refunds	\$ 9,219,798	\$ 8,900,000	\$ 8,600,000	\$ 8,600,000	\$ 0
Receivables and Setoffs	45,787	511,683	500,000	500,000	0
TOTAL EXPENDITURES	<u>\$ 9,265,585</u>	<u>\$ 9,411,683</u>	<u>\$ 9,100,000</u>	<u>\$ 9,100,000</u>	<u>\$ 0</u>


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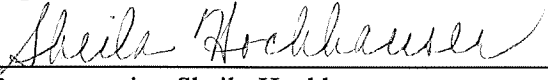
Representative Melvin Neufeld, Chair



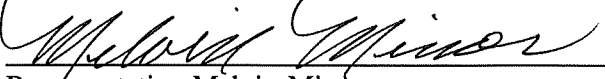
Representative Mike Farmer



Representative Duane Goossen



Representative Sheila Hochhauser



Representative Melvin Minor

SUBCOMMITTEE REPORT

Agency: Department of Revenue --
Homestead Property Tax Refunds

Bill No. 2265

Bill Sec. 2

Analyst: Milstead

Analysis Pg. No. 994

Budget Page No. 451

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
State General Fund:			
Homestead Tax Refunds	\$ 8,900,000	\$ 8,900,000	\$ 0
FTE Positions	0.0	0.0	0.0

Agency Request/Governor's Recommendation

The agency requests \$8,900,000 for Homestead Property Tax refunds in FY 1996, representing an estimated decrease of 800 (1.7 percent) in the number of refunds claimed and a \$1.00 decrease in the amount of the average refund. The agency's estimate is based on the number of returns filed for calendar year 1992 and FY 1993 and estimated changes in income levels and tax levies. The Governor concurs with the agency.

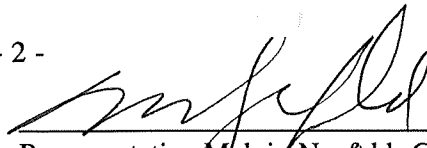
House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's FY 1996 recommendation.

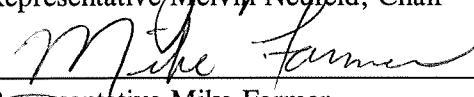
The following table summarizes program activity from FY 1993-FY 1996:

Homestead Property Tax Refunds FY 1993 -- FY 1996							
	<u>Actual FY 1993</u>	<u>Actual FY 1994</u>	<u>Estimate FY 1995</u>	<u>Gov. Rec. FY 1995</u>	<u>Estimate FY 1996</u>	<u>Gov. Rec. FY 1996</u>	<u>House Subc. Adj.</u>
Number of Refunds	47,405	46623	46,500	46,500	45,700	45,700	0
Average Refund	194.49	\$ 190.03	\$ 185.00	\$ 185.00	\$ 182.00	\$ 182.00	\$ 0
Amount of Refunds	\$ 9,219,798	\$ 8,900,000	\$ 8,600,000	\$ 8,600,000	\$ 8,400,000	\$ 8,400,000	\$ 0
Receivables and Setoffs	45787	511683	500,000	500,000	500,000	500,000	0
TOTAL EXPENDITURES	<u>\$ 9,265,585</u>	<u>\$ 9,411,683</u>	<u>\$ 9,100,000</u>	<u>\$ 9,100,000</u>	<u>\$ 8,900,000</u>	<u>\$ 8,900,000</u>	<u>\$ 0</u>

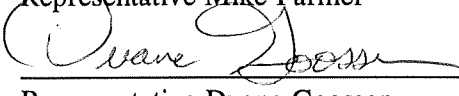
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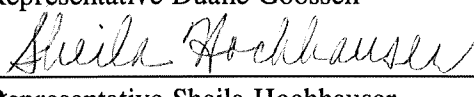
Representative Melvin Neufeld, Chair



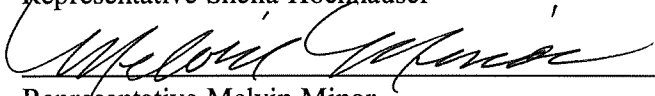
Representative Mike Farmer



Representative Duane Goossen



Representative Sheila Hochhauser



Representative Melvin Minor

SUBCOMMITTEE REPORT

Agency: Department of Human Resources **Bill No. --** **Bill Sec. --**
Analyst: Milstead **Analysis Pg. No. 961** **Budget Page No. 279**

<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	\$ 45,151,713	\$ 45,053,779	\$ 0
Local Aid	0	0	0
Other Assistance	207,195,000	207,195,000	0
Subtotal	<u>\$ 252,346,713</u>	<u>\$ 252,248,779</u>	<u>\$ 0</u>
Capital Improvements	351,276	351,276	0
TOTAL	<u><u>\$ 252,697,989</u></u>	<u><u>\$ 252,600,055</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 1,008,044	\$ 1,006,594	\$ 0
Other Assistance	5,000	5,000	0
TOTAL	<u><u>\$ 1,013,044</u></u>	<u><u>\$ 1,011,594</u></u>	<u><u>\$ 0</u></u>
FTE Positions	928.5	928.5	--
Special Project Appointments	16.0	16.0	--
TOTAL	<u><u>944.5</u></u>	<u><u>944.5</u></u>	<u><u>--</u></u>

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 1995 operating expenditures of \$252,346,713 is a net decrease of \$22,875,121 from the approved budget.

The Governor's recommendation for FY 1995 operating expenditures of \$252,248,779 is a decrease of \$97,934 from the agency's estimate including a \$39,310 decrease in salaries in the unemployment Insurance Administration Division, a reduction of \$25,053 in salaries in the Administration and Support Services Division, a \$13,052 decrease in salaries in the Workers' Compensation Services Division, and a reduction of \$13,367 in salaries in the Employment Services Division.

State General Fund. The agency's estimate of FY 1995 State General Fund (SGF) expenditures is \$3,451 less than the approved amount of \$1,016,495.

The Governor's current year recommendation of SGF expenditures is a decrease of \$1,450 from the agency's estimate.

Other Funds. The agency estimates that FY 1995 operating expenditures from federal and special revenue funding sources will be \$251,333,669, a net decrease of \$22,871,670 from the approved

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Attachment 6*

budget. Unemployment insurance benefits are estimated to be \$194,000,000, a reduction of \$20,900,000. Grants under the federal Job Training Partnership Act (JTPA) are estimated at \$16,557,131.

The Governor recommends FY 1995 operating expenditures from federal and special revenue fund financing of \$251,237,185, a net decrease of \$96,484 (all from salaries and wages) from the agency's estimate. Recommended unemployment insurance expenditures of \$194,000,000 are the same as the agency's estimate.


FTE Positions. The agency's estimate of 928.5 FTE positions is one FTE position less than the approved level of staffing. The Governor recommends 928.5 FTE positions.

Capital Improvements. The agency's current year estimate is \$351,276 for FY 1995 capital improvements.

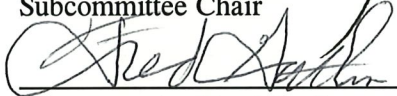
The Governor concurs with the agency's capital improvement estimate.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's FY 1995 recommendation.



Representative Tim Carmody
Subcommittee Chair



Representative Fred Gatlin



Representative Jim Lowther

Representative Delbert Gross

SUBCOMMITTEE REPORT

Agency: Department of Human Resources

Bill No. 2265

Bill Sec. 3

Analyst: Milstead

Analysis Pg. No. 961

Budget Page No. 279

Expenditure Summary	Agency Request FY 96	Governor's Recommendation FY 96	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 46,306,639	\$ 45,598,151	\$ (1,279,496)
Local Aid	0	0	0
Other Assistance	212,305,931	212,295,545	0
Subtotal	<u>\$ 258,612,570</u>	<u>\$ 257,893,696</u>	<u>\$ (1,279,496)</u>
Capital Improvements	91,131	91,131	0
TOTAL	<u><u>\$ 258,703,701</u></u>	<u><u>\$ 257,984,827</u></u>	<u><u>\$ (1,279,496)</u></u>
State General Fund:			
State Operations	\$ 1,145,482	\$ 966,385	\$ (27,554)
Other Assistance	105,931	95,545	0
TOTAL	<u><u>\$ 1,251,413</u></u>	<u><u>\$ 1,061,930</u></u>	<u><u>\$ (27,554)</u></u>
FTE Positions	936.5	928.5	--
Special Project Appointments	32.0	16.0	--
TOTAL	<u><u>968.5</u></u>	<u><u>944.5</u></u>	<u><u>--</u></u>

Agency Request/Governor's Recommendation

State General Fund. The agency's FY 1996 request from the State General Fund totals \$1,251,413, an increase of \$238,656 from the current year estimate. The majority of the increase is attributable to the requests for the Disability Concerns (\$32,232), Apprenticeship (\$54,323), Hispanic Affairs (\$41,824), and Employment and Training Services (\$100,000) programs. The Governor recommends FY 1996 State General Fund expenditures of \$1,061,930, an increase of \$50,336 from the current year.

