

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on March 13, 1995 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Kathy Porter, Legislative Research Department
Eric Milstead, Legislative Research Department
Patricia Pierron, Legislative Research Department
Susan Wieggers, Legislative Research Department
Pat Mah, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

It was moved by Senator Vancrum and seconded by Senator Rock that bill draft 5 RS 1218 be introduced. The motion carried on a voice vote.

HB 2085 **Appropriations for FY 96, legislative agencies, governor's department, lieutenant governor, attorney general, secretary of state, state treasurer, insurance department**

Attorney General (Attachment 1) -- Senator Lawrence reviewed the FY 95 and FY 96 subcommittee reports. Concern was expressed that the subcommittee on the Board of Indigents' Defense Services had not funded defense to the degree that the subcommittee on the Attorney General's budget had funded the prosecution. It was noted that the subcommittee had recommended the amount which was requested by the Board of Indigents' Defense Services.

Concern was expressed that adding monies in the Omnibus Appropriations Bill to provide salary increases for unclassified attorneys (Item 4, Attachment 1-6), would precipitate a request from other agencies.

State Treasurer (Attachment 2) -- Senator Lawrence presented the FY 95 and FY 96 subcommittee reports. Senator Petty noted that she had not signed the FY 96 report and read her minority report (Attachment 2-9). Senator Karr expressed his opinion that the cap on demand transfers becomes more critical if the House version of the automobile tax is passed.

Insurance Department (Attachment 3) -- Senator Lawrence reviewed the FY 95 and FY 96 subcommittee reports. Senator Petty distributed a memorandum from the Office of the Insurance Commissioner (Attachment 4). Senator Petty moved, Senator Karr seconded, that the FY 96 subcommittee report be amended to include a position of Office Assistant II in addition to the two FTE positions recommended by the subcommittee.

Concern was expressed about creating new positions in a program that is in the phase out process. Senator Vancrum inquired whether the subcommittee had considered reducing the agency's amount for contractual services. Staff noted that contractual services is not a line-item in the agency's budget. In response to Senator Morris, a summary of the contract attorney fees paid by other agencies was distributed (Attachment 5).

The motion to amend failed on a voice vote.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 13, 1995.

In response to Senator Salisbury, staff advised that over twenty positions had been added in the Insurance Department since 1991. Senator Salisbury moved, Senator Kerr seconded, that the FY 96 subcommittee report be amended by deleting \$69,842 for the salary costs of the limited term attorney and the consumer representative. The motion failed on a voice vote.

Senator Brady moved, Senator Kerr seconded, that the FY 96 subcommittee report be amended by the deletion of the consumer representative position and the associated costs of \$33,199.

Senator Salisbury offered a substitute motion to amend the FY 96 subcommittee report by deleting the limited term attorney position and associated salary costs of \$36,643. The substitute motion died for lack of a second.

The motion to delete the consumer representative position and associated salary costs carried on a voice vote.

Health Care Stabilization Fund Board of Governors (Attachment 6) -- The FY 95 and FY 96 subcommittee reports were presented by Senator Lawrence.

It was moved by Senator Lawrence and seconded by Senator Vancrum that the FY 95 and FY 96 subcommittee reports for the Attorney General, State Treasurer, Health Care Stabilization Fund and the FY 95 subcommittee report for the Insurance Department and the FY 96 subcommittee report as amended for the Insurance Department be adopted. The motion carried on a voice vote.

Governor's Department (Attachment 7) -- Senator Moran presented the FY 95 and FY 96 subcommittee reports. In answer to Senator Karr, it was noted that the House included funding for the Governor's office in Wichita.

Senator Moran reviewed the FY 95 and FY 96 subcommittee reports for the following agencies:

- Office of Lieutenant Governor (Attachment 8)
- Legislative Division of Post Audit (Attachment 9)
- Legislative Coordinating Council (Attachment 10)
- Kansas Legislative Research Department (Attachment 11)
- Revisor of Statutes (Attachment 12)

Senator Karr pointed out that he believed it was legislative intent that the budget of the Lieutenant Governor's Office be reduced when the Lt. Governor serves as the secretary of another agency. There was discussion as to whether that was accomplished in statute. The Chairman requested that staff research the issue and report back when the legislative agencies portion of HB 2085 is reviewed.

SB 48 **Appropriations for FY 96, judicial council, state board of indigents' defense services, judicial branch**

The Chairman commented that SB 48 had been rereferred to Senate Ways and Means at his request. He distributed copies of the subcommittee report on the Judicial Council (Attachment 13) and reviewed the Committee's action on February 27 (Board of Indigents' Defense Services) to limit expenditures for assigned counsel to not more than 15% of the funds expended for indigents' defense in Wyandotte County. He noted that since that action, judges from Wyandotte County had appealed to the subcommittee members that the county be given an opportunity to implement new procedures that they believe will be competitive with public defenders' offices. They indicated that if they are not successful, they will agree to implement a public defenders' office. It was moved by Senator Morris and seconded by Senator Kerr that the FY 96 subcommittee report for the Board of Indigents' Defense Services be amended to allow Wyandotte County the opportunity to implement their recommendations by December 31, 1995 and report back to the 1996 Legislature with the understanding that if the deadline is not met, the administrative judges will be supportive of establishing a public defenders' office. It was noted that this motion would repeal the Committee's action to cap expenditures at 15%. The motion carried on a voice vote.

The Chairman reviewed the subcommittee's recommendation, which was approved by the full Committee on February 27, to add \$32,419 from the SGF for 1.0 FTE court reporter position (Item 2, Attachment 14-5), and to add \$314,339 for 3.0 new district court judge positions and 1.0 FTE administrative assistant. Subsequent to the Committee's action, the Chairman had met with persons from the judicial branch who indicated that they needed more personnel. Senator Rock moved, Senator Morris seconded, that the subcommittee report be further amended by the addition of \$153,758 from the SGF for 1.0 district court judge, 1.0 FTE court reporter position, and 1.0 FTE administrative assistant. Senator Salisbury noted that

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 13, 1995.

the subcommittee designated districts to which the positions were assigned and expressed her opinion that all positions added should either be designated or undesignated for the sake of consistency. Senator Rock moved to amend his motion by not assigning any of positions to specific districts. The motion to amend died for lack of a second.

Senator Rock moved to amend his motion by assigning the district court judge position and the court reporter position to Johnson County and by not designating the district to which the administrative assistant would be assigned. It was noted that the subcommittee had recommended the addition of 1.0 FTE administrative assistant and had assigned that position to the 25th judicial district (Attachment 14-6).

Senator Vancrum offered a substitute motion which was seconded by Senator Lawrence to amend the subcommittee report on the judicial branch by the addition of \$153,758 from the SGF for 1.0 district court judge, 1.0 FTE court reporter position, and 1.0 FTE administrative assistant and that these positions and those added in the subcommittee report (1.0 FTE court reporter, 3.0 district court judge positions and 1.0 FTE administrative assistant position) not be assigned to any specific judicial district, but that the subcommittee report reflect the four areas which are in greatest need. Members discussed whether the statutes designate all presently existing judges and noted that the statutes need to be updated. The motion carried on a voice vote.

It was moved by Senator Morris and seconded by Senator Vancrum that the subcommittee reports for FY 95 and the subcommittee reports for FY 96 as amended on the judicial branch and the judicial council be adopted. The motion carried on a voice vote.

Senator Rock moved, Senator Vancrum seconded, that SB 48 as amended be recommended favorable for passage. The motion carried on a roll call vote.

SB 236 **Appropriations for FY 95, supplemental appropriations for various state agencies**

The Chairman reviewed information on an appropriation which was made in the SRS appropriations bill last year for capital improvements in Saline and Reno counties subject to release by the Finance Council. He noted that the Finance Council does not meet during the legislative session, and urged that the Committee reappropriate those monies to SRS in order for Saline and Reno counties to meet contractual agreements regarding the juvenile detention centers. He told members that there are still unanswered questions regarding the issue of juvenile detention facilities and he intends to have a hearing to discuss the problems with all involved parties.

Members discussed the intent of the plan adopted by the Advisory Committee on Juvenile Offender Programs which was to fund facilities approved as regional facilities.

Senator Kerr distributed copies of information pertaining to Reno County's request for financing of a regional juvenile detention facility (Attachment 15). He brought to the attention of the Committee a letter written to Senator Bogina (Attachment 15-2,3). He told members that the contract was signed November 15, 1994 and that the Reno County facility was planned as a regional facility, but, because of timing, funding had not been appropriated to honor the contract.

Senator Kerr moved, Senator Vancrum seconded, that the subcommittee report for FY 95 be amended to increase the expenditure limitation in the Juvenile Detention Facilities Fund in the amount of \$558,275 for Reno County Juvenile Detention Center. The motion carried on a voice vote.

Senator Kerr moved, Senator Vancrum seconded, that the subcommittee report as amended be adopted. The motion carried on a voice vote.

Senator Morris moved, Senator Rock seconded, that SB 236 as amended be recommended favorable for passage. The motion carried on a roll call vote.

The Chairman adjourned the meeting at 12:45 P.M. The next meeting is scheduled for March 14, 1995.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: MARCH 13, 1995

NAME	REPRESENTING
Louis Chalawa	Division of the Budget
John Strickler	K A PS / KGP
Gow Keat	KAPS/KGP
D.B. Dallas	DoB
Bob North	DA
Craig Lanning	Western Resources, Inc
DOUG CRAIG	Dep A
Bill Ervin	DJA
Ignacio Dixon	State Treasury
Jama Wags	'
Bob Payne	HCSF
Rita Null	HCSF
Paul Shelby	OJA
Jerry Sloan	OJA
Kathy Sachs	Secretary of State
J. Chubb	SOS
Sinda McConkey	KI Insurance Dept
Ken Baker	K. Hospital Assn.
Alan Holmes	Division of the Budget

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: MARCH 13, 1995

NAME	REPRESENTING
<i>Doree Vahel</i>	
<i>Scott Bennett Roth</i>	<i>Bd. of Independent Defense Services</i>
<i>Mel Cathey</i>	<i>" " " "</i>
<i>BROCK YAKEL</i>	<i>Senator Morris</i>

SUBCOMMITTEE REPORT

Agency: Attorney General

Bill No. 2234

Bill Sec. 24

Analyst: Rampey

Analysis Pg. No. 232

Budget Page No. 85

<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	\$ 4,781,506	\$ 5,235,011	\$ (500,000)
Aid to Local Units	1,574,144	1,574,144	0
Other Assistance	3,620,400	3,600,000	0
TOTAL	<u><u>\$ 9,976,050</u></u>	<u><u>\$ 10,409,155</u></u>	<u><u>\$ (500,000)</u></u>
State General Fund:			
State Operations	\$ 3,637,945	\$ 4,094,361	\$ (500,000)
FTE Positions	68.0	68.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u><u>68.0</u></u>	<u><u>68.0</u></u>	<u><u>0.0</u></u>

Agency Overview

The Office of the Attorney General consists of 68.0 FTE positions, including the Attorney General. The approved budget for FY 1995 was described by the former Attorney General as a maintenance budget because he did not want to make decisions that would bind his successor who took office the second half of the fiscal year. However, General Stephan informed the 1994 Legislature that, in his opinion, there was a need to add more staff and to find additional office space. Both of those issues are addressed in the FY 1996 budget. The FY 1996 budget also has been revised slightly since it was submitted, in part to reflect the priorities of the new Attorney General.

Agency Estimate/Governor's Recommendation

The Attorney General estimates total expenditures of \$9,976,050 for FY 1995, of which \$3,637,945 is from the State General Fund (SGF). The amount from the SGF exceeds the amount approved by the 1994 Legislature by \$60,000. The additional amount, for which a supplemental appropriation is requested, is for expenses related to charges the Attorney General has filed against former Insurance Commissioner Fletcher Bell. Following a report by the Kansas Bureau of Investigation in FY 1994 concerning a worker's compensation claim, the Attorney General contracted with prosecutors with expertise in worker's compensation. The requested supplemental appropriation is for expenses connected with three or four weeks of hearings or trial time, including payment for preparation work; fees for expert witnesses; transcripts; and other costs. The Attorney General requests that the money be included in the emergency supplemental appropriations bill. **(Staff Note:** There is a separate fund in the Attorney General's budget for litigation costs associated with special prosecutions. The amount of money appropriated to the fund by

SWAM
March 13, 1995
Attachment 1

the 1994 Legislature is \$12,000.) Included in the FY 1995 budget are costs associated with the transition to a new Attorney General. These costs, estimated to be under \$5,000, are mainly for travel and office equipment. They will be absorbed as part of the agency's regular operating expenses. (The Attorney General, like the other state-level elected officials, is automatically authorized to spend any reappropriation from the SGF from the prior year. The reappropriation from FY 1994 to FY 1995 was \$60,066, which gives the Attorney General some flexibility to absorb additional expenses.)

For FY 1995, the Governor recommends a total of \$10,409,155, an increase of \$433,105 above the estimate of \$9,976,050. The Governor approves the requested supplemental appropriation of \$60,000 for litigation relating to the investigation of the former Insurance Commissioner and adds another supplemental appropriation of \$500,000 for water litigation. The purpose of the Governor's recommendation with regard to water litigation (for which he provides no additional funding in FY 1996) is to recognize that it is difficult for the agency to predict when various court-related activities will take place and to make money available in the current year that can be carried over to FY 1996 to pay for expenses when they occur.

The Governor changes the policy relating to the use of reappropriated balances by elected state officials and uses part of the balance to finance his recommendations for the current year. Balances remaining at the end of FY 1995 (estimated to be \$43,584) are used to fund the budget in FY 1996.

House Subcommittee Recommendation

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

1. Delete the \$500,000 supplemental appropriation recommended by the Governor for water litigation that was not part of the Attorney General's request. The Attorney General has \$733,594 available in the current year for water litigation, which is expected to be adequate to cover estimated expenses. The \$500,000 added by the Governor brings the total to \$1,233,594, an amount the Attorney General does not believe will be needed. Although the Governor's recommendation is to carry any unspent money forward to FY 1996, it is the Subcommittee's opinion that it is more reasonable to appropriate funds for the year in which they most likely will be spent. Therefore, the Subcommittee deletes the \$500,000 added by the Governor in FY 1995 and recommends that it be appropriated for FY 1996.

Shown below is the anticipated schedule of activities and costs related to the water litigation in FY 1995 and FY 1996:

FY 1995 Revised Kansas v. Colorado Budget and Schedule

Month	Amount	Anticipated Activity
July	\$ 10,195	Actual expenses
August	23,399	Actual and approximate expenses
September	35,000	Exception/briefing; data collection
October	80,000	Exceptions/briefing; data; model; choose economics expert
November	90,000	Exceptions/briefing; data; model; economic work
December	95,000	Exceptions/briefing; data; model; economic work; Arkansas River Compact Administration (ARCA)
January	80,000	Prepare court argument; data; economic work
February	80,000	Present court argument; data; economic work
March	60,000	Economic work; model update; data
April	60,000	Economic work; model update; data
May	60,000	Analyze court decision; prepare next phrase; economic work
June	60,000	Amend complaint, prep., next phase; economic work
TOTAL	\$ 733,594	

FY 1996 Kansas v. Colorado Budget and Schedule

July	\$ 110,000	Status/schedule conference; expert opinion preparation
August	120,000	Discovery
September	110,000	Discovery
October	110,000	Trial preparation
November	200,000	Trial (Trinidad, 1985-present, damages, decree)
December	120,000	Trial preparation; ARCA meeting
January	320,000	Trial; special master assessment
February	110,000	Trial; preparation proposed decree/judgment
March	70,000	Argument/briefing on trial issues
April	45,000	Briefing
May	25,000	Follow-up with special master
June	55,000	Review draft special master report; brief
TOTAL	\$ 1,395,000	

House Committee Recommendation

The House Committee concurs with the recommendation of the Subcommittee.

