

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 22, 1995 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department  
Eric Milstead, Legislative Research Department  
Paul West, Legislative Research Department  
Pat Mah, Legislative Research Department  
Tim Colton, Legislative Research Department  
Don Cawby, 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

Senator Lawrence moved, Senator Karr seconded, that the minutes of March 17 be approved as presented. The motion carried on a voice vote.

**HB 2132**                    **Appropriations for FY 96, state board of tax appeals, department of revenue, Kansas lottery, Kansas racing commission, department of commerce and housing, Kansas development finance authority, Kansas, Inc., Kansas technology enterprise corporation**

It was noted that the subcommittee reports for **HB 2132** were reviewed on March 22 and that no action was taken on the bill in order to give members time to review material which was submitted. The Chairman reminded members that the Kansas Development Finance Authority is a section within **HB 2132**, though there is no subcommittee report. Legislative Research staff, at the request of the Chairman, told members that the Basic Enterprise Loan Guarantee Program within the Kansas Development Finance Authority has never been implemented and has over \$1 million in capital savings. Because there is no active use of the funds at this time and because there is a Senate bill on House General Orders to eliminate the program, there is nothing to prevent the Legislature from shifting that money back to the EDIF. For the purpose of achieving a positive balance in the EDIF, the Chairman stated that he would entertain a motion to that effect.

Senator Salisbury moved, Senator Petty seconded, that the KDFA section within **HB 2132** be amended to transfer the unencumbered balance of approximately \$1 million from the Basic Enterprise Loan Guarantee Program to the Economic Development Initiatives Fund within the Department of Commerce. The motion carried on a voice vote.

[Subcommittee reports which were reviewed on March 21 were amended as follows on March 22:]

Racing Commission (Attachment 1) -- The Chairman expressed his concern regarding language in the Racing Commission subcommittee reports for FY 95 and FY 96 which stated that "...the Racing Commission's Executive Director was either unwilling or unable to make revised estimates for track handle and cashflows to the State Racing Fund..." He suggested that funding and staff for the Racing Commission be removed from the FY 96 subcommittee report and be considered during conference committee deliberations or during Omnibus considerations once answers are provided to the Legislature and the 100 hour audit has been approved. In answer to a question, the Chairman stated that if the funding were removed from the reports and the issue went to conference, he would uphold the recommendations of the Senate subcommittee. Members

## CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 22, 1995.

discussed the ramifications of deleting the funding. The Chairman stated that the Racing Commission and parimutuel wagering would cease to exist in Kansas after July 1, 1995 by his suggestion. Senator Kerr, chairman of the subcommittee, indicated that it was not the intent of the subcommittee to eliminate parimutuel, but indicated his support for the 100 hour audit (Item 4, Attachment 1-6). The Chairman noted that the subcommittee's recommendation to have a 100 hour audit was meeting with opposition in the House. Senator Kerr supported the suggestion if the Committee believed it would serve as a good tool to achieve the post audit study.

It was moved by Senator Morris and seconded by Senator Salisbury that FY 96 subcommittee report for the Racing Commission be amended by the deletion of all funding and positions. The motion carried on a voice vote.

Department of Commerce and Housing (Attachment 2) -- Senator Kerr moved, Senator Salisbury seconded, that the FY 96 subcommittee report be amended to include a memorandum regarding concepts that might give direction to the Department in restructuring state supported economic development efforts (Attachment 3). The motion carried on a voice vote.

Senator Moran moved, Senator Morris seconded, that the FY 96 subcommittee report for the Department of Commerce and Housing be conceptually amended to state that there will be no appropriation for the Mid-America World Trade Center in FY 97. The motion carried on a voice vote.

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

Senator Kerr moved, Senator Salisbury seconded, that **HB 2132** as amended be recommended favorable for passage. The motion carried on a roll call vote.

### **HB 2090**

### **Appropriations for FY 96, public safety agencies and youth centers**

Kansas Parole Board (Attachment 4) -- Senator Lawrence presented the FY 95 and FY 96 subcommittee reports.