Other Funds. All other expenditures for the operating budget requested by the agency for FY 1996 total \$257,361,157, a net increase of \$6,027,488. Unemployment insurance payments are anticipated to increase by \$8,000,000. That increase is offset by reductions in Data Processing (\$1,111,878) and the ending of a discretionary Job Training Partnership Act grant (\$2,900,000). The Governor recommends \$256,831,766 for FY 1996 operating expenditures from other funding sources, a net increase of \$5,594,581 from the current year. The Governor concurs with the estimated \$8,000,000 increase in unemployment insurance payments. That increase is offset by the ending of a discretionary Job Training Partnership Act grant (\$2,900,000; referred to above).

New Initiatives

Workers Compensation. The agency requests \$508,030 from the Workman's Compensation Fee Fund for 16.0 new special project positions for further implementation of workers compensation reform passed by the 1993 Legislature. The request also includes converting six current special project positions to FTE status.

The Governor does not recommend funding for the 16.0 special project positions and does not recommend converting the six current special project positions to FTE status.

Apprenticeship. State General Fund financing of \$52,123 is requested for 1.0 FTE new position (\$30,649, including fringe benefits) and other operating expenses (\$21,474) for increased enforcement of the state's child labor laws.

The Governor does not recommend funding for the requested new position.

Hispanic Affairs. State General Fund financing of \$39,035 is requested to restore staffing for the Hispanic Affairs program to the FY 1992 level of 4.0 FTE positions.

The Governor does not recommend funding for the requested new position.

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor's FY 1996 recommendations, with the following adjustments:

1. Delete \$1,252,496, including \$27,554 from the State General Fund based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$60,920); classified step movement (\$425,740); a one percent base adjustment for classified employees (\$292,181); and the longevity bonus (\$473,655) from individual agency budgets.
2. Delete \$27,000 based on the recommendation to delete funding for SHARP implementation from individual agency budgets.
3. The Subcommittee encourages the agency to monitor changes in rules, regulations, and statutes on the federal level which may affect the agency in terms of its role, mission, and personnel.
4. The following tables reflect outcome/output measures for a number of programs administered by the agency:

a. KanWork assists AFDC participants to become employed, self-sufficient, and to eventually leave the welfare system.

Component	FY 1993	FY 1994	FY 1995*
Number of clients referred	2,011	2,872	1,700
Number of Follow-Thru Only Referred	381	801	438
Number of Individuals in Counseling (new)	712	832	301
Number of Individuals Tested	726	1,303	768
Number of Individuals in Career Workshops	712	755	474
Number of Individuals in Job Search	266	359	144
Number of On-the-Job Training Contracts	30	38	47
OJT Average Hourly Wage	\$6.47	\$6.12	\$6.08
Number Obtained Employment	536	1,036	617
Number of Placed Employment	97	121	89
Employment Average Hourly Wage	\$5.56	\$5.87	\$5.83
Employer Follow-Thru for Employment:			
30 Day	669	1,033	623
60 Day	366	1,240	555
90 Day	506	1,086	552
12 Month	217	753	335
15 Month	60	767	349
TOTAL	1,818	4,879	2,414

* Through January, 1995.

b. Job Training Partnership Act (JTPA) seeks to prepare youth and adults facing serious barriers to employment by providing job training and other services to result in increased employment and earnings.

Adult					
	FY 1994	FY 1995	FY 1996	FY 1997	FY 1998
Outcome Measures					
Percent of adults employed at follow-up	72	59	59	59	59
Weekly earnings of adults at follow-up	\$295	\$245	\$245	\$245	\$245
Percent of adult welfare recipients employed at follow-up	57	47	47	47	47
Weekly earnings of welfare recipients at follow-up	\$276	\$223	\$223	\$223	\$223
Output Measures					
Number of adult program participants	2,100	1,890	1,890	1,890	1,890
Number of adults completing program	1,235	1,115	1,115	1,115	1,115
Number of adults in unsubsidized employment	785	706	706	706	706
Number of employability enhancements	100	90	90	90	90
Number in basic skills training	998	898	898	898	898
Number in on-the-job training	339	339	305	305	305

Youth					
	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>
Outcome Measures					
Percent of youth entering employment	49	41	41	41	41
Percent of youth receiving employability enhancement	56	40	40	40	40
Output Measures					
Number of youth program participants	1,625	1,462	1,462	1,462	1,462
Number of youth completing the program	1,075	967	967	967	967
Number in basic skills training	148	133	133	133	133
Number in occupational skills training	408	367	367	367	367
Number in pre-employment and work maturity skills	346	311	311	311	311
Number in on-the-job training	124	111	111	111	111

c. Unemployment Insurance Program. According to the agency, the program's goal is to assist eligible unemployed workers by providing monetary benefits during a temporary period of unemployment and to serve the business community by placing money into circulation at the onset of a local, state, or national economic downturn.

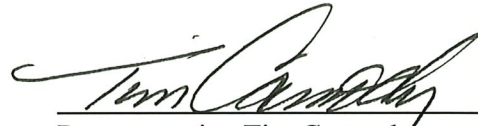
The following table illustrates the program's efforts at providing benefits in a timely manner:

	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>
Outcome Measures					
% of intrastate claimants to be issued first payments within 14 days	89.9	92.0	92.0	92.0	92.0
% of claimants filing weekly claims via the voice response system	--	60.0	70.0	75.0	75.0
% of inquires handled by the voice response system	--	50.0	60.0	65.0	65.0
% of claimants taking advantage of electronic deposit feature	--	40.0	60.0	70.0	75.0
Output Measures					
Number of Initial Claims filed for benefits	146,461	157,000	159,000	159,000	159,000
Number of Weeks Claimed filed for benefits	1,116,685	1,141,000	1,157,000	1,157,000	1,157,000
No. of weekly claims filed via telephone utilizing voice response	--	626,000	835,000	875,000	875,000
No. of inquires to be answered by voice response system without agency staff intervention	--	232,000	310,000	325,000	325,000
No. of weekly claims electronically deposited	--	500,000	750,000	787,000	787,000

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The following table reflects the program's efforts to promptly and accurately collect, deposit, and audit employer contributions:

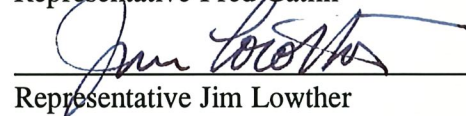
	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>
Outcome Measures					
% of checks deposited within 3 days of receipt	99.9	100.0	100.0	100.0	100.0
% of all employers filing reports by end of quarter	97.8	98.0	98.0	98.0	98.0
% of all employers audited within the year	2.3	2.3	2.3	2.3	2.3
% of determinations of employer liability made within 180 days	80.4	85.0	85.0	85.0	85.0
Output Measures					
Number of Tax Audits conducted	1,124	1,150	1,150	1,150	1,150
Amount of employer contributions (in millions)	\$178.2	\$164.2	\$184.2	\$184.2	\$184.2



Representative Tim Carmody
Subcommittee Chair



Representative Fred Gatlin



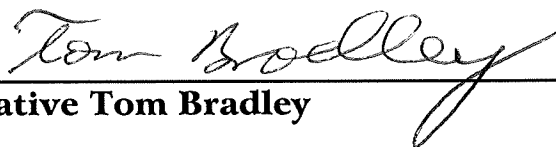
Representative Jim Lowther

Representative Delbert Gross

Subcommittee Report
Kansas Department of Wildlife and Parks
1995 H.B. 2265
Section 8