House Committee of the Whole

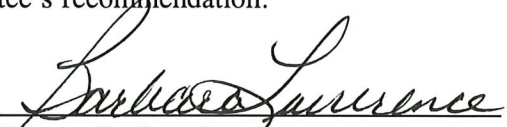
The House Committee of the Whole concurs with the recommendations of the Committee.

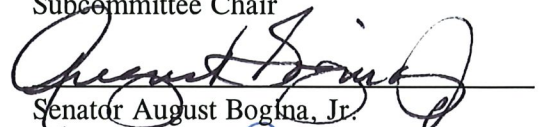
Expenditure Summary	House Adj. FY 1995	House Rec. FY 1995	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ (500,000)	\$ 4,735,011	\$ 500,000
Aid to Local Units	0	1,574,144	0
Other Assistance	0	3,600,000	0
TOTAL	\$ (500,000)	\$ 9,909,155	\$ 500,000
State General Fund:			
State Operations	\$ (500,000)	\$ 3,594,361	\$ 500,000
FTE Positions	0.0	68.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	0.0	68.0	0.0

Senate Subcommittee Recommendations

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

- Shift \$500,000 for water litigation from FY 1996 to FY 1995, for a total available in FY 1995 of \$1,233,594. (There would be no new appropriation for water litigation in FY 1996.) The effect of the Subcommittee's recommendation, which is the same as the Governor's, is to recognize that it is not always possible for the Attorney General to accurately estimate expenditures for water litigation, particularly since the timetable for activities is beyond the control of officials in Kansas. Making more money available in the current year than currently is believed necessary will give the agency flexibility in the event that estimates are too low and also will give the agency a carry-forward balance that should be adequate to fund expenditures for all or part of FY 1996. (The Attorney General estimates that expenditures for water litigation in will be \$733,594 in FY 1995 and \$750,000 in FY 1996, for a two-year total of \$1,483,594.) If the current estimates of expenditures are correct, the Attorney General would have \$500,000 to carry forward into FY 1996, based on the Subcommittee's recommendation.


 Senator Barbara Lawrence
 Subcommittee Chair


 Senator August Bogina, Jr.


 Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Attorney General

Bill No. 2085

Bill Sec. 7

Analyst: Rampey

Analysis Pg. No. 232

Budget Page No. 85

<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	\$ 5,834,061	\$ 4,027,227	\$ 463,904
Aid to Local Units	1,643,644	1,551,805	0
Other Assistance	3,792,325	3,392,900	0
TOTAL	<u><u>\$ 11,270,030</u></u>	<u><u>\$ 8,971,932</u></u>	<u><u>\$ 463,904</u></u>
State General Fund			
State Operations	\$ 4,877,896	\$ 2,882,466	\$ 568,675
FTE Positions			
FTE Positions	78.0	70.0	2.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u><u>78.0</u></u>	<u><u>70.0</u></u>	<u><u>2.0</u></u>

Agency Request/Governor's Recommendation

The Attorney General has budgeted expenditures of \$11,270,030 in FY 1996, of which \$4,877,896 is from the SGF. The request includes funding for 10.0 FTE new positions and money to rent new office space in addition to the agency's main office at the Judicial Center. Also included is \$1,395,000 (revised downward after the budget was submitted to \$750,000) for on-going costs associated with the *Kansas v. Colorado* water litigation. Salaries for the requested new positions are estimated to be \$315,168 (excluding fringe benefits), plus \$73,550 for office furniture, equipment, and supplies associated with the positions (of which \$71,300 would be from the SGF). The move, necessary if the new positions are approved, is expected to cost a total of \$49,975 (\$6,000 for moving expenses and \$43,975 for additional rent, all from the SGF). Since the original budget document was submitted, some revisions have been made by the new Attorney General. In addition, the relative importance of some of the items has been shifted to reflect her priorities.

The Governor recommends expenditures of \$8,971,932, a reduction of \$2,298,098 from the agency's request. Most of the reduction is associated with three items. First, the Governor does not recommend an additional appropriation for water litigation in FY 1996 (\$750,000 was requested). Instead, he adds \$500,000 in the current year, for a total available of \$1,233,594, some of which most likely will be carried forward and used in FY 1996. Second, the Governor recommends only two of the ten new positions requested, which results in lower costs for salaries. Although specific areas of reductions are unspecified, it seems apparent that the Governor does not include any of the costs associated with new office space and moving expenses. In addition, the Governor reduces expenditures associated with the Crime Victims Compensation Board by \$488,329 (from \$4,129,591 to \$3,641,262) in order to stay within available resources.

House Subcommittee Recommendations

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

1. Delete \$84,988, including \$76,004 from the SGF, based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$81,934); classified step movement (\$1,892); a one percent base adjustment for classified employees (\$620); and the longevity bonus (\$542) from individual agency budgets.
2. Add \$28,661 for salaries and benefits and \$42,000 for associated operating costs, for a total of \$70,661 from the SGF, to the Governor's recommendation for 2.0 FTE new positions. (The Governor recommended base salaries totaling \$61,020 for the positions; the Subcommittee recommends base salaries totaling \$87,360.) The Subcommittee increases the base salary of the Assistant Attorney General position recommended by the Governor from \$39,540 to \$55,632, as requested by the Attorney General, and replaces the recommended Legal Assistant (base salary of \$21,480) with a Special Agent II (base salary of \$32,728) who would be an investigator assigned to death penalty cases. The purpose of the addition made by the Subcommittee is to strengthen the Attorney General's ability to provide assistance to local units that will be faced with death penalty and sexual predator cases.
3. Reduce estimated expenditures from the Tort Claims Fund by \$95,787. The reduction is the net effect of adding \$104,213 for the salaries and associated operating expenditures of 2.0 FTE new Assistant Attorneys General I for the litigation division and reducing expenditures for contractual services by \$200,000. (Because expenditures from the Tort Claim Funds are paid for by transfers from the SGF, the savings ultimately would be to the SGF.) Information presented by the Attorney General indicates that the workload of the litigation division has increased by 25 percent from fall, 1993, to fall, 1994. When cases involve defense of the Tort Claims Fund, it is customary for the Attorney General to contract with outside attorneys. For FY 1995 and FY 1996, it is estimated that defense costs will total \$750,000 a year. According to the Attorney General, adding two attorneys to the litigation division staff would save \$200,000 in fees paid for contracts with outside attorneys. The Subcommittee believes it would be more economical and would provide better continuity to hire permanent staff to defend the Tort Claims Fund than to pay hourly rates to attorneys on a contractual basis.
4. Add \$30,043 from the SGF in order to provide salary increases for unclassified attorneys that are comparable to salary increases for classified attorneys under the Comprehensive Classification and Job Rate Study. Because attorneys who work for the Attorney General are unclassified, they were not included in salary upgrades that occurred for their counterparts in the classified service. According to the Attorney General, the fact that these attorneys receive less pay for comparable work could make it difficult for the agency to attract and retain highly qualified employees. The Subcommittee agrees that an inequitable situation exists and recommends the additional funding in order to establish parity between unclassified and classified employees.

5. Add \$43,975 from the SGF for agency operations, which is the amount of estimated savings in the current year that will be carried forward into FY 1996. For the past several years, it has been the policy of the Governor and the Legislature to permit the Attorney General and the other state-level elected officials to use their carry-forward funds to supplement their appropriations for the following year. The Governor has departed from this policy and has reduced the amount of the FY 1996 appropriation by the reappropriated amount. The Subcommittee's recommendation would restore prior policy and give more flexibility to the Attorney General to manage the agency's resources and to reallocate savings.
6. Add \$500,000 to fund water litigation activities. As explained in the report for FY 1995, the Subcommittee shifts \$500,000 recommended by the Governor for FY 1995 to FY 1996. The Subcommittee calls attention to the fact that the Attorney General originally requested almost \$1.4 million for water litigation in FY 1996, and later revised the estimate downward to \$750,000. If the revised estimate is accurate, it is likely the Attorney General will come before the 1996 Legislature asking for a supplemental appropriation.
7. The Attorney General informed the Subcommittee that federal law requires states to have a Medicaid Fraud Control Unit as a condition of eligibility to receive federal Medicaid funding. The purpose of the unit is to investigate and prosecute provider fraud and patient abuse involving providers who receive Medicaid dollars. Federal law prohibits the state Medicaid agency, which in Kansas is the Department of Social and Rehabilitation Services (SRS), from being the fraud control unit. It is expected that Kansas will receive between \$400,000 and \$500,000 in federal funds for the federal fiscal year that begins October 1, 1995. Federal funds provide 90 percent of the cost of the units for the first three years and 75 percent thereafter. The Attorney General believes the agency can provide the 10 percent match from existing funds once the federal money is received, but is requesting \$10,000 for start-up costs prior to the receipt of the federal funds in October. The start-up funds would enable the agency to begin to form the unit so that it would be ready to operate when the federal funds are available.

The Subcommittee supports the creation of the Medicaid Fraud Control Unit within the Attorney General's Office and recommends that a fund with a "no limit" expenditure limitation be created for the purpose of receiving federal and other funds associated with the program. The Subcommittee suggests the possibility of using funds available to SRS to pay the \$10,000 start-up costs for the unit and requests that the Subcommittee reviewing the SRS budget give consideration to this expenditure. The Subcommittee requests that the Senate Subcommittee on the Attorney General's budget review this issue when the response from the SRS Subcommittee is available.

8. The Subcommittee calls attention to the fact that the Attorney General's budget for FY 1996 does not take into account any federal funding the state may receive under the Violent Crime Control Act of 1994, commonly called the Crime Bill. According to the Attorney General, few programs actually were funded in the current year and funding for the next year is highly speculative, particularly in view

of discussion in Congress that the Crime Bill grant programs could be changed. Because the impact of this federal legislation and associated funding will not be known until perhaps the beginning of the next fiscal year, neither the Attorney General's request nor the Subcommittee's recommendations take the legislation into account.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Committee of the Whole

The House Committee of the Whole concurs with the recommendations of the Committee, with the following exceptions:

1. Delete \$70,661 from the SGF for enhanced salaries and associated costs for 2.0 FTE positions added by the Governor. (The positions are not deleted, but would be funded at the lower salaries recommended by the Governor.)
2. Delete \$30,043 from the SFF for salary increases for unclassified employees comparable to salary increases for classified employees. (The employees affected would be 25 attorneys, a para legal, and an accountant.)
3. Delete \$43,975 from the SGF for agency operations. The effect of the recommendation would be to reduce the FY 1996 appropriation by the estimated amount of savings that will be reappropriated from FY 1995.

<u>Expenditure Summary</u>	<u>House Adj. FY 1995</u>	<u>House Rec. FY 1995</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 319,225	\$ 4,346,452	\$ (429,339)
Aid to Local Units	0	1,551,805	0
Other Assistance	0	3,392,900	0
TOTAL	<u>\$ 319,225</u>	<u>\$ 9,291,157</u>	<u>\$ (429,339)</u>
State General Fund:			
State Operations	\$ 423,996	\$ 3,306,462	\$ (429,339)
FTE Positions	2.0	72.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>2.0</u>	<u>72.0</u>	<u>0.0</u>

Senate Subcommittee Recommendations

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

1. Delete \$500,000 for water litigation in FY 1996 and make the money available to the agency in FY 1995. Although the Subcommittee recommends no new funding for water litigation in FY 1996, it is expected that carry-forward balances from FY 1995 would be sufficient to fund expenditures for all or part of the year. If funding is not adequate, the Attorney General can ask the 1996 Legislature to address the issue.
2. Add \$28,661 for salaries and benefits and \$42,000 for associated operating costs, for a total of \$70,661 from the SGF, to the Governor's recommendation for 2.0 FTE new positions. (The Governor recommended base salaries totaling \$61,020 for the positions; the Subcommittee recommends base salaries totaling \$87,360.) The Subcommittee increases the base salary of the Assistant Attorney General position recommended by the Governor from \$39,540 to \$55,632, as requested by the Attorney General, and replaces the recommended Legal Assistant (base salary of \$21,480) with a Special Agent II (base salary of \$32,728) who would be an investigator assigned to death penalty cases. The purpose of the addition made by the Subcommittee is to strengthen the Attorney General's ability to provide assistance to local units that will be faced with death penalty and sexual predator cases.
3. The Subcommittee calls attention to the fact that the Attorney General has requested a Governor's budget amendment to address the issue of "equity pay" for unclassified employees (primarily attorneys). The salaries of these employees were not upgraded as part of the Comprehensive Classification and Job Rate Study because the study applied to classified employees only. The Subcommittee recognizes the inequity that results when employees who perform similar duties are compensated at different levels and believes this issue should be addressed as part of the Omnibus bill consideration when the response of the Governor is known. (The amount of equity pay requested by the Attorney General for FY 1996 is \$30,043.)
4. The Subcommittee calls attention to the issue of reappropriated balances for elected state officials. For the last two administrations, it has been the practice of the Governor to allow the elected state officials to carry forward any SGF balances at the end of the year for use the next year, without a corresponding reduction in the next year's appropriation. The present Governor has departed from the practice and, in the case of the Attorney General's budget, has reduced the appropriation for FY 1996 by the amount of the estimated carry-forward balance (\$43,975). The Attorney General wishes to return to the prior policy and has requested that the Governor reconsider his recommendation and submit an amendment to his budget. The Subcommittee believes the issue should be addressed when the Omnibus bill is considered and the response of the Governor is known.
5. Create a new fund in the appropriations bill, into which money would be credited for a Medicaid Fraud Control Unit within the Office of the Attorney General. (The


creation of the fund was recommended by the House, but was left out of the bill due to a staff error.) The issue involves a federal requirement that states must have a Medicaid Fraud Control Unit as a condition of eligibility to receive federal Medicaid funding. The purpose of the unit is to investigate and prosecute provider fraud and patient abuse involving providers who receive Medicaid dollars. Federal law prohibits the state Medicaid agency, which in Kansas is the Department of Social and Rehabilitation Services, from being the fraud control unit. It is expected that Kansas will receive between \$400,000 and \$500,000 in federal funds for the federal fiscal year that begins October 1, 1995. Federal funds provide 90 percent of the cost of the units for the first three years and 75 percent thereafter. The Attorney General believes the agency can provide the 10 percent match from existing funds once the federal money is received, but is requesting \$10,000 for start-up costs prior to the receipt of the federal funds in October. The start-up funds would enable the agency to begin to form the unit so that it would be ready to operate when the federal funds are available. The Attorney General has asked the Governor to amend his budget and provide the \$10,000 for start-up costs. The Subcommittee believes the issue should be addressed when the Omnibus bill is considered and the response of the Governor is known.



Senator Barbara Lawrence
Subcommittee Chair



Senator August Bogina, Jr.