Representative Joe Kejr, Chairman



Representative Tom Bradley



Representative Richard Edlund

2/20/95
Appropriations Cmte
Attachment 7

SUBCOMMITTEE REPORT

Agency: Department of Wildlife and Parks

Bill No. 236

Bill Sec. 8

Analyst: Mills

Analysis Pg. No. 1002

Budget Page No. 551

<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	\$ 24,177,149	\$ 23,449,675	\$ 0
Local Aid	698,288	698,288	0
Other Assistance	<u>417,986</u>	<u>417,715</u>	<u>0</u>
Subtotal -- Operating	\$ 25,293,423	\$ 24,565,678	\$ 0
Capital Improvements	<u>13,792,721</u>	<u>13,792,721</u>	<u>(112,902)</u>
TOTAL	<u>\$ 39,086,144</u>	<u>\$ 38,358,399</u>	<u>\$ (112,902)</u>
State General Fund:			
State Operations	\$ 3,719,109	\$ 3,670,816	\$ 0
Local Aid	0	0	0
Other Assistance	<u>201,100</u>	<u>201,100</u>	<u>0</u>
Subtotal -- Operating	\$ 3,920,209	\$ 3,871,916	\$ 0
Capital Improvements	<u>70,808</u>	<u>70,808</u>	<u>0</u>
TOTAL	<u>\$ 3,991,017</u>	<u>\$ 3,942,724</u>	<u>\$ 0</u>
EDIF:			
State Operations	\$ 0	\$ 0	\$ 0
Local Aid	0	0	0
Other Assistance	<u>50,000</u>	<u>50,000</u>	<u>0</u>
Subtotal -- Operating	\$ 50,000	\$ 50,000	\$ 0
Capital Improvements	<u>1,569,337</u>	<u>1,569,337</u>	<u>0</u>
TOTAL	<u>\$ 1,619,337</u>	<u>\$ 1,619,337</u>	<u>\$ 0</u>
State Water Plan Fund:			
State Operations	\$ 236,200	\$ 236,200	\$ 0
Local Aid	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal -- Operating	\$ 236,200	\$ 236,200	\$ 0
Capital Improvements	<u>1,314,425</u>	<u>1,314,425</u>	<u>0</u>
TOTAL	<u>\$ 1,550,625</u>	<u>\$ 1,550,625</u>	<u>\$ 0</u>
FTE Positions	406.0	406.0	0.0
Special Project Appointments	<u>11.0</u>	<u>11.0</u>	<u>0.0</u>
TOTAL	<u>417.0</u>	<u>417.0</u>	<u>0.0</u>

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Agency Estimate/Governor's Recommendation

1. State Operations. The agency estimates current year expenditures for state operations will total \$24,177,149, an increase of \$1,297,176 over the amount approved by the 1994 Legislature. The agency is requesting an FY 1995 State General Fund supplemental appropriation of \$376,100 for two items: (a) \$201,100 which was expended to provide partial funding for the settlement of the *Kinnett* case, dealing with wages under the Fair Labor Standards Act (the Department's portion of the settlement totaled \$367,715), and (b) \$175,000 which will provide additional funding for state parks operations, including repairs, supplies, and utilities. The Department also requests an expenditure limitation increase in FY 1995 on the Wildlife Fee Fund of \$1,722,989: this total is composed of \$166,615 to replace funds expended in the *Kinnett* settlement; \$769,100 for the fisheries program related to the federal audit; \$636,479 for expected additional federal aid; and \$150,800 to replace funds originally approved from the "Duck Stamp" fund. The FY 1995 state operations request includes \$3,719,109 from the State General Fund, \$16,017,720 from the Wildlife Fee Fund, \$609,189 from the Boating Fee Fund, \$2,800,693 from the Park Fee Fund, and \$1,030,438 from other funds.

The Governor recommends a total of \$23,449,675 for state operations in FY 1995, a decrease of \$727,474 from the agency revised estimate. The reductions are found in salaries (\$263,081) and other operating expenditures (\$464,393). The Governor does recommend an FY 1995 State General Fund supplemental appropriation of \$327,807 for two items: (a) \$77,807 for the overtime settlement in the *Kinnett* wage case; and (b) \$250,000 from the State General Fund to supplement the Parks Fee Fund (in both FY 1995 and FY 1996). Also, the Governor recommends a transfer of \$87,668 from the Parks Fee Fund (PFF) to the Wildlife Fee Fund (WFF) to reimburse the WFF for some equipment that was purchased with federal funds (this was a federal audit item). The Governor also recommends a total of \$636,474 in FY 1995 from the Wildlife Fee Fund for fisheries enhancements (another federal audit item). The Governor's recommendation will support 406.0 FTE positions and 11.0 special projects positions, for a total of 417.0. The Governor's recommendation for FY 1995 includes \$3,670,816 from the State General Fund, \$15,636,250 from the Wildlife Fee Fund, \$605,104 from the Boating Fee Fund, \$2,507,067 from the Parks Fee Fund, and \$1,030,438 from other funds.

2. Local Aid. The agency estimates payments from the federal Land and Water Conservation Fund of \$300,000. The Governor concurs.

3. Capital Improvements. The agency estimates capital improvements in FY 1995 totaling \$13,792,721 which includes \$70,808 from the State General Fund. The Governor concurs.

4. Federal Audit Issues. In the spring of 1993, the Office of the Inspector General conducted an audit of the Kansas Department of Wildlife and Parks "Sports Fisheries and Wildlife Restoration Federal Aid" program. The audit covered the time period from FY 1989 to FY 1992. Questions arose as to whether the Department used fishing and hunting license revenues for activities that were not directly related to sport fish and wildlife and whether the Department received federal grants that were the result of improper charges. The Department filed an official response with the U.S. Fish and Wildlife Service on December 15, 1993. The 1994 Legislature approved two items of appropriation related to the federal audit:

- a. The 1994 Legislature approved the transfer of \$802,786 from the State General Fund to the Wildlife Fee Fund in FY 1995, subject to State Finance Council release and the signing of a Memorandum of Agreement between the Governor and the U.S. Fish and Wildlife Service (USFWS). The amount to be transferred represents one-third of the \$2,408,358 that the USFWS alleges the Department diverted from

the Wildlife Fee Fund. However, in October of 1994, the Legislative Division of Post Audit reviewed the issue and concluded that the amount which the Department should restore is \$1,098,239. The Memorandum of Agreement was signed by the two parties on October 7, 1994, and the transfer of the funds was approved by the State Finance Council on October 19, 1994; and

- b. The 1994 Legislature also directed the Department to expend at least \$1,180,509 from the Wildlife Fee Fund in FY 1995 for new fisheries projects, of which \$769,100 was subject to State Finance Council release upon the submission of an approved fisheries management plan. Subject to the Memorandum of Agreement with the U.S. Fish and Wildlife Service, the Department is expected to expend \$3,541,526 of additional state funds for the state fisheries program to compensate for inadequate expenditures during state fiscal years 1986 to 1992. The State Finance Council approved the release of this \$769,100 on October 19, 1994. (Staff Note: The FY 1996 budget request of the Department includes \$1,186,920 from the Wildlife Fee Fund to address the issue of "underspending" in the fisheries program.) The remaining amount of \$1,174,097 to complete the required expenditures of \$3,541,526 will be requested in FY 1997.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation for FY 1995, with the following additional recommendation:

1. Lapse \$150,000 (Wildlife Fee Fund) in FY 1995 which had originally been appropriated to rehabilitate the Smokey Hill river channel as the federal government has stated that the needed permits will not be issued. Also, appropriate \$37,098 (Wildlife Fee Fund) to allow the Department to make the required payment to the Bureau of Reclamation for reservoir maintenance at Cedar Bluff Reservoir. The additional funds are needed due to the increase in the water level of the reservoir as a result of excessive rainfall in 1993.
2. A technical correction to the appropriation bill to properly reflect the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: Department of Wildlife and Parks

Bill No. 2265

Bill Sec. 8

Analyst: Mills

Analysis Pg. No. 1002

Budget Page No. 551

<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	\$ 26,678,190	\$ 24,205,172	\$(810,863)
Local Aid	575,000	575,000	0
Other Assistance	40,000	40,000	0
Subtotal -- Operating	<u>\$ 27,293,190</u>	<u>\$ 24,820,172</u>	<u>\$(810,863)</u>
Capital Improvements	14,472,571	4,983,800	0
TOTAL	<u><u>\$ 41,765,761</u></u>	<u><u>\$ 29,803,972</u></u>	<u><u>\$(810,863)</u></u>
State General Fund:			
State Operations	\$ 5,569,399	\$ 4,174,216	\$ (125,564)
Local Aid	0	0	0
Other Assistance	0	0	0
Subtotal -- Operating	<u>\$ 5,569,399</u>	<u>\$ 4,174,216</u>	<u>\$ (125,465)</u>
Capital Improvements	4,128,042	650,000	0
TOTAL	<u><u>\$ 9,697,441</u></u>	<u><u>\$ 4,824,216</u></u>	<u><u>\$ (125,465)</u></u>
EDIF:			
State Operations	\$ 0	\$ 0	\$ 0
Local Aid	0	0	0
Other Assistance	40,000	0	0
Subtotal -- Operating	<u>\$ 40,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Capital Improvements	722,000	0	0
TOTAL	<u><u>\$ 762,000</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
State Water Plan Fund:			
State Operations	\$ 50,000	\$ 50,000	\$ 0
Local Aid	0	0	0
Other Assistance	0	0	0
Subtotal -- Operating	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 0</u>
Capital Improvements	2,500,000	1,000,000	0
TOTAL	<u><u>\$ 2,550,000</u></u>	<u><u>\$ 1,050,000</u></u>	<u><u>\$ 0</u></u>
FTE Positions			
	419.0	406.0	0.0
Special Project Appointments	11.0	11.0	0.0
TOTAL	<u><u>430.0</u></u>	<u><u>417.0</u></u>	<u><u>0.0</u></u>

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Agency Request/Governor's Recommendation

1. State Operations. The agency requests a state operations budget of \$26,678,190 in FY 1996, an increase of \$2,490,670 (10.3 percent) over the FY 1995 estimate. The FY 1996 request includes \$5,569,399 from the State General Fund, \$16,265,614 from the Wildlife Fee Fund, \$892,012 from the Boating Fee Fund, \$3,080,000 from the Park Fee Fund, \$101,000 from the Nongame Wildlife Improvement Fund, and \$770,165 from other funds. The request also includes \$3,131,240 for new initiatives or program enhancements, as illustrated below:

NEW INITIATIVES

	Agency Req. FY 1996	Gov. Rec. FY 1996
Great Plains Nature Center	\$ 149,979	\$ 0
Aquatic Education Program	163,479	0
Boating Education Enhancement	86,600	86,600
Hunter Education Enhancement	138,848	0
Salary Shrinkage -- 1 Percent	388,853	0
KQM/Training Facilitator	34,130	0
Wildscape	40,000	40,000
Bridge Inspection Program	50,000	0
Additional Temporary Salaries	18,945	0
Strategic Plan Management Survey	25,000	0
Additional Capital Outlay	45,695	0
Additional Parks Temporary Salaries	216,513	0
Cheyenne Bottoms -- 2.0 FTE	47,112	0
Cedar Bluff Agreement	22,000	0
Prairie Spirit Trail Manager	43,685	0
Parks Enhancement	800,000	0
4.0 New Conservation Officers	225,538	0
Boats and Boating Equipment	200,000	200,000
Additional Law Enforcement Temporary Salaries	5,412	0
Statewide Stream Monitor	130,014	0
2.0 New Fisheries Positions	39,996	0
Additional Fisheries Temporary Salaries	12,500	0
OOE Enhancement	30,000	0
Spotted Bass Evaluation	30,490	0
Seasonal Variation of Stream Fish	43,190	0
Repair Neosho Rearing Pond	4,000	0
Fisheries Studies	139,261	0
TOTAL	\$ 3,131,240	\$ 326,600

The Governor recommends a total of \$24,205,172 for state operations in FY 1996, a reduction of \$2,473,018 from the agency request. The reductions are found in salaries (\$853,612),

contractual services (\$828,428), commodities (\$578,649), and capital outlay (\$212,329). The Governor recommends a transfer of \$250,000 in FY 1996 (and in FY 1995) from the State General Fund to the Parks Fee Fund to supplement parks receipts. Also, the Governor recommends a transfer of \$432,710 from the State General Fund to the Wildlife Fee Fund to continue to address the diversion issue raised in the federal audit. The Governor's recommendation will support 417.0 positions (406.0 FTE and 11.0 special projects positions). The Governor's recommendation for FY 1996 includes \$4,174,216 from the State General Fund, \$15,677,713 from the Wildlife Fee Fund, \$891,260 from the Boating Fee Fund, \$2,590,818 from the Parks Fee Fund, \$101,000 from the Nongame Wildlife Improvement Fund, and \$770,165 from other funds.

2. 1993 Flood Damage. During the summer of 1993, several state parks were wholly or partially closed due to flooding. Three of these parks -- Glen Elder, Wilson, and Tuttle Creek -- remained closed through the end of 1993. The agency states that wave action, exposure to wind, rain, and freezing will continue to damage park structures; many of which were 20 to 25 years of age and in poor physical condition.

This request for \$3,507,542 (SGF) in FY 1996 is for funding to complete the necessary repairs to state parks and wildlife areas as a consequence of flooding in the summer of 1993. An SGF amount of \$500,000 was approved for FY 1994 and \$1,000,000 was approved from the SBSF for FY 1995. A grant of \$175,000 is also available from the Bureau of Reclamation at Webster State Park. As monies are approved, they will be directed to the affected areas on an "as needed" basis.

The agency states that many wildlife areas and parks have significant damage yet to be repaired. Early emphasis had been on park repairs to prepare for the spring and summer seasons in 1994. Total repair estimates were placed at \$5,332,542.

The Governor recommends \$750,000 (\$650,000 SGF and \$100,000 SBSF) in FY 1996 for flood damage repair.

3. Local Aid. The agency requests \$300,000 from the federal Land and Water Conservation fund to aid local units of government to assist in financing recreational facilities. The FY 1996 request is the same as the current year estimate.

The Governor concurs with the agency request of \$300,000 in both years.

4. Capital Improvements. The Department requests \$14,472,571 in FY 1996 for various capital improvement projects. The request includes \$4,128,042 from the State General Fund, \$3,298,429 from the Wildlife Fee Fund, \$2,500,000 from the State Water Plan Fund, \$722,000 from the EDIF, \$1,500,000 from the State Highway Fund, \$1,808,000 from federal funds, \$216,100 from the Boating Fee Fund, and \$300,000 from other sources. Major items of expenditure requested for FY 1996 include State Water Plan financing for the continued renovation of Cheyenne Bottoms (\$1,000,000, plus \$1.0 million in federal funds), further development of Hillsdale State Park (\$1,000,000), and fisheries expenditures (\$500,000); EDIF funding for rails-to-trails (\$202,000), campground renovation (\$500,000), and a study on Southwest Kansas recreation development (\$20,000); a State Highway fund transfer for maintenance of state park roads (\$1,500,000); State General Fund financing for flood damage repair (\$3,507,542), major maintenance (\$170,500), and a payment to the U.S. Corps of Engineers for El Dorado State Park (\$450,000); and financing from the Wildlife Fee Fund for a variety of new and rehabilitation projects (\$3,298,429).

The Governor recommends a total of \$4,983,800 in FY 1996 for various capital improvement projects. The Governor recommends financing of \$650,000 from the State General Fund, \$100,000 from the State Budget Stabilization Fund, \$367,700 from the Wildlife Fee Fund, \$1,000,000 from the State Water Plan Fund, \$1,350,000 from the State Highway Fund, \$1,000,000 from federal funds, \$216,100 from the Boating Fee Fund, \$245,000 from the Migratory Waterfowl Fund, and \$55,000 from the Nongame Wildlife Improvement Fund. Projects recommended by the Governor for FY 1996 include: flood damage repair at the state parks (\$650,000 SGF and \$100,000 SBSF for a total of \$750,000); continuation of the Cheyenne Bottoms renovation (\$1.0 million each from the State Water Plan Fund and federal funds for a total of \$2.0 million); fisheries enhancements (\$140,000 Wildlife Fee Fund); major maintenance and rehabilitation (\$177,700 from the Wildlife Fee Fund); boating access/safety (\$216,000 from the Boating Fee Fund); state park access road maintenance (\$1,350,000 from the State Highway Fund); wetlands acquisition (\$245,000 from the Migratory Waterfowl Fund and \$55,000 from the Nongame Wildlife Improvement Fund, for a total of \$300,000); and continuation of the playa lakes project (\$50,000 from the Wildlife Fee Fund).

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation for FY 1996, with the following additional recommendations:

1. Delete \$580,724, including \$100,465 from the State General Fund, based on the recommendation to delete funding for a 3.5 percent merit pool (\$10,164), classified step movement (\$243,252), a one percent base adjustment for classified employees (\$133,575), and the longevity bonus (\$193,734) from individual agency budgets.
2. The Subcommittee is aware that the Legislative Division of Post Audit is preparing a K-GOAL performance audit reviewing issues relating to the financial management, efficiency, and effectiveness of the Kansas Department of Wildlife and Parks (KDWP) for release in February of 1995. However, the timing of this audit was such that the House Subcommittee had completed its review prior to the release of the audit report. The House Subcommittee recommends that the Senate Subcommittee review this audit report when it becomes available. Also, the House Committee on Governmental Organization will review the report and should forward its recommendations to the House Appropriations Committee.
3. Delete \$80,600 (Wildlife Fee Fund) which the Governor had inadvertently recommended as capital outlay for equipment for 4.0 new FTE positions. The agency had requested 4.0 new FTE Conservation Officer positions: the Governor did not recommend the new positions, but did not delete the associated capital outlay funding for four trucks, pistols, ballistic vests, and related law enforcement equipment.
4. Delete \$113,539 (\$25,000 State General Fund; \$25,000 Park Fee Fund; \$25,000 Wildlife Fee Fund; and \$38,539 Federally Licensed Areas Fund) of the \$613,539 recommended by the Governor for repairing and servicing in the Parks and Public Lands Division. The recommendation would leave \$500,000 for repairing in FY 1996. Actual FY 1994 expenditures for repairing were \$426,750 and the FY 1995 estimate is \$406,052.