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: State Treasurer

Bill No. --

Bill Sec. --

Analyst: Porter

Analysis Pg. No. 247

Budget Page No. 517

<u>Expenditure Summary</u>	<u>Agency Estimate FY 1995</u>	<u>Governor's Recommendation FY 1995</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,115,982	\$ 3,109,409	\$ (3,000)
Aid to Local Units	92,403,463	92,413,300	(9,837)
Subtotal	<u>\$ 95,519,445</u>	<u>\$ 95,522,709</u>	<u>\$ (12,837)</u>
Debt Service	227,149	227,149	--
TOTAL	<u><u>\$ 95,746,594</u></u>	<u><u>\$ 95,749,858</u></u>	<u><u>\$ 12,837</u></u>
State General Fund:			
State Operations	\$ 2,382,534	\$ 2,326,714	\$ (3,000)
Aid to Local Units	78,024,163	78,034,000	(9,837)
TOTAL	<u><u>\$ 80,406,697</u></u>	<u><u>\$ 80,360,714</u></u>	<u><u>\$ (12,837)</u></u>
FTE Positions	57.5	57.5	--
Special Project Appointments	0.0	0.0	--
TOTAL	<u><u>57.5</u></u>	<u><u>57.5</u></u>	<u><u>--</u></u>

Agency Estimate/Governor's Recommendation

The State Treasurer estimates FY 1995 expenditures of \$3,115,982 for state operations, a reduction of \$2,701 from the amount of \$3,118,683 approved by the 1994 Legislature, as adjusted by State Finance Council action. Estimated expenditures of \$2,382,534 from the State General Fund are a reduction of \$281,702 from the amount approved by the 1994 Legislature, as adjusted by State Finance Council action (\$2,664,236). The reduction is offset by increased expenditures of \$279,001 from special revenue funds. The decrease in State General Fund financing is attributed to the following factors: the FY 1995 revised estimate includes funding of \$38,000 from the Conversion of Materials and Equipment Fund obtained from the sale of the agency's used UNISYS computer equipment; expenditures of \$74,000 for banking fees were shifted from the State General Fund to the Municipal Investment Pool (MIP) to reflect the appropriate share of MIP costs; expenditures of \$100,000 were shifted from the State General Fund to the Unclaimed Property Expense Fund because the 1994 Legislature approved legislation making the Unclaimed Property Program totally fee-supported; and a reduction in expenditures budgeted for servicing due to the agency's discontinuance of the UNISYS computer system. The State Treasurer, like all other statewide elected officials, is automatically authorized to spend any State General Fund balances reappropriated from the previous year. The balance reappropriated from FY 1994 to FY 1995 is \$14,730.

The Governor recommends \$3,109,409 for state operations in FY 1995, a reduction of \$6,573 from the agency estimate. The recommendation reflects a reduction of \$9,573 from the amount requested

*SWAM
March 13, 1995
Attachment 2*

for salaries and wages resulting from revised state employee health insurance rates and a slight adjustment to the salaries and wages turnover rate. The Governor also recommends an increase of \$3,000 above the amount requested for capital outlay to allow the agency to purchase a computer for the Statewide Human Resource and Payroll System (SHARP) Project. Recommended State General Fund financing of \$2,326,714 reflects a reduction of \$55,820 from the agency estimate and expenditures from other special revenue funds, principally the Services Reimbursement Fund, are increased by \$49,247.

House Subcommittee Recommendation

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

1. Delete \$3,000 recommended from the State General Fund SGF for a computer for the SHARP (Statewide Human Resource and Payroll System) Project.
2. As a technical adjustment, adjust the amounts of the demand transfers recommended by the Governor to reflect the actual amounts to be transferred under current law. The Governor's recommendation reflects transfers based on the November 1994 consensus estimates. FY 1995 demand transfers include \$44,648,745 for the Local Ad Valorem Tax Reduction Fund and \$33,375,418 for the County and City Revenue Sharing Fund.

House Committee Recommendation

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

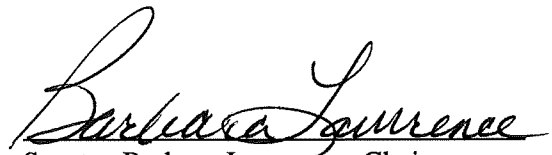
House Committee of the Whole Recommendation

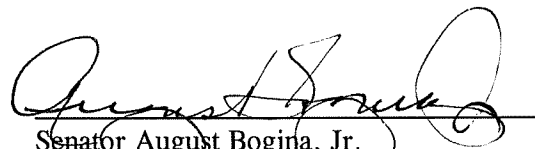
The House Committee of the Whole concurs with the recommendations of the House Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 1995</u>	<u>House Rec. FY 1995</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (3,000)	\$ 3,106,409	\$ 0
Aid to Local Units	(9,837)	92,403,463	0
Subtotal	<u>\$ (12,837)</u>	<u>\$ 95,509,872</u>	<u>\$ 0</u>
Debt Service	0	0	0
TOTAL	<u><u>\$ 12,837</u></u>	<u><u>\$ 95,509,872</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ (3,000)	\$ 2,323,714	\$ 0
Aid to Local Units	(9,837)	78,024,163	0
TOTAL	<u><u>\$ (12,837)</u></u>	<u><u>\$ 80,347,877</u></u>	<u><u>\$ 0</u></u>
FTE Positions	0.0	57.5	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u><u>0.0</u></u>	<u><u>57.5</u></u>	<u><u>0.0</u></u>

Senate Subcommittee Recommendation

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


 Senator Barbara Lawrence, Chair


 Senator August Bogina, Jr.


 Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: State Treasurer

Bill No. 2085

Bill Sec. 9

Analyst: Porter

Analysis Pg. No. 247

Budget Page No. 517

<u>Expenditure Summary</u>	<u>Agency Request FY 1996</u>	<u>Governor's Recommendation FY 1996</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 3,291,134	\$ 3,148,209	\$ (26,967)
Aid to Local Units	97,864,613	95,502,758	(10,201)
Subtotal	\$ 101,155,747	\$ 98,650,967	\$ (37,168)
Debt Service	229,674	229,674	--
TOTAL	<u>\$ 101,385,421</u>	<u>\$ 98,880,641</u>	<u>\$ (37,168)</u>
State General Fund:			
State Operations	\$ 2,492,627	\$ 2,404,920	\$ (56,829)
Aid to Local Units	83,283,113	80,921,258	(10,201)
TOTAL	<u>\$ 85,775,740</u>	<u>\$ 83,326,178</u>	<u>\$ (67,030)</u>
FTE Positions	61.5	57.5	2.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>61.5</u>	<u>57.5</u>	<u>2.0</u>

Agency Request/Governor's Recommendation

The agency requests FY 1996 state operations expenditures of \$3,291,134, an increase of \$175,153, or 5.6 percent, above the FY 1995 estimate. Requested State General Fund expenditures of \$2,492,627 reflect an increase of \$110,094, or 4.6 percent, above the FY 1995 estimate. Of the increase from all funds, \$127,026 is for salaries and wages, including 4.0 new FTE positions at a cost of \$85,180 from the Unclaimed Property Expense Fund.

The Governor recommends \$3,148,209 for state operations in FY 1996, a reduction of \$142,925 from the agency request. Reductions are recommended from the agency requests for salaries and wages (\$66,751), contractual services (\$28,903), commodities (\$7,350), and capital outlay (\$39,921). The Governor does not recommend the 4.0 new FTE positions requested for the Unclaimed Property Program.

House Subcommittee Adjustments

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

1. Delete \$70,158 (including \$56,829 from the State General Fund) based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$24,713); classified step movement (\$20,768); a one percent base adjustment for classified employees (\$10,880); and the longevity bonus (\$13,797) from individual agency budgets.

2. Add language to the appropriations bill to carry out the Governor's recommendation to cap demand transfers at 3.7 percent above actual FY 1995 transfers. This language was inadvertently omitted from the bill. As a technical adjustment, amend the amounts of the transfers recommended by the Governor to reflect more recent estimates. The following table compares the amounts of the demand transfers in FY 1995, the amounts which would be transferred under current law in FY 1996, and the Governor's recommendations for FY 1996.

Demand Transfers	Actual FY 1995	Current Law FY 1996	Increase Above FY 1995	Gov. Rec. FY 1996 (Based on 3.7 % Increase Above FY 1995 Actual)	Increase Above FY 1995	Difference from Current Law FY 1996
LAVTRF	\$ 44,648,745	\$ 47,213,128 (est.)	\$ 2,564,383	\$ 46,300,749	\$ 1,652,004	\$ (912,379)
CCRSF	<u>33,375,418</u>	<u>36,069,985 (act.)</u>	<u>2,694,567</u>	<u>34,610,308</u>	<u>1,234,890</u>	<u>(1,459,677)</u>
TOTAL	<u>\$ 78,024,163</u>	<u>\$ 83,283,113</u>	<u>\$ 5,258,950</u>	<u>\$ 80,911,057</u>	<u>\$ 2,886,894</u>	<u>\$ (2,372,056)</u>
% Increase	10.0%	6.7%	6.7%	3.7%	3.7%	(2.8)%

3. Add 2.0 FTE positions and authorize additional expenditures of \$43,191 from the Unclaimed Property Expense Fund for salaries and wages (\$33,191) and other operating expenses (\$10,000) associated with the positions. These positions are for the Unclaimed Property Program, which seeks to return to the rightful owner certain types of abandoned personal property, such as bank deposits, funds paid toward the purchase of shares in financial organizations, certified checks, drafts, money orders, contents of safe deposit boxes removed for the nonpayment of rent, unclaimed funds help by insurance companies under life insurance policies, utility deposits, stocks, dividends, and miscellaneous other intangible property held by one party for another. If the property is not claimed after efforts have been made to locate the rightful owner, the State Treasurer is authorized to dispose of the property, with receipts of the sale of the property credited to the State General Fund. In FY 1995, the Unclaimed Property Program is estimated to return property valued at \$2,000,000 to the rightful owners and is estimated to generate

receipts of \$3,500,000 to the State General Fund. The agency requested an additional 4.0 FTE positions for the Unclaimed Property Program, whose duties were to include seeking out additional holders of unclaimed property. The agency estimated that the requested 4.0 positions could generate an additional \$1,750,000 in State General Fund receipts and could return an additional \$1,000,000 to Kansas residents. The Subcommittee recommends that the agency report the financial impact of the 2.0 additional positions to the 1996 Legislature.

4. The Subcommittee notes that the Treasurer requested \$12,000 from the Bond Services Fee Fund for two laser printers to print warrants for the Bond Services Program. The agency testified that internal printing of warrants would improve the efficiency of its operation. Current statutes authorize the Director of Accounts and Reports to issue warrants drawn on the State Treasurer. The Subcommittee will reconsider this issue during its review of the Department of Administration budget, which includes the Division of Accounts and Reports, and anticipates that it will make a recommendation following this additional review. The Subcommittee recommends that the Senate Subcommittee review this issue.
5. The Subcommittee notes that the Governor's recommendation for FY 1995 includes expenditures of \$2,326,714 from the State General Fund, which is a reduction of \$337,522 from the amount approved by the 1994 Legislature. The reduction is the result of a decrease of \$281,702 achieved by the agency through increased reliance on special revenue funds and a reduction in expenditures and a further reduction of \$55,820 recommended by the Governor. The Subcommittee notes that the practice in previous years has been to allow the Treasurer to spend any State General Fund balances reappropriated from the previous year. However, the Governor's recommendation includes a lapse of \$74,000 in FY 1995 and reappropriates \$263,522 from FY 1995 to FY 1996. The \$263,522 is carried forward into FY 1996, which means that the FY 1996 State General Fund appropriation is reduced by the same amount. The effect of the recommendation is to eliminate some of the discretion allowed to this agency in previous years. Because the agency is required to spend its carry forward balance in FY 1996, the agency may require a greater State General Fund appropriation in FY 1997. The Subcommittee concurs with the recommendation, and encourages the agency to continue to look for efficiencies and savings.

House Committee Recommendation

The House Committee concurs with the recommendation of the House Subcommittee with the following adjustment:

1. Delete recommendations numbers 3, which added positions and funding for the Unclaimed Property Program.

House Committee of the Whole Recommendation

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


<u>Expenditure Summary</u>	<u>House Adj. FY 1996</u>	<u>House Rec. FY 1996</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (70,158)	\$ 3,078,051	\$ 43,191
Aid to Local Units	(10,201)	95,492,557	0
Subtotal	<u>\$ (80,359)</u>	<u>\$ 98,570,608</u>	<u>\$ 43,191</u>
Debt Service	0	229,674	0
TOTAL	<u><u>\$ (80,359)</u></u>	<u><u>\$ 98,800,282</u></u>	<u><u>\$ 43,191</u></u>
State General Fund:			
State Operations	\$ (56,829)	\$ 2,348,091	\$ 0
Aid to Local Units	(10,201)	80,911,057	0
TOTAL	<u><u>\$ (67,030)</u></u>	<u><u>\$ 83,259,148</u></u>	<u><u>\$ 0</u></u>
FTE Positions	0.0	57.5	2.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u><u>0.0</u></u>	<u><u>57.5</u></u>	<u><u>2.0</u></u>

Senate Subcommittee Recommendation

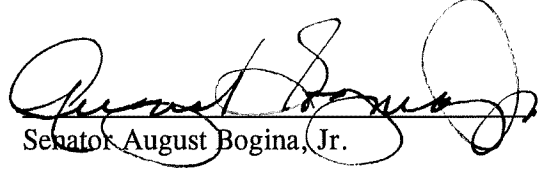
The Senate Subcommittee concurs with the recommendations of the House Committee of the Whole with the following adjustment:

1. Add 2.0 FTE positions and authorize additional expenditures of \$43,191 from the Unclaimed Property Expense Fund for salaries and wages (\$33,191) and other operating expenses (\$10,000) associated with the positions. These positions are for the Unclaimed Property Program, which seeks to return to the rightful owner certain types to abandoned personal property, such as bank deposits, funds paid toward the purchase of shares in financial organizations, certified checks, drafts, money orders, contents of safe deposit boxes removed for the nonpayment of rent,

unclaimed funds help by insurance companies under life insurance policies, utility deposits, stocks, dividends, and miscellaneous other intangible property held by one party for another. If the property is not claimed after efforts have been made to locate the rightful owner, the State Treasurer is authorized to dispose of the property, with receipts of the sale of the property credited to the State General Fund SGF. In FY 1995, the Unclaimed Property Program is estimated to return property valued at \$2,000,000 to the rightful owners and is estimated to generate receipts of \$3,500,000 to the State General Fund. The agency requested an additional 4.0 FTE positions for the Unclaimed Property Program, whose duties were to include seeking out additional holders of unclaimed property. The agency estimated that the requested 4.0 positions could generate an additional \$1,750,000 in State General Fund receipts and could return an additional \$1,000,000 to Kansas residents. The House Subcommittee recommended adding 2.0 FTE positions, but the House Committee did not concur with the Subcommittee recommendation and deleted the positions and funding.



Senator Barbara Lawrence, Chair

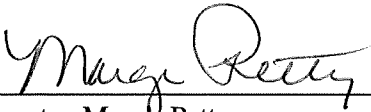


Senator August Bogina, Jr.

Senator Marge Petty

MINORITY REPORT

I do not concur with the recommendation to add language to the appropriations bill to carry out the Governor's recommendation to cap FY 1996 demand transfers at 3.7 percent above actual FY 1995 transfers. This language had been inadvertently omitted from the bill, as introduced. Since this is a major policy issue, it would appear to me that this issue would be better decided in a context other than the State Treasurer's Office budget.



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Insurance Department

Bill No. --

Bill Sec. --

Analyst: Mah

Analysis Pg. No. 259

Budget Page No. 307

<u>Expenditure Summary</u>	<u>Agency Estimate FY 1995</u>	<u>Governor's Recommendation FY 1995</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 13,418,112	\$ 13,400,318	\$ 0
Local Aid	4,080,711	4,080,711	0
Other Assistance	40,718,890	40,718,890	0
Capital Improvements	240,543	240,543	0
TOTAL	\$ 58,458,256	\$ 58,440,462	\$ 0
FTE Positions	162.5	162.5	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	162.5	162.5	0.0

Agency Estimate/Governor's Recommendation

The Department became entirely fee funded in FY 1993. Prior to that time, the Department received a State General Fund appropriation for its Insurance Company Regulation program. The Department estimates total FY 1995 expenditures of \$58,458,256, an increase of \$3,684,922 from the \$54,773,334 authorized by the 1994 Legislature. With the use of actual FY 1994 data, the agency estimates that payments from the Workers' Compensation Fund will be \$3.5 million more than originally anticipated (from \$37,000,000 to \$40,500,000). Also, there is an anticipated increase of \$166,895 in aid payments to local firefighters relief associations. There is no major change in the total amount approved for the Department's state operations. However, the Department reports that moneys were shifted within its approved budget so that more will be spent on capital outlay purchases than originally anticipated. The shifted moneys will provide for additional computer equipment needed to allow staff who will be relocated soon to a new office space in another building to continue to access the agency's AS 400 computer. Additional computer equipment also is being purchased to provide for the development and installation of a computer networking system. The agency says that this is necessary so that its staff can continue to directly access the National Association of Insurance Commissioners (NAIC) records. The NAIC is converting its current database for use in a client server environment, which allows the user of information to retrieve it to a personal computer and to manipulate it to fit the needs of the user.

The Governor concurs with the agency's current year revised estimate except for a reduction of \$17,794 in salary and wage expenditures. Salaries and wages are reduced to reflect lower than originally anticipated health insurance rates. The Governor's recommendation totals \$58,440,462, including \$13,400,318 for state operations.

*SWAM
March 13, 1995
Attachment 3*

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

Insurance Regulation Fee Fund Analysis. Around 85 percent of the agency's FTE positions are paid for from the Insurance Department Service Regulation Fund. The analysis below reflects the status of this fee fund.

<u>Resource Estimate</u>	<u>Actual FY 1994</u>	<u>Estimated FY 1995</u>
Beginning Balance	\$ 2,393,174	\$ 2,399,617
Net Receipts	5,302,562	5,629,794
Total Available	<u>\$ 7,695,736</u>	<u>\$ 8,029,411</u>
Transfer Out	173,775	260,815
Less: Expenditures	5,122,344	5,651,980
Ending Balance	<u><u>\$ 2,399,617</u></u>	<u><u>\$ 2,116,616</u></u>

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>Governor's Recommendation FY 1995</u>	<u>House Recommendation FY 1995</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 13,400,318	\$ 13,400,318	\$ (18,750)
Local Aid	4,080,711	4,080,711	0
Other Assistance	40,718,890	40,718,890	0
Capital Improvements	240,543	240,543	0
TOTAL	<u><u>\$ 58,440,462</u></u>	<u><u>\$ 58,440,462</u></u>	<u><u>\$ (18,750)</u></u>
FTE Positions	162.5	162.5	0.0
Special Project Appointments	0	0	0.0
TOTAL	<u><u>162.5</u></u>	<u><u>162.5</u></u>	<u><u>0.0</u></u>

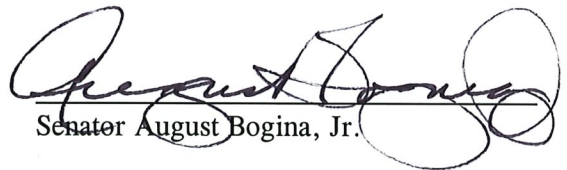
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House's recommendation, with the following adjustment:

1. Delete \$18,750 from the Insurance Department Regulation Fund that was budgeted for new office space. The new office space will be paid for instead by the Health Care Stabilization Fund Board of Governors, which was created as a separate agency when duties related to the Health Care Stabilization Fund were removed from the Insurance Department by passage of H.B. 2730. A total of 13.7 Insurance Department employees whose duties relate to the Health Care Stabilization Fund will be housed in the new office space, which makes it unnecessary for the Insurance Department to rent new office space since the Insurance Department's existing space can now be used by employees who remain in the Department. Further, the Senate Subcommittee intends that all office furnishing, including Herman Miller office units and desktop equipment, used by the 13.7 employees who work with the Health Stabilization Fund shall become the property of the Health Care Stabilization Board of Governors. The Subcommittee expects this property division to be accomplished quickly, allowing the Insurance Department to make a request to the Legislature during the Omnibus Bill session should the agency believe it needs to make un-budgeted equipment purchases after the division.



Senator Barbara Lawrence
Subcommittee Chair



Senator August Bogina, Jr.



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Insurance Department

Bill No. 2085

Bill Sec. 10

Analyst: Mah

Analysis Pg. No. 259

Budget Page No. 307

<u>Expenditure Summary</u>	<u>Agency Request FY 1996</u>	<u>Governor's Recommendation FY 1996</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 14,704,644	\$ 14,489,153	\$ (97,351)
Local Aid	4,140,849	4,140,849	0
Other Assistance	42,222,861	42,222,861	0
Capital Improvements	100,044	100,044	0
TOTAL	\$ 61,168,398	\$ 60,952,907	\$ (97,351)
FTE Positions	171.2	162.5	3.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	171.2	162.5	3.0

Agency Request/Governor's Recommendation

For FY 1996, the Department requests expenditures of \$61,168,398, an increase of \$2,710,142 from the revised current year estimate of \$58,458,256. The Department requests funding for 171.2 FTE positions, an increase of 8.7 FTE positions above those approved by the 1994 Legislature. Of the 8.7 new positions requested, three are because of the law passed by the 1993 Legislature regarding positions left vacant by retirements. The law (H.B. 2211) allows up to 75 percent of the total number of retiring FTE positions within executive branch state agencies to be refilled upon approval of the Governor. The State Finance Council must approve refilling any FTE positions over the 75 percent cap. The Department estimates that out of 11.0 FTE positions filled with employees who may retire during FY 1996 and the current year, the Department may lose three. The Department says that the requested 3.0 new positions would be filled only if there is a need because of retirements. Also, costs for professional services fees are expected to increase by \$814,388 over the current year. Most of the additional expenditures would come from the Workers' Compensation Fund to pay for attorneys, physicians, ambulances, and court costs because of a continued rise in claim filings against the Fund. Although the 1993 Legislature enacted major reform to Workers' Compensation legislation, the anticipated reduction in the number of claims on moneys in the Fund due to the new legislation is not expected until after FY 1996. Therefore, an additional \$1.5 million is requested in FY 1996 over the revised current year estimate for claim payments from the Workers' Compensation Fund (from \$40.5 million to \$42.0 million).

The Governor recommends expenditures of \$60,952,907 in FY 1996, including \$14,489,153 for state operations. The Governor's recommendation is a reduction of \$215,491 from the agency's request. Salaries are reduced by \$181,600 and capital outlay by \$33,891. Most of the reductions relate to requested new positions that were not recommended by the Governor. The Governor recommended no new positions

for the agency in FY 1996. Included in the recommendation is an additional 1.0 percent salary adjustment for the agency's staff, allowing for a total base salary adjustment of 3.5 percent for classified staff and a 3.5 percent merit pool for unclassified staff.

New Positions. Besides 3.0 FTE positions (Office Assistant III, Administrative Secretary, and Storekeeper II) which are requested as new positions because of the previously mentioned 1993 H.B. 2211, the Department requests moneys for 5.7 new FTE positions. Included in the requested 5.7 new positions are: 2.0 Policy Examiner II positions to be assigned to the Consumer Assistance Division; 1.0 Attorney position to be assigned to the Legal Division and the Workers' Compensation Fund program; 0.7 Policy Examiner Trainee position to be assigned to the Fire and Casualty Division; and 2.0 Office Assistant II positions also to be assigned to the Fire and Casualty Division.

The Governor deleted the requested moneys for the 3.0 new FTE positions to replace existing positions that may be lost due to the retirement legislation. The recommendation provides for continuing the 3.0 positions as existing ones, not as new positions. The Division of the Budget is awaiting information from the agency before budget adjustments are made for one of the positions which is already vacant due to a retirement. Moneys also were deleted for the other requested 5.7 new FTE positions.

House Subcommittee Recommendation

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

1. Add \$87,541 from the Insurance Department Regulation Fund (\$68,759) and Workers' Compensation Fund (\$18,782) for salary costs of 3.0 new FTE positions. Included in the recommendation is a 1.0 Consumer Representative position who would assist with answering phone calls and resolving consumer complaints (\$33,199). The Subcommittee was told that the number of consumer complaints has increased by 26.0 percent over the last six years. Since January of 1993, when the Department's consumer phone line referred to as "Readyline" was installed, telephone calls to the Department for assistance have risen by 12.0 percent. The recommendation also includes 1.0 limited-term FTE Attorney position to provide legal assistance on consumer complaint files, which have averaged 11,580 per year over the last four years (\$36,643). The Attorney also would assist with cases related to the Workers' Compensation Fund. As reported last year, a backlog of Workers' Compensation case filings has been created in recent years because it has been impossible for the Department's one attorney who is assigned to the Workers' Compensation Fund program to keep up with the rapid growth in the number of claims filed and added responsibilities due to legislative changes. Since a reduction in the number of claims being filed against the Workers' Compensation Fund is expected after FY 1996, the Subcommittee wants the agency to report next year on whether the recommended limited-term Attorney position is still needed. The number of claims against the Workers' Compensation Fund is expected to drop because of Workers' Compensation reform legislation enacted by the 1993 Legislature. The Subcommittee also recommends the addition of 1.0 Office Assistant II position to help the Department toward its goal of maintaining a ratio of one clerk for every 2.5 to 3.0 policy examiners (\$17,699). Currently two existing Office Assistants are having to support ten policy examiners. While the

Department requests additional capital outlay equipment for these recommended positions, as well as equipment for completion of its computer networking, the Subcommittee believes the Governor's recommendation of \$100,000 for capital outlay purchases in FY 1996 provides the agency with enough resources to make any necessary equipment purchases. The Subcommittee also notes that the Department already has been provided by the National Association of Insurance Commissioners (NAIC) with computer equipment valued at around \$40,000 for the new computer networking system.

2. Delete \$179,892 from various fee funds based on the House Appropriations Committee's recommendation to delete funding for a 3.5 percent unclassified merit pool (\$128,826); classified step movement (\$18,624); a one percent base adjustment for classified employees (\$12,811); and the longevity bonus (\$19,631) from individual budgets.
3. Delete \$5,000 from the Insurance Department Regulation Fund based on the House Appropriations Committee's recommendation to delete funding for computer equipment related to the state's new payroll system.

Insurance Regulation Fee Fund Analysis. The analysis below reflects the status of the agency's Insurance Department Service Regulation Fund, which is used to finance nearly 85 percent of the agency's FTE positions.

Resource Estimate	Estimated FY 1995	Estimated FY 1996
Beginning Balance	\$ 2,399,617	\$ 2,116,616
Net Receipts	5,629,794	5,953,336
Total Available	\$ 8,029,411	\$ 8,069,952
Transfer Out	260,815	165,848
Less: Expenditures	5,651,980	5,758,587
Ending Balance	<u>\$ 2,116,616</u>	<u>\$ 2,145,517</u>

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

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

1. Delete \$87,541 from the Insurance Department Regulation Fund (\$68,759) and Workers' Compensation Fund (\$18,782) for the salary costs of 3.0 new FTE

positions that were recommended by the House Appropriations Committee above the Governor's recommendation.

Expenditure Summary	Governor's Rec. FY 1996	House Rec. FY 1996	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 14,489,153	14,304,261	\$ 53,950
Local Aid	4,140,849	4,140,849	0
Other Assistance	42,222,861	42,222,861	0
Capital Improvements	100,044	100,044	0
TOTAL	<u>\$ 60,952,907</u>	<u>\$ 60,768,015</u>	<u>\$ 53,950</u>
FTE Positions	162.5	162.5	2.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>162.5</u>	<u>162.5</u>	<u>2.0</u>

Senate Subcommittee Recommendation

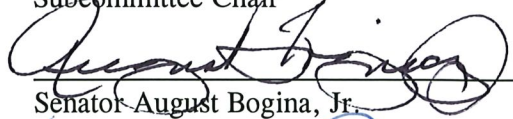
The Senate Subcommittee concurs with the House's recommendation, with the following adjustments:

1. Restore \$69,842 for the salary costs of 2.0 of the 3.0 new FTE positions that were recommended by the House Appropriations Committee. (The 3.0 new FTE positions were deleted by action of the full House). Included in the recommendation is \$33,199 for a 1.0 Consumer Representative position and \$36,643 for a 1.0 limited-term Attorney position. Partial duties of the limited-term Attorney position would be to assist with Workers' Compensation case loads. Like the House Appropriations Committee, the Senate Subcommittee wants the agency to report next year whether this limited-term position is still necessary since the number of Workers' Compensation claims is expected to drop after 1996 due to legislation enacted by the 1993 Legislature. Further, the Senate Subcommittee notes that the Department will be paying contract attorneys for work related to the Workers' Compensation Fund at a rate of \$60 per hour. This is the rate that the Department reports it has paid since 1986. The Senate Subcommittee expects no increase in this rate for FY 1996. Besides the above salary costs, the Senate Subcommittee recommends the addition of \$9,408 from the Insurance Department Regulation Fund (\$7,056) and Workers' Compensation Fund (\$2,352) to cover other operating costs of the 2.0 new FTE positions (office partitions, calculators, and chairs). The total amount being recommended by the Senate Subcommittee is \$79,250 from the Insurance Department Regulation Fund (\$58,116) and Workers' Compensation Fund (\$21,134).

2. Delete \$25,300 from the Insurance Department Regulation Fund that was budgeted for new office space. This recommendation is a continuation of a recommendation explained in the FY 1995 report.



Senator Barbara Lawrence
Subcommittee Chair



Senator August Bogina, Jr.



Senator Marge Petty

MEMORANDUM

TO: Senator Gus Bogina
Chairman Senate Ways and Means Committee

FROM: Kathleen Sebelius *KS*
Commissioner of Insurance

SUBJECT: Senate Ways and Means Subcommittee on Insurance Commissioner-
FY 1995/1996 Budget Recommendations

DATE: March 13, 1995

Beginning in FY 1993, the Kansas Insurance Department became an entirely fee-funded state agency. This year it is anticipated that the State General Fund will receive over \$90 million in insurance industry fees, above the allocation to the Department for regulation.

To maintain our current level of service, the Senate Ways and Means Subcommittee has recommended 2 additional FTE positions for the Department in FY 1996. These positions are valuable for the efficient management and operation of the Kansas Insurance Department.

- A. The limited term attorney will work 50% on 2nd Injury Fund cases as well as workers' compensation fraud files and 50% on legal issues involving the Department.

Due to a lack of personnel, approximately 50 workers' compensation fraud files (referred to us by the Division of Workers' Compensation) have yet to be investigated by our Department. There are also about 10,000 2nd Injury Fund cases outstanding that are appointed to outside counsel. An additional lawyer, the first in our Legal Division since 1983, would help the one assigned attorney to manage the Fund cases. At the end of FY 1996, the Fund cases should begin to taper off, and the attorney position could be released from the Workers' Compensation Fund to the Insurance Department. The additional attorney position will enable us to manage and save money on outside legal counsel (who average \$1,500 per case), as well as handle more cases within the Department.

Since 1983, the total number of Department employees has increased from 129 to 177.2. Consequently, with additional duties imposed upon our Department each year, the individual responsibilities of each attorney have nearly doubled in accommodating the legal needs of the entire Department.

- B. The additional consumer representative will work on complaints and problems between policyholders and insurance companies. Last year over 13,000 individuals contacted our office, and representatives returned \$6.8 million to Kansas policyholders. (The average return was \$454,602 per consumer representative.)

SWAM
March 13, 1995
Attachment 4

We would request that full Committee reconsider a 3rd position.

- C. The final position is an Office Assistant II to process the paperwork on rate filings and policy form reviews. While additional policy examiners added in FY 1995 have made a significant reduction in the existing backlog of policy form reviews, the professionals are spending too much time with clerical chores. This OAI would help allocate the workload more appropriately, and further improve our timely response to the insurance industry.