5. Delete \$36,000 (Boating Fee Fund) of the \$200,000 which the Governor had recommended for the purchase of 10 new patrol boats and 2 new personal watercraft for the Law Enforcement Division. The House Subcommittee recommendation will allow for the purchase of 8 replacement boats (\$144,000) and 2 personal watercraft (\$20,000) in FY 1996. The agency currently has 25 patrol boats located on the larger reservoirs.
6. The House Subcommittee reviewed travel expenditures for the Department but makes no recommendation at this time. The Secretary stated that a complete review of KDWP travel expenses is currently being undertaken, and the Subcommittee commends the Secretary for this initiative.
7. The House Subcommittee notes that previous legislatures have approved operating grants to WILDSCAPE, a private corporation which seeks to raise funds to supplement the KDWP budget. The grant for FY 1995 was \$50,000. The Governor recommends \$40,000 (Wildlife Fee Fund) for the grant in FY 1996. The Subcommittee believes that the WILDSCAPE organization should become self sufficient and, thus, recommends that the FY 1996 be the last grant of state funds. This recommendation should give the organization sufficient leadtime to seek alternative funding sources.
8. The House Subcommittee is concerned about the land acquisition practices of the Department: the Department currently owns in excess of 90,000 acres. The Subcommittee recommends the introduction of new legislation which would provide, in essence, that the Department could acquire additional new land only if it sold some of its existing land holdings, on an acre for acre basis. This approach would ensure that the size of the state's land holding would be stabilized at the current level.
9. During his testimony before the House Appropriations Committee, the Secretary of Wildlife and Parks discussed the issue of the payment to the U.S. Corps of Engineers for the El Dorado State Park. The Department of Wildlife and Parks had entered into an agreement with the Corps of Engineers to pay for half of the development costs at El Dorado within 50 years after development of the park was begun. Development began in 1978. The agency requested \$450,000 in FY 1996 to begin 34 annual payments (for a total of \$15.3 million) to the Corps. The Governor recommended no funding for this item. The Secretary advised the House Subcommittee that he is currently in negotiations with federal officials in an attempt to reach a one-time settlement payment of a smaller dollar amount. The negotiations probably will not be resolved until after the Legislature adjourns. The Subcommittee supports these efforts toward a negotiated settlement. The Secretary should report to the 1996 Legislature and present all the options that are available to settle this issue.
10. Several minor technical corrections to the appropriation bill to properly reflect the Governor's recommendation.
11. Attached to this report are several of the performance measures for this agency from the *Governor's Budget Report*.

Performance Measures -- Administrative Services	FY 1994 Actual	FY 1995 Estimate	FY 1996 Estimate
Number of license vendors	416	423	440
Percent of employee personnel transactions processed with 30 days of receipt	95%	95%	100%

Performance Measures -- Executive Services	FY 1994 Actual	FY 1995 Estimate	FY 1996 Estimate
Percent of engineering projects completed by projected completion date	90%	90%	90%
Percent of requested information turned around in 24 hours	50%	50%	50%

Performance Measures -- Grants-in-Aid	FY 1994 Actual	FY 1995 Estimate	FY 1996 Estimate
Number of local projects completed	60	75	60
Percentage of annual receipts awarded	100	100	100
Dollars provided	-- \$	300,000 \$	300,000

Performance Measures -- Law Enforcement	FY 1994 Actual	FY 1995 Estimate	FY 1996 Estimate
Compliance with laws and regulations	90%	90%	90%
Boating accident	56	56	50
Hunting accidents	5	5	5

Performance Measures -- Parks and Public Lands	FY 1994 Actual	FY 1995 Estimate	FY 1996 Estimate
State park visitations	4,313,558	3,600,000	4,450,000
Wildlife area hunter days	421,000	422,000	422,000
State lake angler days	720,000	720,000	720,000
Park permit sales	2,150,000	1,500,000	2,200,000

Performance Measures -- Fisheries and Wildlife	FY 1994 Actual	FY 1995 Estimate	FY 1996 Estimate
Fish stocking demand met	75.0%	91.0%	91.0%
Total population inventories	204	207	207
Total harvest surveys	53	55	50
Total special investigations	28	32	34

SUBCOMMITTEE REPORT

Agency: Department of Health and Environment

Bill No. 2234

Bill Sec. 20

Analyst: Mah

Analysis Pg. No. 1063

Budget Page No. 215

<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	\$ 83,153,697	\$ 85,747,916	\$ (333,451)
Aid to Local Units	26,671,595	27,671,595	(155,836)
Other Assistance	27,470,000	27,470,000	--
TOTAL	<u><u>\$ 137,295,292</u></u>	<u><u>\$ 140,889,511</u></u>	<u><u>\$ (489,287)</u></u>
State General Fund:			
State Operations	\$ 19,367,161	\$ 19,318,810	\$ (206,885)
Aid to Local Units	7,236,587	7,236,587	--
Other Assistance	--	--	--
TOTAL	<u><u>\$ 26,603,748</u></u>	<u><u>\$ 26,555,397</u></u>	<u><u>\$ (206,885)</u></u>
FTE Positions	843.1	842.1	(8.0)
Special Project Appointments	161.6	162.6*	--
TOTAL	<u><u>1,004.7</u></u>	<u><u>1,004.7</u></u>	<u><u>(8.0)</u></u>

* Recommended funding actually provides for 163.6 special projects positions, for a total of 1,005.7 instead of 1,004.7

Agency Estimate/Governor's Recommendation

The Department's total estimated budget for the current year is \$137.3 million, a reduction of \$7.0 million from the \$144.3 million approved budget. Expenditures are reduced from the Department's approved budget mostly for expenses related to paying for corrective actions taken due to above and below petroleum storage tank releases (reduced by approximately \$5.0 million). However, the reductions are not as great as they appear because the Department's current year budget estimate is understated. The Department did not budget \$2,386,296 of the \$3,466,209 in expenditures that were approved by the State Finance Council following last session. Although not budgeted, the Department plans to expend all moneys approved by State Finance Council action. Also there are new federal grant moneys that will be expended in the current year which were not budgeted, some of which became available earlier than the Department anticipated. The Department is asking for additional expenditure authority of \$592,442 from the Sponsored Project Overhead Fund (\$508,944), the State Water Plan Fund (\$1,803), and two federal funds (\$81,695). The additional moneys would be used for operating costs for new special projects positions as well as for vaccine purchases. Some of the additional moneys would be in place of State General Fund moneys that were approved last year for vaccines (\$124,985). The Department also is asking for moneys to finance a

*2/20/95
Appropriations Cmte
Attachment 8*

project that has already begun. The project is for a new budgeting accounting system which the Department requested last session. However, moneys to finance the project were not included in the Governor's recommendations last year and no appeal was made to the 1994 Legislature for the needed funding. Also, the Department is asking for additional moneys so that the Bureau of Adult and Child Care Licensure can be relocated to a new office area and existing space used by the Department's other programs.

The Governor recommends total expenditures of \$140.9 million for the current year, an increase of \$3,594,219 over the Department's revised estimate. The recommendation includes all moneys approved by the State Finance Council following last session, including the \$2,386,296 the Department did not budget. Also, the Governor concurs with the agency's request for additional expenditure authority from four different funds and recommends \$834,995 in additional expenditure authority from three other funds. The additional moneys include new federal receipts for the Department's Rural Health program and for non-point source pollution control projects. New federal funds that became available sooner than the Department anticipated also are included in the recommendation for developing a diabetes project and expanding a statewide tumor registry. Moneys for the diabetes project were approved through an Executive Directive, allowing the Department to immediately use the new federal funds. Besides the above, the Governor makes adjustments to salary costs. The adjustments include use of lower than originally anticipated health insurance rates, which are offset some by the addition of moneys for upgrading the salaries of employees who were included in the final phase of a state employee job reclassification plan. The moneys for the salary upgrades were part of the moneys approved by State Finance Council action following last session.

Position Changes. The agency's revised current year estimate provides for 843.1 FTE positions, the same number as was approved by the Legislature last session. However, following the session, the Department's approved FTE positions was adjusted downward by 1.0 position. The position was lost due to a retirement law passed by the 1993 Legislature, which limits filling a position when the position is left vacant by an employee who retires. The Department's approved FTE limitation is now 842.1 positions. The current estimate also provides for 161.6 special projects positions (adjusted to reflect 2.5 positions budgeted because of approval by State Finance Council action) for an increase of 42.6 positions above those reviewed by the 1994 Legislature.

The Governor concurs with the agency's request for special projects positions. In addition, the Governor shifts a 1.0 FTE position to a special projects position. The adjustment was made because the Department's FTE positions totaled one more than currently approved, as was explained above. The Governor's recommendation reflects 842.1 instead of the requested 843.1 FTE positions. Included in the Governor's recommendation are 727.1 regular FTE positions and 115.0 limited-term FTE positions. The Governor also adds four new special projects positions to provide for the recommended diabetes project mentioned above. The positions are entirely federally funded. The additional positions are offset by a recommended reduction of 5.0 special projects positions budgeted by the Department. These positions were to be financed from the Public Water Supply Revolving Loan Fund that was established by the 1994 Legislature. The last Congress failed to pass legislation during the last days of the session that would have provided grant moneys for the Fund. Further, the Division of Budget indicates that two new special projects initially approved by the State Finance Council were inadvertently left out of the recommendation. Also, one special projects positions was inadvertently included in the recommendation, making the Governor's recommended list of special projects positions understated by a net of 1.0 position. The total recommended number of approved special projects positions should have been 163.6 instead of 162.6.

House Subcommittee Recommendation

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

1. Delete \$23,037 in additional expenditure authority recommended by the Governor from the Title XIX Fund. The additional authority is not necessary since the agency now anticipates less federal receipts than were budgeted. Also delete another \$132,799 which was budgeted but now will not be received. The recommendation provides for a total reduction of \$155,836 from the Title XIX Fund. (The reduction is reflected in the Department's Aid-to-Local Units program.)
2. Delete \$1,251 in additional expenditure authority recommended by the Governor from the State Water Plan Fund. The additional moneys are for salary expenses, which the Subcommittee believes can be covered by existing revenue sources other than the State Water Plan Fund.
3. Delete \$125,315 in additional expenditure authority recommended by the Governor from the federal EPA 106 Water Pollution Control Fund. The deletion would remove expenditure authority that is in excess of amounts approved by the State Finance Council. (The Subcommittee was not able to determine from information presented by the Department whether the amount being deleted was requested by the agency.)
4. Delete \$78,077 from the State General Fund for salaries, which is in excess of the amount necessary to finance existing staff. The amount, which was not part of the agency's request, was added by the Governor from the federal EPA 106 Water Pollution Control Fund. Information provided by the Department indicated that these available additional federal funds have no state match requirement, allowing the moneys to be used to offset expenditures from the State General Fund.
5. Delete 8.0 vacant positions and \$128,808 from the State General Fund in salary savings associated with the positions. The recommendation deletes vacant positions that are entirely financed from the State General Fund. (Out of 842.1 approved FTE positions, the Department had over 70.0 positions vacant as of the middle of February, 1995.)
6. The Subcommittee notes the Governor's performance indicators for this Department, which are shown as an attachment to the back of this report. While the Subcommittee believes the performance indicators are useful, the Subcommittee asks the Department to make revisions so that in upcoming years there is comparison of the Department's achievements to other states and national trends. Also, actual dollars spent need to be evaluated against benefits received. In addition, the Subcommittee asks that the agency work toward providing a mission statement for each of its various grant programs along with a tracking system to determine if grant moneys are being maximized to gather all available federal dollars and to accomplish legislative goals. The Subcommittee wants the Department's performance indicators to be put together in a way that allows for evaluating the efforts being put forth versus the accomplishments achieved.

7. Information provided by the Department shows that special projects positions have been added by the Department since the Governor completed his recommendations. The Department reports 171.1 special projects positions as compared to 163.6 special projects positions reflected in the Governor's recommendation for the current year (including an adjustment for one position that was inadvertently left out of the Governor's recommended list of approved positions). The Subcommittee also notes that the Governor's recommendation already includes 42.6 special projects positions added by the Department above those approved by the Legislature last year. The Subcommittee has been made aware of two memorandums issued by the Governor, indicating that special projects positions are being reviewed by the Governor and asking agencies to review their special projects positions. Reports from the agencies are to be submitted to the Governor by February 27, 1995. The Subcommittee hopes that the Governor's actions will prevent any unnecessary growth in special projects positions in the future, serving as a mechanism to control the establishment of special projects positions. The Subcommittee also wishes to make the full Committee aware that a review of the Department's approved limited-term positions shows that many of the 115.0 positions recommended by the Governor have existed for a number of years. (One has been in existence since 1986, others since 1988.)

8. Make any technical adjustments necessary to the appropriations bill to correctly reflect the Governor's recommendation.




Representative Melvin Neufeld, Chair



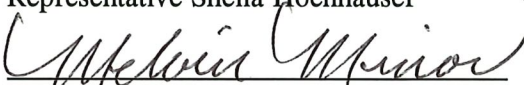
Representative Mike Farmer



Representative Duane Goossen



Representative Sheila Hochhauser



Representative Melvin Minor

**GOVERNOR'S PERFORMANCE MEASURES FOR THE DEPARTMENT OF
HEALTH AND ENVIRONMENT
As Listed by Major Program**

General Management				Center for Health and Environment Statistics			
Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.*	Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.*
Percent of staff given technical management training	N/A	25%	50%	Number of births registered	35,887	36,000	36,000
Number of health and environmental issues committees comprised of a cross-section of Kansans	N/A	10	15	Number of deaths registered	23,142	23,000	23,000
Percent of billings responded to in 30 days	93%	95%	95%	Average amount of time (in minutes) to research customer inquires	45	45	45
				Percent of health data requests answered from available sources	95%	95%	95%
				Number of health manpower records processed	9,249	9,760	10,000
				Percent of staff connected to KDHE Information Network	57%	62%	65%
				Hours of formal computer system training provided	63	84	84
Director of Health Services				Bureau of Adult and Child Care Licensure			
Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.*	Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.*
Number of migrant farmworkers served	2,800	3,100	3,500	Total number of licensed/certified adult care providers	1,173	1,249	1,269
Number of communities performing health needs assessments	N/A	5	10	Number of child care facilities and agencies regulated	12,913	13,300	13,700
Number of physicians and midlevel practitioners recruited for rural communities	10	13	15	Number of licensed and registered child care slots available	150,419	154,500	159,135
Percent of age-eligible women reporting appropriate breast cancer screening	55%	57%	62%	Timeliness in issuing initial licenses and certificates	39	42	35
Percent of counties receiving technical assistance for tobacco control	20%	30%	40%	Enforcement actions initiated	981	600	500
				Number of nurse aides certified	4,542	4,800	4,800
				Number of medication aides recertified	1,949	1,070	2,000
				Number of home health aides certified	884	1,150	1,150

* Estimated level of performance under Governor's recommendation.

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Bureau of Environmental Health Services			
Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.*
Percent of food service establishments surveyed	83%	80%	80%
Percent of consumer complaints investigated within two working days	95%	95%	95%
Percent of establishments in compliance with consumer product recalls	95%	95%	95%

Bureau of Family Health			
Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.*
Percentage of those eligible for WIC services served by the program	60.1%	63.3%	74.6%
Number of community nutrition education assessment teams formed	1	2	3
Children with handicaps or chronic diseases receiving treatment and diagnostic services	11,362	11,700	12,000
Teenage pregnancy rate	35.2%	35.2%	35.2%
Percent of low birthweight infants in Kansas	6.2%	6.1%	6.0%

Bureau of Disease Control			
Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.*
Percent of priority gonorrhea cases investigated	96%	98%	98%
Number of educational programs on sexually transmitted diseases	202	220	220
Percentage of fully-immunized children entering school	55.2%	95%	95%
Percent of active tuberculosis cases maintained on therapy	90%	90%	90%
Number of planned epidemiologic studies performed	4	5	6
Number of persons attending HIV/AIDS education presentations	29,000	32,000	32,000
Number of counseling contacts with persons at-risk for HIV infection	38,378	39,000	39,000

Office of Science and Support			
Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.*
Industries submitting applications for pollution prevention awards	10	15	25
Number of pollution prevention newsletters distributed	2,500	2,500	2,500
Industries reporting reduced number of pollutants	15	30	35
Percentage of raw water quality data requested filled in 48 hours	100%	100%	100%
Number of requests for raw data, data summaries, or formal water quality reports	120	150	200

* Estimated level of performance under Governor's recommendation.