In response to the Subcommittee recommendations on March 7, 1995 for the Insurance Commissioner's FY 1995 and FY 1996 Budget, we wish to inform you of the tentative agreement reached between the Insurance Department and the Health Care Stabilization Fund for the transfer of office equipment and supplies. Based upon the Subcommittee's recommendation, the Insurance Department will allow the Health Care Stabilization Fund to take with them a number of pieces of office equipment as well as office supplies which the Fund employees say they will need to complement the office furnishings that have already been purchased to outfit their new office space in the former Victory Life Insurance Company Building at 300 S.W. 8th Street.

Although the office equipment and supplies which the Fund will take with them on their anticipated move date of April 1, 1995 are much needed by existing Insurance Department employees as well as the two new FTE's recommended by the Subcommittee for FY 1996, we should be able to replace this equipment with the additional funds that were appropriated to the Insurance Department by the Subcommittee for the two new FTE's. Therefore, assuming all of the Subcommittee's recommendations remain intact, the Insurance Department and the Health Care Stabilization Fund should be able to continue to successfully serve the people of this State as they have for so many years.

Thank you for your consideration.

cc: Senate Ways and Means Committee members

Contract Attorney Fees Paid by Selected State Agencies

Hourly Rate

Attorney General	\$75 TO \$140
Board of Indigents' Defense	\$50
Board of Healing Arts	\$90 TO \$150
Board of Technical Professions	\$75
Department of Health and Environment	\$80
Insurance Department	\$60
Real Estate Commission	\$65 TO \$75
Social and Rehabilitation Services	\$60 TO \$200

SWAM
March 13, 1995
Attachment 5

SUBCOMMITTEE REPORT

Agency: Health Care Stabilization Fund
Board of Governors

Bill No. --

Bill Sec. --

Analyst: Mah

Analysis Pg. No. 273

Budget Page No. 317

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 2,834,734	\$ 2,831,399	\$ 177,165
Other Assistance	26,150,000	26,150,000	0
TOTAL	<u><u>\$ 28,984,734</u></u>	<u><u>\$ 28,981,399</u></u>	<u><u>\$ 177,165</u></u>
FTE Positions	14.7	14.7	--
Special Project Appointments	0.0	0.0	--
TOTAL	<u><u>14.7</u></u>	<u><u>14.7</u></u>	<u><u>--</u></u>

Agency Estimate/Governor's Recommendation

The Board is a new state agency that was created with passage of 1994 H.B. 2730, which removed duties related to the Health Care Stabilization Fund from the Kansas Insurance Department. On January 1, 1995, the existing Health Care Stabilization Board of Governors, which was an advisory group to the Commissioner of Insurance, was abolished and replaced with an independent Board. The Board is authorized after July 1, 1995, to appoint any employees necessary to carry out its duties and is responsible for all budgeting, personnel, purchasing, and related management functions in relation to the Health Care Stabilization Fund. Between January 1, 1995 and July 1, 1995, the new Board is required to contract with the Insurance Department for all of its staff needs except for an Executive Director whom it was authorized to hire in January. The 1994 Legislature left 13.7 FTE positions whose salaries are paid for from the Fund with the Insurance Department for the second half of FY 1995, allowing for a six-month transition period for the new Board to take over its administrative functions. The Fund is still liable for the expenses of the employees through a contractual agreement. The Board's current year estimate of \$28,984,734 is \$6,380,660 more than the authorized budget of \$22,604,074. While state operations are reduced by \$0.5 million for contractual attorneys and court reporters, claim payments against the Fund are expected to increase by \$6.9 million. The Fund has historically been established with an expenditure limitation of "no limit," which gives the agency the authority to cover the additional expense. The Board reports that the original estimate for claim payments was understated due to some recent rather large judgements against health care providers, making claim payments from the Fund go from \$20.2 million in FY 1993 to \$26.7 million in FY 1994.

The Governor concurs with the Board's current year estimate except for a reduction of \$3,335 due to adjustments to fringe benefit costs. The Governor's recommendation totals \$28,981,399.

*SWAM
March 13, 1995
Attachment 6*

House Subcommittee Recommendation

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

1. Add \$177,165 from the Health Care Stabilization Fund to provide for start-up costs of this new state agency. The 1994 legislature provided for salary money for the Executive Director and 13.7 FTE positions in the Insurance Department, but no start-up costs for the new office, such as office equipment, additional rent, and office supplies. These start-up expenses were not included in the FY 1995 budget prepared by the Insurance Department on behalf of this new agency, which did not come into being until January 1, 1995. Although the Governor basically concurs with the budget prepared by the Insurance Department, it is clear from the 1994 legislation that the intent of the Legislature was to create an agency that is separate from the Insurance Department. Therefore, the Subcommittee has no choice but to recommend that start-up costs be appropriated from the Health Care Stabilization Fund for this agency. Specific items, which total \$177,165, include \$16,423 for office space rent, \$100,000 for office furniture, \$5,742 for telephone installation, \$50,000 for computer equipment, and \$5,000 for office supplies. The Subcommittee asks the second house to specifically review the recommended \$100,000 for office furniture and \$50,000 for computer equipment. The agency is in the early stages of getting estimated costs and Department of Administration approval for purchasing the equipment. The Subcommittee believes that the second house may be in a better position to evaluate appropriate moneys to cover necessary expenses.

2. The Subcommittee notes the Governor's following performance indicators:

<u>Performance Indicators</u>	<u>Actual FY 1994</u>	<u>Est. FY 1995</u>	<u>Est. FY 1996*</u>
Number of Cases Filed	247	250	253
Number of Cases Closed	268	295	322
Percentage Increase in State General Fund Transfers Associated with University of Kansas Medical Center and Wichita Graduate Medicine Education	26.8%	22.9%	20.0%

* Estimated level of performance under Governor's recommendation.

Health Care Stabilization Fund Analysis. The Health Care Stabilization Fund was created in 1976 to stabilize the availability of professional liability insurance coverage by establishing a money pool to pay damages for personal injury or death arising from care by a health provider. The Fund was created

with passage of the Health Care Provider Insurance Availability Act which mandates professional liability coverage for health care providers as a precondition to rendering services. The Fund is financed by a surcharge levied against the premium paid by each provider for private malpractice insurance. Surcharge receipts were \$19,572,108 in FY 1994 and are estimated to be \$17,799,600 in the current year. The table below shows the status of the Fund on a cash-in and cash-out basis only. It does not reflect the balance of the Fund based on actuary studies. Actuary reports on the Fund indicate that as of June, 30, 1994, the Fund has a surplus balance ranging from \$38.0 to \$62.0 million if all current liabilities were paid and the Fund ended.

<u>Resource Estimate</u>	<u>Actual FY 94</u>	<u>Estimated FY 95</u>
Beginning Balance	\$ 543,379	\$ 481,130
Net Receipts	170,680,349	173,813,155
Total Funds Available	<u>\$ 171,223,728</u>	<u>\$ 174,294,285</u>
Less: Expenditures	29,356,965	29,158,564
Less: Nonreportable	<u>141,385,633</u>	<u>144,837,886</u>
Ending Balance	<u><u>\$ 481,130</u></u>	<u><u>\$ 297,835</u></u>

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>Governor's Rec. FY 95</u>	<u>House Rec. FY 95</u>	<u>Senate Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 2,831,399	\$ 3,008,564	\$ (50,000)
Other Assistance	26,150,000	26,150,000	0
TOTAL	<u><u>\$ 28,981,399</u></u>	<u><u>\$ 29,158,564</u></u>	<u><u>\$ (50,000)</u></u>
FTE Positions	14.7	14.7	--
Special Project Appointments	0.0	0.0	--
TOTAL	<u><u>14.7</u></u>	<u><u>14.7</u></u>	<u><u>--</u></u>

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House's recommendation, with the following adjustment:

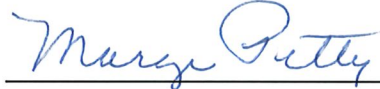
1. Delete \$50,000 of the \$100,000 from the Health Care Stabilization Fund that was recommended by the House for office furniture for this new state agency. (The agency was created with passage of 1994 H.B. 2730, which removed duties related to the Health Care Stabilization Fund from the Insurance Department.) The House made its recommendation based on the assumption that little equipment would be taken by the Board when it separates from the Insurance Department. It is the intent of the Senate Subcommittee that office furniture, including desktop equipment used by Insurance Department employees who work with the Health Stabilization Fund, become the property of the Health Care Stabilization Board of Governors.



Senator Barbara Lawrence
Subcommittee Chair



Senator August Bogina, Jr.



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Health Care Stabilization Fund
Board of Governors

Bill No. 2085

Bill Sec. 10

Analyst: Mah

Analysis Pg. No. 273

Budget Page No. 317

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 2,967,293	\$ 2,906,758	\$ 113,374
Other Assistance	27,885,000	27,885,000	0
TOTAL	<u><u>\$ 30,852,293</u></u>	<u><u>\$ 30,791,758</u></u>	<u><u>\$ 113,374</u></u>
FTE Positions	15.0	14.7	1.3
Special Project Appointments	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>15.0</u></u>	<u><u>14.7</u></u>	<u><u>1.3</u></u>

Agency Request/Governor's Recommendation

For FY 1996, the Board requests \$30,852,293 in expenditures from the Health Care Stabilization Fund, of which \$27,885,000 is for claim payments and \$2,967,293 is for state operations. Included in the request are moneys to provide for an additional 0.3 FTE Policy Examiner Trainee position and equipment purchases for furnishing new office space that the Board is in the process of renting. The Board plans to separate from the Insurance Department and relocate to another building, taking the 13.7 FTE positions that it currently pays for though a contractual agreement with the Insurance Department.

The Governor recommends total expenditures of \$30,791,758 to the Insurance Department in FY 1996 for the Board of Governors from the Health Care Stabilization Fund, a reduction of \$60,535 from the Board's request of \$30,852,293. The Governor's recommendation fails to take into account the fact that the Board is a new agency that is separate from the Insurance Department as of January 1, 1995. Under the Governor's recommendation, all funding for the Board is appropriated to the Insurance Department. All staff positions associated with the Board, including the Executive Director and the 13.7 FTE Insurance Department employees who currently perform work associated with the Health Care Stabilization Fund, are funded as part of the Insurance Department, even though the legislation that created the Board of Governors gives the Commissioner of Insurance no control over expenditures from the Health Care Stabilization Fund. On the contrary, the legislation that created the Board specifically says that all expenditures from the Fund must be pursuant to vouchers signed by the Chairperson of the Board or by the Chair's designee. Included in the Governor's recommendation is an additional 1.0 percent salary adjustment for the Board's employees. Funding is deleted for the requested 0.3 FTE position and equipment purchases for furnishing new office space.

House Subcommittee Recommendation

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

1. The Subcommittee believes it is inappropriate for the Insurance Commissioner to be responsible for expenditures over which she has no statutory control. Therefore, the Subcommittee recommends that the appropriation for the Board of Governor's be separate from the Insurance Department. To accomplish this, the Subcommittee recommends the following:
 - a. Amend 1995 H.B. 2085 to remove funding for the Health Care Stabilization Fund Board of Governors from the Insurance Department and create a new section in the bill to fund the Board as a separate agency. In addition, reduce the position limitation for the Insurance Department by the 14.7 FTE positions that are being financed by the Health Care Stabilization Fund. (The positions include the Board's Executive Director and the 13.7 FTE Insurance Department employees who work with the Fund.)
 - b. Authorize a position limitation for the Board of 16.0 FTE positions. In addition to funding for the 13.7 FTE positions currently associated with the Board and for the Executive Director, the Subcommittee recommends the addition of 1.3 FTE positions, at a total cost of \$31,968. The recommendation would allow an existing employee whose salary is partly paid from the Health Care Stabilization Fund and partly from Insurance Department funds to be paid entirely from the Health Care Stabilization Fund (\$9,856). The recommended additional salary moneys also provide for a new 1.0 Secretary II position so that the Board will have two instead of just one secretarial employee (\$22,112).
 - c. Place a limitation on operating expenditures from the Fund except for legal and professional services fees and claims and benefit payments, including proviso language that allows expenditures for the fees and claim payments to be made regardless of when the services were rendered or when the judgement or settlement was made.
3. Add \$99,482 from the Health Care Stabilization Fund to continue the full year costs of agency operations. Included in the recommendation is \$49,482 for office rent and \$50,000 for computer equipment. As recommended for FY 1995, the Subcommittee asks the second house to review the amount being recommended for computer equipment. Further, the Subcommittee wants the computer equipment moneys to be subject to State Finance Council release after review by the Joint Committee on Computers and Telecommunications. Finally, the Subcommittee understands that the agency is not in the best position to be making estimates for start-up costs since it was just established this past January. Therefore, the Subcommittee believes that it is important for the 1996 Legislature to review whether adequate moneys have been appropriated to cover the operations of the new agency.
4. Delete \$18,076 from the Health Care Stabilization Fee Fund based on the House Appropriations Committee's recommendation to delete funding for a 3.5 percent unclassified merit pool (\$11,391); classified step movement (\$2,585); a one percent base adjustment for classified employees (\$1,705); and the longevity bonus (\$2,395) from individual budgets.

Health Care Stabilization Fee Fund Analysis. The analysis below reflects the status of the agency's Fund, on a cash-in and cash-out basis only. As mentioned in the FY 1995 report, this analysis does not reflect the balance of the Fund based on actuary studies. Actuary reports on the Fund indicate that as of June, 30, 1994, the Fund has a surplus balance ranging from \$38.0 to \$62.0 million if all current liabilities were paid and the Fund ended.

Resource Estimate	Actual FY 94	Estimated FY 95	Estimated FY 96
Beginning Balance	\$ 543,379	\$ 481,130	\$ 297,835
Net Receipts	170,680,349	173,813,155	178,942,080
Total Funds Available	\$ 171,223,728	\$ 174,294,285	\$ 179,239,915
Less: Expenditures	29,356,965	29,158,564	30,905,132
Less: Nonreportable	141,385,633	144,837,886	\$ 148,155,322
Ending Balance	<u>\$ 481,130</u>	<u>\$ 297,835</u>	<u>\$ 179,461</u>

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

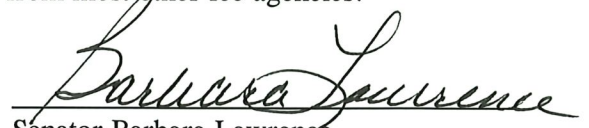
The House Committee of the Whole concurs with the Committee's recommendations.

Expenditure Summary	Governor's Rec. FY 96	House Rec. FY 96	Senate Subcommittee Adjustments
Fee Fund:			
State Operations	\$ 2,906,758	\$ 3,020,132	\$ 0
Other Assistance	27,885,000	27,885,000	0
TOTAL	<u>\$ 30,791,758</u>	<u>\$ 30,905,132</u>	<u>\$ 0</u>
FTE Positions	14.7	16.0	--
Special Project Appointments	0.0	0.0	--
TOTAL	<u>14.7</u>	<u>16.0</u>	<u>--</u>

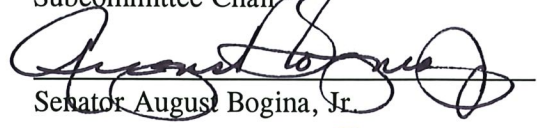
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House's recommendation, with the following change:

1. Introduce a bill to require that 20 percent or \$200,000, whichever is less, of annual receipts from the Health Care Stabilization Fund be credited to the State General Fund as reimbursement for "overhead" costs (including any services performed on behalf of this agency by another agency that receives appropriations from the State General Fund). The recommendation allows for reimbursement from this new state agency at the same rate as is statutory required from most other fee agencies.