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Bureau of Waste Management

Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.*
Number of hazardous waste monitoring inspections:			
Treatment, storage, and disposal facilities	52	50	50
Generators and transporters	301	285	285
Number of solid waste monitoring inspections:			
Sanitary landfills	185	180	240
Demolition/construction landfills	93	80	80
Burn sites	379	350	350
Other	109	232	302
Percentage of solid waste inspections with no minor violations	80%	81%	82%
Number of technical conferences for regulated community	2	10	6
Percentage of counties with up-to-date solid waste plans	10%	75%	85%

Bureau of Water

Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.*
Number of public water supply plans approved	350	375	400
Percent of public water supply systems with certified operators	95.3%	97.0%	98.0%
Number of injection well inspections	580	223	350
Number of water quality analyses reviewed	80,000	60,000	60,000
Percent of NPS pollutant load reduced	N/A	5%	5%
Percent of NPS projected undergoing technical review	N/A	25%	40%
Percentage of total local wastewater systems not overflowing	49%	74%	75%

Bureau of Air and Radiation

Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.*
Percent of air monitoring data lost due to equipment failure	15%	12%	10%
Percent of major source construction permits issued within 120 days	50%	50%	100%
Percent of Clean Air Act transition commitments completed	0%	50%	100%
Percent of radioactive materials license applications reviewed within 60 days	80%	90%	90%
Percent of radioactive materials license facilities inspected	70%	85%	85%
Number of environmental samples analyzed from Wolf Creek Generating Station	1,029	1,118	1,130
Number of asbestos contractors receiving training	15	15	30

Bureau of Environmental Remediation

Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.*
Number of newly identified contamination sites	50	50	50
Percent of inventoried contamination sites with potential responsible parties (PRP)	61%	70%	75%
Percent of contamination sites remediated	16%	17%	20%
Percent of petroleum storage tanks in substantial compliance with regulations	90%	90%	90%
Landfill closure plans approved	7	44	55
Percentage of hazardous waste spills in which KDHE assistance requested	50%	55%	60%
Number of acres in reclamation in Abandoned Mine Land programs	76	138	150

* Estimated level of performance under Governor's recommendation.

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Bureau of District Operations			
Performance Measures	FY 94 Actual	FY 95 Est.	FY 96 Est.*
Pollution prevention coordination activities	N/A	30	30
Pollution prevention plans developed	N/A	6	6
Number of district outreach meetings	40	50	50
Number of potentially contaminated spills investigated	400	400	400
Number of sanitary landfill inspections	185	150	150
Number of wastewater treatment facility inspections	500	605	615

Laboratory			
Performance Measures	FY 94 Actual	FY 95 Est.	FY 9 Est.*
Number of water samples analyzed	30,000	17,000	17,000
Public water supplies in compliance with federal standards	99%	99%	99%
Number of chemical and radiological parameters tested for in air samples	40,000	40,000	40,000
Number of neonatal specimens screened	45,627	46,000	46,000
Number of neonatal specimens with metabolic or genetic diseases detected	122	231	231
Total number of microbiology specimens examined	231,835	258,400	260,400
Number of clinical laboratories meeting certification requirements	2,001	2,193	2,308

AID TO LOCAL UNITS

There are no performance indicators for this program.

* Estimated level of performance under Governor's recommendation.

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SUBCOMMITTEE REPORT

Agency: Department of Health
and Environment

Bill No. 2265

Bill Sec. 5

Analyst: Mah

Analysis Pg. No. 1063

Budget Page No. 215

<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	\$ 94,485,590	\$ 86,646,303	\$ (1,591,465)
Aid to Local Units	29,512,035	28,736,810	--
Other Assistance	30,470,000	30,470,000	--
TOTAL	\$ 154,467,625	\$ 145,853,113	\$ (1,591,465)
State General Fund:			
State Operations	\$ 22,238,645	\$ 19,777,677	\$ (714,894)
Aid to Local Units	7,488,287	7,236,587	--
Other Assistance	--	--	--
TOTAL	\$ 29,726,932	\$ 27,014,264	\$ (714,894)
FTE Positions	941.6	845.1	(7.0)
Special Project Appointments	170.6	159.6	--
TOTAL	1,112.2	1,004.7	(7.0)

Agency Request/Governor's Recommendation

The Department requests a total budget of \$154.5 million in FY 1996, an increase of \$17.2 million over the stated current year estimate. Of the increase, \$11.3 million (\$2.9 million from the State General Fund) is for state operations and \$5.9 million is requested to provide for additional aid and other assistance to local entities (\$0.25 million from the State General Fund). The additional aid would be used by several of the Department's existing programs and for a proposed new program for creating a local public health cooperative. The Department requests several initiatives for FY 1996, including some that relate to proposed new or increased fees. Some of the proposed initiatives are enhancing the Department's Health Care Information Database; collecting proposed fees to charge for expedited vital statistics information services; creating a new Statewide Health Services Data System; expanding the Department's Child Care Licensure subprogram; establishing a new Childhood Lead Poisoning Prevention subprogram; expanding the Department's Tuberculosis Elimination Plan program; collecting fees to cover costs of the state's Laboratory services for testing of public supply water systems; establishing a lead abatement certification program; expanding the Department's Air Quality program; and collecting fees to expand several of the Department's water related programs. Included in this budget analysis is information regarding requested State Water Plan funding for each program and policy questions that have been raised as a result of action taken during past legislative sessions.

8-9

The Governor recommends a total budget of \$145.9 million in FY 1996, a reduction of \$8.6 million from the agency's request. Of the \$8.6 million, the recommendation reduces \$2.7 million from the State General Fund. Requested operating expenditures are reduced by \$7.8 million and local aid expenditures by almost \$0.8 million. Included in the Governor's recommendation are moneys to finance enhancements for developing a database for a statistical plan or plans to be used by the Kansas Commissioner of Insurance for determining if insurance rates are reasonable. Legislation passed last session (1994 S.B. 487) designated the Secretary of Health and Environment as the statistical agent responsible for gathering and compiling the data required to form the statistical plan or plans. Insurance companies are assessed a charge by the Secretary to cover any costs. Requested moneys are recommended for enhancing the Department's permit program related to meeting requirements established by the federal Clean Air Act. The Governor also establishes a \$200,000 State General Fund pool of moneys to be used to meet medical and health care needs in the rural parts of the state. In addition, moneys are included to continue the tumor registry and diabetes projects which are recommended to initially begin in the current year. Further, the Governor provides for salary enhancements of 1.0 percent above the agency's request. Included in the recommendation is a 3.5 percent base salary adjustment for classified employees. The Governor also provides for a 3.5 percent merit pool for unclassified employees. With regard to State Water Plan Fund expenditures, the Governor recommends a total of \$4,231,280, a reduction of \$2,654,391 from the agency's request. The total amount recommended is \$151,280 more than was recommended by the Kansas Water Authority. The additional moneys are to be used for continuing a \$150,000 grant for the Department's Household Hazardous Waste program. As in prior year recommendations, the Kansas Water Authority says the program is not identified in the State Water Plan. Therefore, the Kansas Water Authority believes use of State Water Plan moneys for the program to be contrary to K.S.A. 82a-951.

Position Changes. The Department requests a total of 941.6 FTE positions and 170.6 special projects positions in FY 1996. Included in the request are 98.5 new FTE positions and 11.0 special projects positions. (When the total number of special projects positions is adjusted to reflect an existing position that will be deleted and an existing position that is shifted to an FTE position, there is only a net increase from the current year of 9.0 special projects positions instead of the expected 11.0.) The agency mentions consideration of a proposal to shift most of its special projects positions to FTE positions, but only one program reflects the proposed shift in the budget. Also, last year at the request of the Secretary of Health and Environment, the Legislature separated in the appropriations bill positions that were regular FTE and positions that were limited-term FTE. The suggestion came about during considering Governor Finney's recommendation for shifting a portion of the Department's special projects positions to limited-term FTE positions. The thought was that limited-term positions were different from regular positions in that they are established with the intent of abolishing them once their financing source has ended. For FY 1996, no existing limited-term FTE positions out of the 115.5 approved by the 1994 Legislature would be abolished by the Department.

The Governor recommends a total of 4.0 new FTE positions in FY 1996. The fee funded positions are for enhancing the Department's permit program related to the federal Clean Air Act. The Governor offsets the addition of the 4.0 positions somewhat by deleting an existing FTE position that is funded from the State General Fund. A total of 845.1 FTE positions is recommended, of which 730.1 positions are regular FTE positions and 115.0 are limited-term FTE positions. With regard to special projects positions, the Governor makes some of the same adjustments that were made in the current year. Four special projects position are included to provide for continuing a diabetes project. Again, these added positions are more than offset by the recommended deletion of five special projects positions that were to be funded by the Public Water Supply Revolving Loan Fund. The Governor also deletes an existing special projects position using the assumption that financing was being shifted from the State Water Plan Fund to the State General Fund. Also, the Division of Budget reports that a special projects position was inadvertently listed for the Laboratory while another was inadvertently left out of a list for the Nutrition

and WIC program. Finally, the Governor concurs with the Department's request for one less special project position for its Office of the Secretary subprogram. With all of these identified adjustments, the Governor's recommendation totals 159.6 approved FTE positions, the same number as was reflected in the list of approved special projects positions.