Senator Barbara Lawrence
Subcommittee Chair



Senator August Bogina, Jr.



Senator Marge Petty

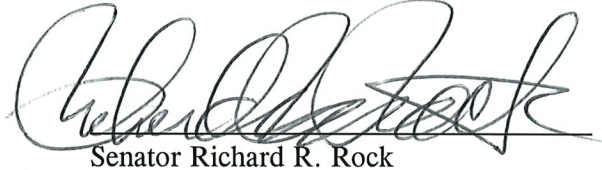
SENATE SUBCOMMITTEE REPORT

FY 1995 and FY 1996

**Governor's Department
Lieutenant Governor
Legislative Coordinating Council
Legislative Research Department
Revisor of Statutes Office
Legislative Division of Post Audit**

Jerry Moran

Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

*SWAM
March 13, 1995
Attachment 7*

SUBCOMMITTEE REPORT

Agency: Governor's Department

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 228

Budget Page No. 201

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,719,369	\$ 1,716,044	\$ --
State General Fund	1,661,011	1,657,686	
FTE Positions	28.0	28.0	--
Special Project Appointments	--	--	--

Agency Estimate/Governor's Recommendation

A revised FY 1995 budget estimate is submitted which is financed by \$1,661,011 from the State General Fund and \$58,358 from the Special Revenue Program Fund. The General Fund amount is \$195,579 less than the amount the agency is authorized to spend. The Governor recommends FY 1995 expenditures of \$1,716,044 or \$3,325 less than the request.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Recommendation

The House concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 95</u>	<u>House Rec. FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ --	\$ 1,716,044	\$ --
State General Fund	--	1,657,686	--
FTE Positions	--	28.0	--
Special Project Appointments	--	--	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Governor's Department

Bill No. 2085

Bill Sec. 5

Analyst: Conroy

Analysis Pg. No. 228

Budget Page No. 201

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,797,184	\$ 1,807,660	\$ (37,272)
State General Fund	1,727,578	1,738,054	(37,272)
FTE Positions	28.0	28.0	--
Special Project Appointments	--	--	--

Agency Request/Governor's Recommendation

The FY 1996 budget request of the agency is financed by \$1,727,578 from the State General Fund and \$69,606 from special revenue funds. Expenditures for salaries and wages total \$1,271,209, an increase of \$89,789 or 7.6 percent above the revised FY 1995 estimate. The estimated number of positions financed for FY 1996 is 28.0, the same number as in FY 1995. Nonsalary expenses total \$525,975 or \$11,974 less than the agency requested for FY 1996. Special revenue resources of \$11,632 would be available to finance expenditures in excess of those identified in the requested budget.

The Governor recommends expenditures of \$1,807,660 for FY 1996 of which \$1,738,054 is financed from the State General Fund and \$69,606 from special revenue funds. The Governor concurs with the agency's request of financing for 28.0 FTE positions. The Governor recommends \$1,281,685 for salaries and wages, an increase of \$103,590 or 8.8 percent above the FY 1995 recommendation. Additional special revenue sources would be available as in the requested budget. The Governor recommends a 3.5 percent unclassified merit pool for all employees.

House Subcommittee Recommendation

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

1. Delete \$37,272 (State General Fund) based on the recommendation to delete funding for a 3.5 percent unclassified merit pool.
2. The Subcommittee requests that the agency report back to the 1996 Legislature on the continuing need for a branch office in Wichita. The Subcommittee notes that there is a toll-free telephone number that citizens may use to contact the agency.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Recommendation

The House concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 96</u>	<u>House Rec. FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ (37,272)	\$ 1,770,388	\$ --
State General Fund	(37,272)	1,700,782	--
FTE Positions	--	28.0	--
Special Project Appointments	--	--	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Office of Lieutenant Governor **Bill No.** -- **Bill Sec.** --
Analyst: Conroy **Analysis Pg. No.** 230 **Budget Page No.** 409

<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	\$ 120,628	\$ 117,796	\$ --
FTE Positions	3.0	3.0	--
Special Project Appointments	--	--	--

Agency Estimate/Governor's Recommendation

The revised FY 1995 budget estimate is \$28,239 less than the amount authorized by the 1994 Legislature, including the reappropriation. The Governor for FY 1995 recommends \$117,796 or \$2,832 less than the agency requested.

House Subcommittee Recommendation

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

1. The Subcommittee notes that the agency is currently in the process of updating its computing and telecommunications capabilities. The updating includes acquisition of personal computers, networking of computers, and additional phone lines into the office. Not all of the bills have been received by the agency for the improvements. The Subcommittee recommends that the Senate Ways and Means Subcommittee for the agency review the issue to determine if additional funding might be needed in the current year.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Recommendation

The House concurs with the recommendations of the Committee.

SWAM
March 13, 1995
Attachment 8

<u>Expenditure Summary</u>	<u>House Adj. FY 95</u>	<u>House Rec. FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 117,796	\$ --
FTE Positions	--	3.0	--
Special Project Appointments	--	--	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Office of Lieutenant Governor

Bill No. 2085

Bill Sec. 6

Analyst: Conroy

Analysis Pg. No. 230

Budget Page No. 409

<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	\$ 130,044	\$ 129,270	\$ (3,155)
FTE Positions	3.0	3.0	--
Special Project Appointments	--	--	--

Agency Request/Governor's Recommendation

The FY 1996 budget request totals \$130,044 of which \$98,191 (or 75.5 percent) is for salaries and benefits of the Lieutenant Governor and two staff positions and \$31,853 is for other operating expenditures, primarily for travel and communications. The Governor recommends FY 1996 expenditures of \$129,270, a reduction of \$774 below the agency's request. The Governor does reduce contractual services by \$1,900 from the \$30,153 that the agency requested to the recommendation of \$28,253. The Governor's FY 1996 recommendation for contractual services is \$397 or a 1.4 percent reduction below the recommended FY 1995 amount.

House Subcommittee Recommendation

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

1. Delete \$3,155 (State General Fund) based on the recommendation to delete funding for a 3.5 percent unclassified merit pool.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Recommendation

The House concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 96</u>	<u>House Rec. FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations: State General Fund	\$ (3,155)	\$ 126,115	\$ --
FTE Positions	--	3.0	--
Special Project Appointments	--	--	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Legislative Division of Post Audit **Bill No. --** **Bill Sec. --**
Analyst: Conroy **Analysis Pg. No. 226** **Budget Page No. 389**

<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	\$ 1,496,303	\$ 1,493,471	\$ 0
FTE Positions	20.0	20.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>20.0</u>	<u>20.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The revised agency estimate of FY 1995 expenditures from the State General Fund is \$53,164 less than authorized by the 1994 Legislature, including the reappropriation. Expenditures from the non-reportable Audit Services Fund are estimated at \$296,682. The Governor's recommendation for FY 1995 is \$2,832 below the agency's revised estimate.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Recommendation

The House concurs with the recommendations of the Committee.

SWAM
March 13, 1995
Attachment 9

<u>Expenditure Summary</u>	<u>House Adj. FY 95</u>	<u>House Rec. FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 1,493,471	\$ --
FTE Positions	--	20.0	--
Special Project Appointments	--	--	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Legislative Division of Post Audit **Bill No.** 2085 **Bill Sec.** 4
Analyst: Conroy **Analysis Pg. No.** 226 **Budget Page No.** 389

<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	\$ 1,543,002	\$ 1,551,859	\$(46,719)
FTE Positions	20.0	20.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>20.0</u>	<u>20.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The FY 1996 budget request of the Division of Post Audit is financed entirely by the State General Fund in the amount of \$1,543,002. Requested non-reportable expenditures from the Audit Services Fund in FY 1996 total \$296,921. The General Fund request is an increase of \$46,699 or 3.1 percent above the agency's revised current year estimate. Of the requested increase, \$38,094 is for salaries and benefits of the present 20.0 FTE positions, contractual services increases \$13,505, while commodities increase \$1,250. Capital outlay is requested at amount that is \$6,150 less than the agency's revised current year estimate. For FY 1996 the Governor recommends \$1,551,859, all from the State General Fund. The Governor's recommendation adds \$8,857, all in salaries and wages, to the budget request of the agency. The amount represents a 1.0 percent base salary adjustment for all employees, a merit salary pool for the one employee who is not assigned to the basic state pay plan, and adjustments to the employer health insurance rates.

House Subcommittee Recommendation

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

1. Delete \$44,319 (State General Fund) based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$34,285); and longevity (\$10,034) from individual agency budgets.
2. Delete \$2,400 for SHaRP computer equipment based on the Committee's decision to remove all SHaRP funding from individual agency budgets.
3. The Subcommittee commends the agency for developing a strategic plan, including performance measures as part of the FY 1996 budget request and encourages the agency to continue this effort in FY 1997.

House Committee Recommendation

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

1. Deletion \$27,121 (State General Fund) to reflect the latest amount for the contracted financial-compliance audits in the budget year.

House Recommendation

The House concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 96</u>	<u>House Rec. FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (73,840)	\$ 1,478,019	\$ --
FTE Positions	--	20.0	--
Special Project Appointments	--	--	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Legislative Coordinating Council **Bill No.** -- **Bill Sec.** --
Analyst: Conroy **Analysis Pg. No.** 217 **Budget Page No.** 387

<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	\$ 451,971	\$ 450,660	\$ 0
FTE Positions	10.0	10.0	--
Special Project Appointments	0.0	0.0	--
TOTAL	<u>10.0</u>	<u>10.0</u>	<u>--</u>

Agency Estimate/Governor's Recommendation

The FY 1995 revised budget submitted by the Legislative Coordinating Council (LCC) is \$451,971 or the currently authorized level, including reappropriations. The budget includes \$17,902 for the compensation and expenses associated with Council meetings and \$434,069 for salaries and travel of employees of the Division of Legislative Administrative Services. The Governor's revised estimate in FY 1995 is \$450,660 or \$1,311 less than the agency requested.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendations.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Recommendation

The House concurs with the recommendations of the Committee.

*SWAM
March 13, 1995
Attachment 10*

<u>Expenditure Summary</u>	<u>House Adj. FY 95</u>	<u>House Rec. FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 450,660	\$ --
FTE Positions	--	10.0	--
Special Project Appointments	--	--	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Legislative Coordinating Council **Bill No.** 2085 **Bill Sec.** 2
Analyst: Conroy **Analysis Pg. No.** 217 **Budget Page No.** 387

<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	\$ 461,548	\$ 466,098	\$ (15,015)
FTE Positions	10.0	10.0	--
Special Project Appointments	0.0	0.0	--
TOTAL	<u>10.0</u>	<u>10.0</u>	<u>--</u>

Agency Request/Governor's Recommendation

The agency's FY 1996 budget request is \$9,577 greater than the revised agency estimate for FY 1995. Of the increase, \$9,364 is for salaries and benefits, almost all of which is for employees of Legislative Administrative Services (\$9,366). Salaries and benefits for Council meetings decreases \$2 from \$5,796 to \$5,794. The FY 1996 request for salaries and benefits continues the present 10.0 FTE positions. Contractual services increase by \$213 in FY 1996 above the agency's FY 1995 revised estimate. The Governor's recommendation is \$4,550 above the budget request of the agency. The amount represents a 1.0 percent base salary adjustment for all employees and a merit salary pool for employees who are not assigned to the basic state pay plan.

House Subcommittee Recommendation

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

1. Delete \$15,015 (State General Fund) based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$11,219); and longevity bonus (\$3,796) from individual agency budgets.
2. The Subcommittee encourages all of the legislative agencies to develop performance measures for inclusion in the FY 1997 budget request.
3. The Subcommittee, as a courtesy to the President of the Senate, requests introduction of a bill to make the Senate Vice-President a member of the Legislative Coordinating Council (LCC). Currently, the seven-member LCC is composed of the Speaker of the House, President of the Senate, Speaker Pro Tem of the House, and the majority and minority leaders from each chamber.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Recommendation

The House concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 96</u>	<u>House Rec. FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (15,015)	\$ 451,083	\$ --
FTE Positions	--	10.0	--
Special Project Appointments	--	--	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Kansas Legislative Research
Department

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 219

Budget Page No. 391

<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	\$ 1,979,526	\$ 1,974,720	\$ 0
FTE Positions	35.3	35.3	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u><u>35.3</u></u>	<u><u>35.3</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The FY 1995 revised budget estimate of the Legislative Research Department is \$1,979,526, or \$146,405 less than the currently authorized amount by the 1994 Legislature, including reappropriations but excluding a \$15,000 contingency amount. The Governor's revised estimate in FY 1995 is \$1,974,720 or \$4,806 less than the agency requested.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Recommendation

The House concurs with the recommendations of the Committee.

*SWAM
March 13, 1995
Attachment II*

<u>Expenditure Summary</u>	<u>House Adj. FY 95</u>	<u>House Rec. FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 1,974,720	\$ --
FTE Positions	--	35.3	--
Special Project Appointments	--	--	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Kansas Legislative Research
Department

Bill No. 2085

Bill Sec. 2

Analyst: Conroy

Analysis Pg. No. 219

Budget Page No. 391

<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	\$ 2,029,139	\$ 2,048,797	\$ (84,351)
FTE Positions	35.3	35.3	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>35.3</u>	<u>35.3</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's FY 1996 budget request is \$49,613 greater than the revised agency estimate for FY 1995. Of the increase, \$62,013 is for salaries and benefits of the present 35.3 FTE positions and contractual services and commodities decrease \$500, while capital outlay is reduced \$11,900. The Governor's recommendation adds \$19,658 to the budget request of the agency. The amount represents a 1.0 percent base salary adjustment for all employees and a merit salary pool for employees who are not assigned to the basic state pay plan.

House Subcommittee Recommendation

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

1. Delete \$81,951 (State General Fund) based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$60,799); and longevity bonus (\$21,152) from individual agency budgets.
2. Delete \$2,400 for SHaRP computer equipment based on the Committee's decision to remove all SHaRP funding from individual agency budgets.
3. The Subcommittee encourages all of the legislative agencies to develop performance measures for inclusion in the FY 1997 budget request.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Recommendation

The House concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 96</u>	<u>House Rec. FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (84,351)	\$ 1,964,446	\$ --
FTE Positions	--	35.3	--
Special Project Appointments	--	--	--

Senate Subcommittee Recommendations

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

1. The Subcommittee recommends that \$1,298 (State General Fund) be added to the Department of Administration's budget in FY 1996 in the 1995 Omnibus bill to permit this agency to acquire network software for fiscal staff to access the Statewide Human Resource and Payroll System (SHARP) information.

SUBCOMMITTEE REPORT

Agency: Revisor of Statutes

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 221

Budget Page No. 453

<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	\$ 2,150,816	\$ 2,147,108	\$ 0
FTE Positions	27.8	27.8	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>27.8</u>	<u>27.8</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The revised FY 1995 agency estimate is \$65,328 less than authorized by the 1994 Legislature, including the reappropriated amount. The Governor's recommendation for FY 1995 is \$3,708 less than the agency's revised estimate.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Recommendation

The House concurs with the recommendations of the Committee.

*SWAM
March 13, 1995
Attachment 12*

<u>Expenditure Summary</u>	<u>House Adj. FY 95</u>	<u>House Rec. FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ --	\$ 2,147,108	\$ --
FTE Positions	--	27.8	--
Special Project Appointments	--	--	--

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

Agency: Revisor of Statutes

Bill No. 2085

Bill Sec. 2

Analyst: Conroy

Analysis Pg. No. 221

Budget Page No. 453

<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	\$ 2,179,060	\$ 2,192,217	\$ (62,605)
FTE Positions	27.8	27.8	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>27.8</u>	<u>27.8</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The FY 1996 budget request of the Revisor of Statutes is \$28,244 more than the revised expenditure estimate for FY 1995. Salaries and wages increase \$36,164, contractual services increase by \$10,580, commodities increase by \$2,000 and capital outlay decreases by \$20,500. For FY 1996 the Governor recommends \$13,157 more than the agency requested.

House Subcommittee Recommendation

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

1. Delete \$62,605 (State General Fund) based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$44,707); and longevity (\$17,898) from individual agency budgets.
2. The Subcommittee encourages all of the legislative agencies to develop performance measures for inclusion in the FY 1997 budget request.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Recommendation

The House concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 96</u>	<u>House Rec. FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (62,605)	\$ 2,129,612	\$ --
FTE Positions	--	27.8	--
Special Project Appointments	--	--	--

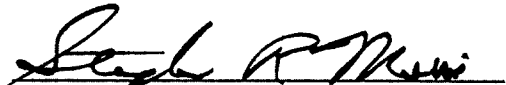
Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the House recommendations.

SUBCOMMITTEE REPORT

FY 1995 and FY 1996

Judicial Council
State Board of Indigents' Defense Services



Senator Stephen R. Morris, Chair



Senator Dave Kerr

SWAM
March 13, 1995
Attachment 13

SUBCOMMITTEE REPORT

Agency: Judicial Council

Bill No. --

Bill Sec. --

Analyst: Porter

Analysis Pg. No. 109

Budget Page No. 327

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 223,639	\$ 223,103	\$ 0
Publications Fee Fund	48,383	48,383	0
TOTAL	<u><u>\$ 272,022</u></u>	<u><u>\$ 271,486</u></u>	<u><u>\$ 0</u></u>
FTE Positions	4.0	4.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u><u>4.0</u></u>	<u><u>4.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The agency estimates FY 1995 expenditures of \$272,022, as approved by the 1994 Legislature. The approved amount reflects the recommendation of the 1994 Legislature to finance travel and subsistence for 38 Judicial Council Advisory Committee meetings, and to publish and sell the supplements to *Kansas Probate Forms*, *The Kansas Municipal Court Manual*, *PIK-Civil 2d*, and *PIK-Criminal 3d*.

The Governor recommends FY 1995 funding of \$271,486. The recommendation reflects the agency's request with a downward modification of \$536 for the cost of state employee health insurance.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

SUBCOMMITTEE REPORT

Agency: Judicial Council

Bill No. 48

Bill Sec. 2

Analyst: Porter

Analysis Pg. No. 109

Budget Page No. 327

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 250,983	\$ 240,219	\$ (7,617)
Publications Fee Fund	32,710	32,710	0
TOTAL	\$ 283,693	\$ 272,929	\$ (7,617)
FTE Positions	4.0	4.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	4.0	4.0	0.0

Agency Request/Governor's Recommendation

The Judicial Council requests total FY 1996 expenditures of \$283,693, including \$250,983 from the State General Fund and \$32,710 from the Publications Fee Fund. The request is an increase of \$11,671, or 4.3 percent, above the revised current year estimate. Excluding the agency's FY 1996 capital outlay request of \$4,500, the FY 1996 request is an increase of \$7,171, or 2.6 percent, above the FY 1995 estimate. Requested FY 1996 expenditures would fund 44 Judicial Council Advisory Committee meetings and would provide for publication of supplements to *Kansas Probate Forms*, *The Kansas Municipal Court Manual*, *PIK-Civil 2d*, and *PIK-Criminal 3d*.

The Governor recommends FY 1996 funding of \$272,929, a reduction of \$10,764 from the agency request. The recommendation reflects a reduction of \$3,813 from the amount requested for salaries and wages, and a reduction of \$6,951 from the amount requested for other operating expenditures.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor with the following adjustments:

1. Delete \$7,617 from the State General Fund based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$5,718); classified step movement (\$0); a one percent base adjustment for classified employees (\$0); and the longevity bonus (\$1,898) from individual agency budgets.
2. The Subcommittee notes that the agency did not request funding for computer equipment to access SHARP (the Statewide Human Resource and Payroll System). The agency has contacted SHARP personnel and estimates that approximately

\$1,000 would be necessary to purchase equipment necessary for SHARP access. The Subcommittee recommends that the agency determine its precise needs and that the House Subcommittee examine the need for SHARP-related equipment.

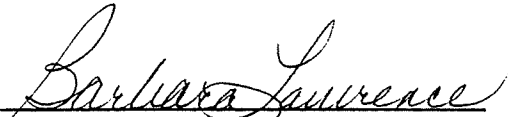
3. The Subcommittee commends the agency for its efforts in following through on a recommendation made by the 1994 Legislature. The 1994 Senate Subcommittee recommended that the agency pursue an alternate method of publishing *PIK-Civil 2d* (pattern jury instructions). Lawyers' Cooperative Publishing maintains a copyright on the publication. Lawyers' Cooperative sells approximately 1,200 supplements each year and the Judicial Council receives a 15 percent royalty from the sales. The 1994 Senate Subcommittee concurred with the agency's goal of attempting to obtain control over the publication in order to bring the book up to the standards of other agency publications.

The agency actively pursued this issue and retained the services of an intellectual properties attorney. The copyright owner will not sell the copyright, but will agree to assign the copyright to the Judicial Council. The copyright owner will pay the Judicial Council a percentage of sales to write a new volume of the book, and will also pay the Judicial Council a percentage of the proceeds from supplement and CD Rom sales. Under the terms of the agreement, the Judicial Council will have complete control over the publication of *PIK-Civil 2d* within ten years.

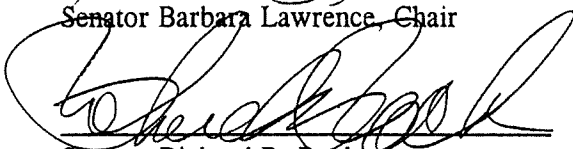
SUBCOMMITTEE REPORT

FY 1995 and FY 1996

Judicial Branch



Senator Barbara Lawrence, Chair



Senator Richard R. Rock

SWAM
March 13, 1995
Attachment 14

SUBCOMMITTEE REPORT

Agency: Judicial Branch

Bill No. --

Bill Sec. --

Analyst: Porter

Analysis Pg. No. 91

Budget Page No. 329

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 63,063,566	\$ 62,841,224	\$ 0
Judicial Technology Fund	672,818	563,152	0
Judicial Branch Educ. Fund	1,037,397	950,013	0
Other Special Revenue Funds	1,758,102	1,757,307	0
Subtotal -- State Operations	<u>\$ 66,531,883</u>	<u>\$ 66,111,696</u>	<u>\$ 0</u>
Aid to Local Units:			
State General Fund	<u>\$ 1,420,131</u>	<u>\$ 1,420,131</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 67,952,014</u></u>	<u><u>\$ 67,531,827</u></u>	<u><u>\$ 0</u></u>
FTE Positions:			
Appellate Court Judges & Justices	17.0	17.0	--
District Court Judges	221.0	221.0	--
Nonjudicial Personnel	<u>1,494.0</u>	<u>1,494.0</u>	<u>--</u>
Subtotal FTE	1,732.0	1,732.0	--
Special Project Appointments	<u>0.0</u>	<u>0.0</u>	<u>--</u>
TOTAL	<u><u>1,732.0</u></u>	<u><u>1,732.0</u></u>	<u><u>--</u></u>

Agency Estimate/Governor's Recommendation

The Judicial Branch estimates FY 1995 expenditures of \$66,531,883 for state operations, of which \$63,063,566 is from the State General Fund and \$3,468,317 is from special revenue funds. The estimate of expenditures from the State General Fund is as approved by the 1994 Legislature. Estimated expenditures from special revenue funds, which are appropriated without expenditure limitation, are \$183,906 above the amount estimated by the 1994 Legislature. Increased expenditures from the Judicial Branch Education Fund (\$108,100) and the Judiciary Technology Fund (\$86,039) are offset by a reduction of \$10,233 from other special revenue funds. Expenditures of \$1,500,000 are estimated for the Juvenile Intake and Assessment Program, as approved by the 1994 Legislature to initiate the 24-hour uniform Juvenile Intake and Assessment Program for juvenile offenders and children in need of care.

The FY 1995 estimate includes funding for a total of 1,732.0 FTE positions. This total includes the 1,712.5 FTE positions included in the Governor's recommendation to the 1994 Legislature, with several adjustments. The 1994 Legislature added 3.0 FTE Judge and 3.0 FTE Administrative Assistant positions. The 1994 Legislature also added 10.0 FTE positions because of the enactment of ten crime bills, but did not specify the specific positions to be added. The Judicial Branch added 1.0 FTE Court Services

Specialist position and 10.0 FTE Trial Court Clerk positions. In response to other legislation enacted by the 1994 Legislature, the Judicial Branch added an Alternative Dispute Resolution Coordinator position, a Court Services Specialist position to administer court services officers statewide, and a position to administer the Juvenile Intake and Assessment Program. In addition, a Trial Court Clerk position was reduced to a 0.5 FTE position. The FY 1995 estimate includes a turnover rate of approximately 1.4 percent in FY 1995. Actual turnover in FY 1994 was 2.9 percent (\$1,815,462).

The Governor recommends \$66,111,696 for state operations in FY 1995, a reduction of \$420,187 from the Judicial Branch request. Reductions are recommended from the amounts requested for salaries and wages (\$223,583), contractual services (\$167,223), and capital outlay (\$29,381). The reduction from salaries and wages reflects a reduction of \$7,700 from the amount requested for temporary help and a downward adjustment based on revised state employee health insurance rates. Reductions are recommended from the amounts estimated from the State General Fund (\$222,342), the Judicial Technology Fund (\$109,666), the Judicial Branch Education Fund (\$87,384), and other special revenue funds (\$795). The Governor concurs with the 1,732.0 FTE positions included in the FY 1995 estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

SUBCOMMITTEE REPORT

Agency: Judicial Branch

Bill No. 48

Bill Sec. 4

Analyst: Porter

Analysis Pg. No. 91

Budget Page No. 329

Expenditure Summary	Agency Request FY 96	Governor's Recommendation FY 96	Senate Subcommittee Adjustments
State Operations:			
State General Fund	\$ 67,542,844	\$ 65,462,511	\$ (1,801,605)
Judicial Technology Fund	718,690	466,525	0
Judicial Branch Educ. Fund	619,231	619,024	0
Other Special Revenue Funds	1,852,883	1,823,348	(60,896)
Subtotal -- State Operations	<u>\$ 70,733,648</u>	<u>\$ 68,371,408</u>	<u>\$ (1,862,501)</u>
Aid to Local Units:			
State General Fund	\$ 1,900,000	\$ 1,420,131	\$ 0
TOTAL	<u><u>\$ 72,633,648</u></u>	<u><u>\$ 69,791,539</u></u>	<u><u>\$ (1,862,501)</u></u>
FTE Positions:			
Appellate Court Judges & Justices	17.0	17.0	0.0
District Court Judges	225.0	221.0	3.0
Nonjudicial Personnel	1,530.5	1,494.0	3.0
Subtotal FTE	<u>1,772.5</u>	<u>1,732.0</u>	<u>6.0</u>
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u><u>1,772.5</u></u>	<u><u>1,732.0</u></u>	<u><u>6.0</u></u>

Agency Request/Governor's Recommendation

The Judicial Branch requests a total of \$72,633,648 for FY 1996, of which \$67,426,126 is for salaries and wages (92.8 percent of the total request), and \$3,307,522 is for other operating expenditures. A total of \$1,900,000 is requested for Juvenile Intake and Assessment Program grants. Excluding those grants, the total requested for state operations is \$70,733,648. The FY 1996 funding request of \$63,390,695 for the district courts accounts for 87.3 percent of the total request. The FY 1996 salaries and wages request is an increase of \$3,723,886, or 5.8 percent, above the FY 1995 estimate. The FY 1996 salaries and wages request includes the continuation of the 19.0 FTE positions added in FY 1995 with the addition of 40.5 new FTE positions, including 4.0 FTE new district court judges. The salaries and wages request also includes longevity payments for eligible personnel (\$506,800), funding for temporary employees (\$441,781), a 2.5 percent salary increase for judicial personnel (\$392,176), step movement salary increases for other unclassified nonjudicial personnel, and an FY 1996 turnover rate of 1.3 percent, which is a reduction of \$879,346 from the gross salaries and wages request. The FY 1996 request of \$3,307,522 for other operating expenses includes travel and subsistence (\$817,058), books and materials for the law library (\$513,129), final year costs of replacing the Judicial Center computer system (\$321,141), first-year cost of the district court automation project (\$472,274), printing and advertising (\$321,009), communications (\$199,071), and all other expenditures (\$663,840).

The Governor recommends FY 1996 total expenditures of \$69,791,539, a reduction of \$2,842,109 from the agency request. Of the reduction, \$2,362,240 is from the amount requested for state operations and \$479,869 is from the amount requested for other assistance (Juvenile Intake and Assessment Program grants). Reductions are recommended from the amounts requested for salaries and wages (\$1,755,819), contractual services (\$431,179), commodities (\$3,673), and capital outlay (\$171,569). The reduction from salaries and wages reflects the net effect of the deletion of the 40.5 new FTE positions requested for FY 1996 (\$1,409,437); an increased reduction of \$599,382 in the salaries and wages turnover rate, from the 1.3 percent included in the request (\$879,346) to 2.2 percent (\$1,478,728); the addition of a 1.0 percent base salary increase for all classified employees and a 3.5 percent merit pool for unclassified employees; a downward adjustment for revised state employee health insurance rates; and other fringe benefits adjustments.

Recommended state operations financing for FY 1996 includes \$65,462,511 from the State General Fund, a reduction of \$2,080,233 from the FY 1996 request. The Governor recommends expenditures of \$466,525 from the Judicial Technology Fund, a reduction of \$252,165 from the amount requested. Reductions are also recommended from the amounts requested from the Judicial Branch Education Fund (\$207) and other special revenue funds (\$29,535).

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor with the following adjustments:

1. Delete \$2,255,393 (including \$2,194,497 from the State General Fund) based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$647,096); classified step movement (\$636,967); a one percent base adjustment for classified employees (\$636,967); and the longevity bonus (\$560,035) from individual agency budgets.
2. Add \$32,419 from the State General Fund for the salaries and benefits of 1.0 FTE court Reporter position. This position would be assigned to the Eighth Judicial District (Dickinson, Geary, Marion, and Morris Counties), which currently is staffed with only one court reporter for the five district court judges and two district magistrate judges assigned to the district. The Subcommittee notes that the district has attempted to manage this situation through the use of tape recording, borrowing court reporters from other districts, and other management means. The Subcommittee concludes, however, that one court reporter simply cannot provide court reporting services for the seven judges assigned to the district.
3. Add \$314,339 from the State General Fund for 3.0 new District Court Judge positions and 1.0 FTE new Administrative Assistant position. The new FTE positions would be assigned as follows:

25th Judicial District (Finney, Greeley, Hamilton, Kearny, Scott, and Wichita Counties)	1.0 FTE District Court Judge	\$ 96,500
	1.0 FTE Administrative Assistant	24,839
18th Judicial District (Sedgwick County)	1.0 FTE District Court Judge	96,500
16th Judicial District (Clark, Comanche, Ford, Gray, Kiowa, and Meade Counties)	1.0 FTE District Court Judge	96,500
TOTAL		<u>\$ 314,339</u>

The Subcommittee heard testimony from judges from each of the three judicial districts and reviewed caseloads in those districts since 1984 (shown in the following table). The Subcommittee believes that the caseload increases and other factors noted by the judges, such as the increasing complexity of cases, justify these additional positions. The Subcommittee notes that both Ford and Finney Counties have had a dramatic increase in population in recent years, including many non-English speaking residents. The district courts in these counties cite an increasing need to provide interpreters in criminal cases, which further taxes the courts' time and contributes to the complexity of the proceedings. The 18th Judicial District (Sedgwick County) has historically borne eight to nine percent of the state's criminal caseload. The district has not had a new judge since 1987. It is anticipated that the death penalty and the sexual predator law will generate additional caseload increases.