House Subcommittee Recommendation

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

1. In the Subcommittee's review of this agency, the Subcommittee noted the lack of flexibility for using staff among the Department's various programs. The Department indicated that program managers have been unwilling to share employee positions in the past, which is one reason why the agency has grown in the number of special projects positions. The Subcommittee also is concerned about the central management office not supporting field staff who are often in the best position to make decisions which could benefit the state. The Subcommittee believes that it is essential to restructure the agency so that the agency functions as if it was one program, allowing staff to be used in the most efficient way to improve services. The Subcommittee asks the Department to work toward this goal.

2. In the Subcommittee's opinion, the Department appears to have gotten into the habit of not budgeting moneys for which it has expenditure authority. The Legislature has allowed for this authority through the establishment of funds which have an expenditure limitation of "no limit." The Subcommittee's concern is increased by comments from the Department's staff, who indicated that agency staff view "no limit" funds as meaning that expenditures can exceed available receipts in the funds. The Legislature has made use of "no limit" funds to give agencies some flexibility, not to promote lack of accountability through not budgeting all anticipated expenditures in any given fiscal year.

The Subcommittee believes it is the responsibility of the Governor and the new Secretary of the Department to raise the standards for this agency and to set the tone for a new trend. Therefore, it asks the Governor to submit amendments to his budget that address known expenditures from federal receipts for which the agency did not budget. In the Subcommittee's view, the agency and the Governor have the responsibility to make the Department's budget meaningful so that it can be used to evaluate the Department's accountability. Also, the Subcommittee asks the Governor and Senate to review a list of potential new federal grant moneys which have been solicited for by the Department. The list was not ready in time for the Subcommittee to properly review. Since information on these new federal moneys could not be thoroughly reviewed by this Subcommittee, the Subcommittee asks the Senate and Governor to review the potential new grant moneys and make adjustments that may be necessary to properly reflect the moneys in the Department's budget. A review of these new potential grants could serve both the Governor and Legislature in working toward the creation of a budget that is meaningful.

The items listed below are unbudgeted expenditures, which are known to the Subcommittee, which, in the Subcommittee's opinion, should be reviewed by the Governor for possible inclusion in his budget:

FY 1995

- a. \$607,759 from the federal Emergency Relief Cooperative Agreement Fund, which the Department reported would be expended in the current year and perhaps a small amount in FY 1996.
- b. \$266,557 from the Other Federal Grants Fund, of which the Department reports \$81,768 is for salaries, \$163,789 is for other operating costs, and \$21,000 is for aid-to-local units.
- c. \$383,339 from the Disease Prevention and Health Promotion Fund, of which the Department reports \$161,493 is for salaries, \$220,236 is for other operating costs, and \$1,610 is for aid-to-local units.

FY 1996

- a. \$304,885 from the Disease Prevention and Health Promotion Fund, of which the Department reports \$245,333 is for salaries and \$59,552 is for other operating costs. This addition would be offset by a reduction of \$98,270, which was budgeted in a fund different from the one in which it will be expended (budgeted in the Other Federal Grants Fund instead of the Disease Prevention and Health Promotion Fund.)

Finally, the Subcommittee thinks that it may be helpful if future appropriation committees review practices of the Department in regard to its use of funds with expenditure limitations of "no limit."

3. The Subcommittee asks the Senate to look closely at using available fee moneys in the Environment Division of this agency to replace State General Fund dollars. The Subcommittee believes that State General Fund moneys could be saved by making maximum use of available fee dollars and proposes that the Legislature work toward making the Department more fee funded in upcoming years. This policy of funding the Environment Division more from fees is a goal that been established by the House Energy and Natural Resource Committee.
4. The Subcommittee is aware of federal legislation currently being considered to merge various nutrition and health block grants into one block grant and reduce appropriated federal moneys. The Subcommittee anticipates that there will be no necessary changes for FY 1996, but assumes that the State Finance Council is available for the agency should change be necessary.

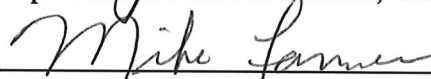
5. Add a proviso to the \$99,299 from the State General Fund recommended by the Governor for continuing the Department's family planning grant program. The proviso would require that all of the state moneys be expended only for pap smears, laboratory tests, and other laboratory follow-up. The recommendation is made because of concern that moneys are being used to serve individuals under 18 years of age. K.S.A. 23-501 specifically says that family planning moneys are to be used for those who are over 18 years of age. The Subcommittee makes the recommendation to erase any concern that the state moneys are being inappropriately expended. (To accomplish the Subcommittee's recommendation, the amount recommended (\$99,299) by the Governor from the State General Fund will be appropriated in a separate line item with the recommended proviso.)
6. Add a proviso to the District Coroners Fund so that moneys can be expended to cover the costs of autopsies of children. Payment for these autopsies began with passage of 1992 legislation (K.S.A. 22a-242) which requires the Department to reimburse counties for autopsies performed on children when death was under suspicious circumstances. Last year, a proviso was added to the District Coroners Fund so that moneys from the Fund and not from the State General Fund could be used to pay for autopsies. According to Budget Division, the Governor intended to include the proviso in the FY 1996 appropriations bill, but it was inadvertently left out. A proviso to the Fund is necessary to allow for the Fund's moneys to be used in the manner recommended. K.S.A. 22a-245, which specifies how moneys in the District Coroners Fund are to be used, allows only for distribution of the moneys to counties based on a formula.
7. Shift \$61,316 recommended by the Governor from the State General Fund for teen pregnancy prevention activities from the Aid to Local Units account to the Teen Pregnancy Prevention Activities account. The amount being shifted allows for all of the Department's teen pregnancy grants to be in one line item. According to the Division of Budget, the Governor's recommendation inadvertently included one of the grants in the Aid to Local Units account. Also, amend the proviso for the Teen Pregnancy Prevention Activities account so that statutory match requirements have to met by those who receive grants in accordance with K.S.A. 65-1,158, not just for those who receive grants for projects in Shawnee and Cowley counties.
8. Reduce the Department's position limitation to reflect the deletion of 7.0 out of the 8.0 vacant positions deleted in FY 1995 based on the Subcommittee's FY 1995 report. (The other FTE position already was included in the Governor's recommendation for deletion for FY 1996.) Included in the Subcommittee's recommendation is a reduction of \$228,680 from the State General Fund in salary costs associated with the 7.0 vacant positions.
9. Adopt a Governor's Budget Amendment, which provides for a financing shift of \$27,000 from the Immunization Tracking System Fund to the AIDS Project Education and Risk Reduction--Federal Fund. A recommended reduction in requested moneys was inadvertently made from the wrong financing source.
10. A review of the Department's budget has raised concerns about the agency using State Water Plan moneys to finance existing staff positions, which is contrary to K.S.A. 82a-951. The statute specifically prohibits use of State Water Plan moneys

for replacing full-time equivalent positions of a state agency. The Department's practice has raised considerable concern and discussion, including the reported desire of some legislators to repeal all statutes which provide for the State Water Plan moneys. The Subcommittee hopes that this raised concern will be the only incentive needed for the Department to heed the state statute.


11. The Subcommittee notes that no expenditures were budgeted by the Department in FY 1996 for the state's new payroll system. The Department told the Subcommittee that computer equipment needed for the new payroll system has already been purchased in the current year from the State General Fund. The Subcommittee asks for information about the amount expended for the equipment, which the Department has not yet reported. Should any unbudgeted costs be incurred during FY 1996, the Subcommittee expects the Department to absorb the additional costs in the budget that will be approved by the 1995 Legislature.
12. Add a proviso to the Waste Tire Management Fund to limit expenditures from the Fund for personnel costs. K.S.A. 65-3424g sets an expenditure limit of 16 percent or \$200,000 of the moneys credited to the Fund during the fiscal year, whichever is less. A review of the Department's budget has raised concern about the agency budgeting more for personnel costs than is allowed by the statutory limit.
13. Delete \$1,362,785 from various funds, including \$486,214 from the State General Fund based on the House Appropriations recommendation to delete funding for a 3.5 percent unclassified merit pool (\$183,139); classified step movement (\$572,085); a one percent base adjustment for classified employees (\$298,637); and the longevity bonus (\$308,924) from individual agency budgets.
14. Make any technical adjustments necessary to the appropriations bill to correctly reflect the Governor's recommendation, including correcting language in the bill related to a transfer from the Health Care Stabilization Fund.




Representative Melvin Neufeld, Chair



Representative Mike Farmer



Representative Duane Goossen



Representative Sheila Hochhauser



Representative Melvin Minor