The Subcommittee further notes that an Administrative Assistant position and a Court Reporter position were requested for each of the District Judge positions and that an additional District Court Judge position was requested for Johnson County. Although the Subcommittee found the Judicial Branch's reasons for requesting these positions to be compelling, the Subcommittee regrets that fiscal constraints do not allow the Subcommittee to add further positions at this time. The Subcommittee does recommend an Administrative Assistant position for the 25th Judicial District, which currently has no administrative assistant for any of the three district court judges and five magistrate judges assigned to the district.

		FY	FY	FY	FY	FY	Percent
Filings		1984	1987	1990	1993	1994	Change
							FY
							84-94
Statewide	Criminal -Felonies	11,397	11,500	12,197	13,229	14,423	26.6
	Criminal-Misdemeanors	10,432	13,369	15,362	16,386	17,762	70.3
	Subtotal-Criminal	21,829	24,869	27,559	29,615	32,185	47.4
	Civil-Regular	19,864	26,385	25,733	22,347	23,287	17.2
	Civil-Domestic Relations	23,152	23,497	29,486	33,124	36,469	57.5
	Civil-Limited Actions	43,661	54,526	68,525	80,404	90,044	106.2
	Subtotal-Civil	86,677	104,408	123,744	135,875	149,800	72.8
	TOTAL	108,506	129,277	151,303	165,490	181,985	67.7
	16th Judicial District (Clark, Comanche, Ford Gray, Kiowa, and Meade Counties)	Criminal-Felonies	271	284	221	254	326
	Criminal-Misdemeanors	282	293	420	409	490	73.8
	Subtotal-Criminal	553	577	641	663	816	47.6
	Civil-Regular	426	578	449	437	382	(10.3)
	Civil-Domestic Relations	456	367	404	502	563	23.5
	Civil-Limited Actions	796	680	1,146	1,808	2,119	166.2
	Subtotal-Civil	1,678	1,625	1,999	2,747	3,064	82.6
	TOTAL	2,231	2,202	2,640	3,410	3,880	73.9
18th Judicial District (Sedgwick Co.)	Criminal-Felonies	1,877	1,859	2,110	2,140	1,866	(0.6)
	Criminal-Misdemeanors	205	388	436	436	408	99.0
	Subtotal-Criminal	2,082	2,247	2,546	2,576	2,274	9.2
	Civil-Regular	3,604	4,732	5,558	4,582	5,247	45.6
	Civil-Domestic Relations	4,296	4,377	5,076	5,441	6,070	41.3
	Civil-Limited Actions	10,774	12,455	15,349	19,796	19,169	77.9
	Subtotal-Civil	18,674	21,564	25,983	29,819	30,486	63.3
	TOTAL	20,756	23,811	28,529	32,395	32,760	57.8
25th Judicial District (Finney, Greeley, Hamilton, Kearny, Scott, and Wichita Counties)	Criminal-Felonies	407	391	369	330	271	(33.4)
	Criminal-Misdemeanors	366	448	405	333	414	13.1
	Subtotal-Criminal	773	839	774	663	685	(11.4)
	Civil-Regular	459	560	533	404	411	(10.5)
	Civil-Domestic Relations	485	505	673	1,044	905	86.6
	Civil-Limited Actions	1,223	1,305	2,609	3,404	4,969	306.3
	Subtotal-Civil	2,167	2,370	3,815	4,852	6,285	190.0
	TOTAL	2,940	3,209	4,589	5,515	6,970	137.1

- Add \$46,134 from the State General Fund for the salaries and wages (including fringe benefits) of 1.0 FTE Research Staff Attorney II position. According to the Court, an experienced attorney would be hired to analyze petitions for review, motions, original actions, and to perform assigned research. The Court reports that petitions for review by the Supreme Court have increased 221 percent over the

past 12 years. A total of 441 petitions for review were filed with the Supreme Court in calendar year 1993. The Court cited the enactment of the death penalty and sexual predator laws as an additional reason for the request. Capital cases are complex in nature and, according to the Court's research, can require 250 motions or more per capital case.

5. The Subcommittee notes that the Governor's recommendation includes \$44,904 from the Judicial Technology Fund for SHARP (Statewide Human Resource and Payroll Project) equipment. The Subcommittee recommends that the agency continue to work with SHARP Project personnel in determining the Judicial Branch's needs for SHARP system access.
6. The Subcommittee received testimony on the status of the case load within the Appellate Court system, particularly the Kansas Court of Appeals. In 1977, the first year the Court of Appeals was in existence, 760 cases were filed with the court. With gradual increases and some sudden spurts, the number of cases filed had increased to 1,400 cases by 1992. In 1994, over 2,000 appeals were filed in the Court of Appeals. The Court of Appeals increased from its original size of seven judges to ten judges in 1987 and has not increased in size since that time.

The Subcommittee notes that legislative changes, including the Sentencing Guidelines Act and workers compensation legislation, have had a great impact on the number of appeals filed with the Court of Appeals.

The Subcommittee recommends that the Judicial Branch study this issue, possibly with assistance from the National Center for State Courts, and determine whether the Legislature should consider limiting the kinds of issues or cases that can be appealed. The Subcommittee notes that this would be a movement away from allowing an appeal in every case and, arguably, toward "closing the courthouse door." The Subcommittee recommends an interim study on the issue of Kansas Appellate Court caseloads. The Judicial Branch could submit its conclusions and recommendations, together with input from the National Center for State Courts, at that time. An interim study could provide the in-depth review that this issue warrants.

MEMORANDUM

To: Brady Cantrell, Senator Dave Kerr's Office

From: Timothy Colton, Senior Fiscal Analyst

Re: Juvenile Detention Facility in Reno County

This is in response to your question this morning about a contract between the Department of Social and Rehabilitation Services (SRS) and the Reno County Detention Center for juvenile detention services.

I spoke with Carol de la Torre, assistant to the Acting Secretary of SRS, Janet Schalansky about your question. She sent me a letter from Acting Secretary Schalansky to Senator August Bogina, explaining the status of the contract. I am sending you a copy of that letter. It is my understanding that the release of the \$558,000 from the Juvenile Detention Facilities Fund would require approval of the State Finance Council.

I hope that this answers your question satisfactorily. If you need further information, please let me know. Ms. de la Torre also said that she would be happy to discuss the situation with you.

cc: Donald Cawby, Fiscal Analyst
Paul West, Senior Fiscal Analyst

The Legislative Research Department

SWAM
March 13, 1995
Attachment 15



Mark
Rec'd copy
3/4/95

BILL GRAVES, GOVERNOR OF THE STATE OF KANSAS

KANSAS DEPARTMENT OF SOCIAL
AND REHABILITATION SERVICES

JANET SCHALANSKY, ACTING SECRETARY

February 27, 1995

The Honorable Gus Bogina
Capitol Building
Topeka, KS 6661-1504

Dear Senator Bogina,

This letter is in reference to recent discussions concerning the Reno County Detention Center. As you are aware, it has been proposed that the Reno County facility become the regional juvenile detention center for the south central counties and that the county be given an award in the amount of the original costs of building the 12 bed wing of the facility which shares space with a 24 bed emergency shelter.

The history of this development is that when the state undertook to end the practice of holding juveniles in adult jails a comprehensive study of the needs for juvenile detention beds was undertaken (1990). The result of the study was a recommendation that the rural areas of the state be subdivided into six regions based upon population, juvenile arrests and distances. The only one of the six regions which had a viable existing facility was the south central region and it was estimated that the existing Reno County facility could handle the needs of the south central counties. New facilities of various sizes were recommended for the other five regions.

Financing for the regional detention centers was arranged through the issuance of \$8,000,000 in lease revenue bonds by the Kansas Development Finance Authority in December 1992. During the discussion prior to the issuance of the bonds it was intended that the bonds would cover the outstanding Reno County debt on its juvenile facility. However, in discussions between the Reno County Commission and the Kansas Development Finance Authority it became apparent that it was not to the financial advantage of either the state or the county to pay off the Reno County Bond indebtedness through issuance of additional state bonds.

As a result of the decision made with regard to the state bond issue, discussions took place between SRS, Reno County, and the Advisory Committee on Juvenile Offender Programs and it was

determined that the most efficient means of assuring regional juvenile detention coverage for the southcentral counties was to enter into a contract between SRS and Reno County utilizing \$558,000 in funds accumulated in the Juvenile Detention Facilities Fund. Such a contract has been signed by Reno County and awaits the availability of funds and my signature.

As written, the contract has a duration of 10 years with a descending penalty clause requiring repayment should the county fail to operate the detention center as a regional facility. An advisory board of representatives of all the south central counties has been created and all counties have signed contracts with Reno County to participate in the regional facility.

We are requesting that positive action be taken on increasing the fiscal year 1995 expenditure limitation on the Juvenile Detention Facilities Fund so that the contract with Reno County can be implemented and the final piece of the system of regional juvenile detention services can be realized.

Thank you for your assistance on this matter and please do not hesitate to call should additional information be required.

Sincerely,

Janet Schalansky,
Acting Secretary

Reno County Juvenile Center
 Hutchinson, Kansas
 August 13, 1991

Square Footage

First Floor		
Detention	3,739	
Juvenile	4,904	
Common Areas	2,398	11,041
Basement		1,175
Mechanical		440
		<hr/>
Total		12,656

Average Cost -
 $\frac{\$805,404}{12,656} = \$63.64/\text{square foot}$

Total Cost less Detention Items

Plumbing Fixtures - 16 sets vs 4 other + Kitchen and Laundry		
$\$55,355 \times 16/24 =$	\$36,903	
Security Fence	31,000	
Electric locks, estimate	1,000	
Intercom - estimate	5,000	
Fire Sprinkler System	8,100	
Counter fire door	5,648	
Concrete ceilings in cells		
1176 x 10	11,760	
Concrete block walls vs drywall	N/C	
	<hr/>	\$99,411

Cost less Detention Items $\$805,404 - 99,411 = \$705,993/12,656 = \$55.78$

Cost of Detention Area		
3,739 sq.ft. x 55.78	\$208,561	
Special Items	<u>99,411</u>	
		\$307,972
Cost of Juvenile Area - 4,904 x 55.78		273,567
Cost of Commons Area - 4,013 x 55.78		223,865
		<hr/>
		\$805,404

Reno County Juvenile Center
Hutchinson, Kansas

Bob Albers Construction	\$790,770.00	
C.O. 1 thru 4	<u>(10,785.83)</u>	\$775,403.52
Kitchen Equipment (some by owner)		<u>30,000.00</u>
		\$805,404.00

Square footage	
First floor	11,041
Basement	1,175
Mechanical	<u>440</u>
	12,656 sq.ft.

$\frac{\$805,404}{12,656} = \$63.64/\text{sq.ft.}$

Subcontractors
 Heating/AC - Joes Heating & AC, Hutchinson
 Plumbing - John Hines, Hutchinson
 Electrical - Hedlund Electric, McPherson

The following is a list of items needed for the final phase of construction for the Reno County Youth Services Building. These items were additional expenses accrued by Reno County and they were not included in the contractor's construction bid.

Item Description	Total Cost	Detention Cost
Purchase & Installation of signs for the inside and outside of building	2,732.66	1,366.33
Labor, equipment rental, and materials for site work - provide by public works	7,391.86	3,695.93
Tilting stand and misc. for kitchen steam kettles	1,479.30	739.65
Pull handles for detention cell doors	308.38	308.38
Purchase & installation of bullet-resistant glass for detention control booth	4,759.00	4,759.00
Plumbing to install kitchen & laundry room equipment	3,789.18	1,894.59
Purchase and installation of security locks for detention patio gates	1,179.91	1,179.91
Plumbing & refrigeration work for walk-in cooler	3,527.31	1,763.65
Facility landscaping	3,975.50	1,987.75
Panic hardware at exits	624.00	312.00
Electrical installation work for food service equipment	4,007.93	2,003.96
Metal window frames for detention cell doors	462.00	462.00
Steel access doors for detention attic	400.00	400.00
Facility water conditioner	1,754.00	877.00
Extra horn & signal for fire alarm	210.77	105.38
Concrete, rental expense, and supplies for site drainage	1,384.48	692.24

Materials & installation for underground sprinklers	2,732.34	1,366.17
Secure electrical plate for detention cells	83.91	83.91
Wall and baseboard finishing supplies for facility	391.17	195.58
Steam kettles, hot water booster, garbage disposal, & dishwasher table for kitchen	7,301.80	3,650.90
Range hood for facility kitchen	3,400.00	1,700.00
Kitchen equipment from surplus property	9,495.00	4,747.50
Emergency generator & cable for facility	2,589.33	2,589.33
Rubberized covering for small court yards	2,778.00	1,389.00
Floor tile for cell floors	1,699.99	1,699.99
Labor and materials to install generator feed and emergency panel	5,966.54	5,966.54
Labor and materials to move conduit for for facility freezer	1,106.02	553.01
Detention intercom for health room	297.00	297.00
Installation of kitchen range hood fire extinguisher system	969.00	484.50
Concrete for facility patios and sidewalks	2,782.09	1,391.04
Wall & door addition to detention entrance	2,615.00	2,615.00
Security Lexan for detention entrance	1,055.00	1,055.00
Construction of interior detention sallyport	1,014.75	1,014.75
Installation of sink guards for the detention cells	1,368.00	1,368.00
Shower door for detention shower & Lexan for detention cell doors	301.20	301.20
	<u>85,932.42</u>	<u>55,015.20</u>

The following is a list of items purchased that were needed to open the juvenile detention center in the new Reno County Youth Services Building.

Item Description	Total Cost	Detention Cost
Telephone equipment for facility	8,905.11	4,452.55
Equipment for facility health room	4,233.73	2,116.86
Computers & networking equipment for new facility	22,132.25	11,066.12
Office furniture & equipment for new facility	7,281.61	3,640.80
Cage for detention van to transport youth	263.00	263.00
Handcuffs, belly chains, & other jail equipment	576.30	576.30
Fingerprint inker	605.70	605.70
Mugshot camera	795.52	795.52
Furnishings & bedding for detention facility	2,726.42	2,726.42
Intoxilyzer for intake area	6,411.00	6,411.00
Xerox machine for detention	2,225.00	2,225.00
Panic alarm system for detention	779.03	779.03
Detention exercise equipment	1,050.00	1,050.00
Court recording equipment	3856.00	3,856.00
Food service equipment	405.38	202.69
Office Fax machine	995.00	497.50
Courtyard furniture	695.00	347.50
Detention clothing	293.96	293.96
Motorola Hand-held radios	1,024.39	1,024.39
Detention food cart	1,429.79	1,429.79
	<u>66,684.19</u>	<u>44,316.13</u>

Cost of Detention Area
3,739 sq. ft. X 55.78= \$208,561

Special Items

Plumbing Fixtures	\$36,903
Security Fence	\$31,000
Electric Locks	\$1,000
Intercom	\$5,000
Fire Sprinklers	\$8,100
Counter Fire Door	\$5,648
Concrete Ceilings	\$11,760

\$99,411

Cost of Commons Area
4,013 sq. ft. X 55.78= 223,865 X 50% = \$111,932

Estimated 30% Increase in Building Costs
Since the Year 1989
\$320,493 X 30% = \$96,147

Cost of Additional Items and Labor
Not Included by Contractor \$55,015

\$571,066

90% Costs Paid by State
\$571,066 X 90% = \$513,959

Start Up Expenses \$44,316

\$558,275