Ombudsman of Corrections (Attachment 5) -- Senator Vancrum presented the FY 95 and FY 96 subcommittee reports. Senator Salisbury inquired whether there was any justification for the continuation of the Board. Senator Vancrum responded that the agency performs the investigative work on claims for property damage, but does not have authority to investigate personal injury claims. He stated that 121 cases were determined to be valid last year, and, of that number, 45 were resolved within the Department.

Kansas Sentencing Commission (Attachment 6) -- The FY 95 and FY 96 subcommittee reports were presented by Senator Lawrence. The Chairman inquired about the intended use of the State General Fund appropriation in the amount of \$156,267 (Item 2, Attachment 6-6). Staff indicated that the Criminal Justice Information System is a plan to update criminal history information and link it together so that it can be accessed by any agency of the criminal justice system. It was noted that the Kansas Sentencing Commission administers the federal funds, which will largely pass through to other agencies. In answer to a question, staff indicated monies have not been appropriated within the other agencies to accomplish this plan, but staff did not believe that the agencies would need more FTE positions.

In response to Senator Vancrum, Senator Moran stated that the Criminal Justice Coordinating Council (CJCC) was created last legislative session. The Sentencing Commission provides the staff for the CJCC which has been assigned the tasks associated with providing better coordination between all the entities that are involved in the criminal justice field.

Emergency Medical Services Board (Attachment 7) -- Senator Lawrence reviewed the FY 95 and FY 96 subcommittee reports. Senator Morris asked if the Senate subcommittee had reviewed the House subcommittee recommendation to delete funding for the four regional EMS councils (Item 3, Attachment 7-5). Senator Lawrence responded that the subcommittee had reviewed this issue and concurred with the House because each regional council had carryover balances that were not used and because the services associated with the councils were provided by community colleges. Senator Morris mentioned concerns about requiring rural constituents to travel to Topeka for meetings. Senator Morris moved, Senator Rock seconded, that the FY 96 subcommittee report be amended to include \$70,200 from the SGF in a separate line item for continued financing of four regional EMS councils as recommended by the House subcommittee. The motion carried 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 22, 1995.

In discussing the subcommittee's recommendation regarding the EMS statewide 800 megahertz communication system (Item 1, Attachment 7-6), the Chairman read a letter from the Secretary of Transportation (Attachment 8). The Secretary stated that KDOT would submit a proposed plan to incorporate the EMS program as part of the Statewide Communication Plan which he believed would be approved by the federal government. He stated in the letter that language to transfer the money from KDOT to EMS would not be necessary. Senator Lawrence moved, Senator Moran seconded, that the FY 96 subcommittee report be amended to remove the EMS communication system from that agency's budget and to have KDOT provide for the EMS 800 megahertz communication system in its budget once federal approval is obtained. (This would mean that the grant language would be deleted from the subcommittee report). Senator Vancrum opposed the motion, stating he believed this technology would be obsolete in ten years. It was noted that the state transfers money from the Highway Fund to the Safety Fund every year because of its refusal to pass the helmet law, and, if the federal government approves use of the Highway Safety Fund for this purpose, it should be done. The motion carried on a voice vote.

Kansas Highway Patrol (Attachment 9) -- Senator Salisbury presented the FY 95 and FY 96 subcommittee reports. She told members that the Department of Administration has asked agencies to not enter into lease agreements over 5 years, so it is unknown how that will affect the subcommittee's first recommendation (Attachment 9-5).

Senator Salisbury moved, Senator Karr seconded, that the subcommittee report be amended by changing the word "Senate" to "House" in line 2 of the third recommendation. The motion carried on a voice vote.

Adjutant General (Attachment 10) -- Senator Lawrence presented the FY 95 and FY 96 subcommittee reports.

Kansas Department of the Civil Air Patrol (Attachment 11) -- The FY 95 and FY 96 subcommittee reports were reviewed by Senator Lawrence.

State Fire Marshal (Attachment 12) -- Senator Salisbury presented the FY 95 and FY 96 subcommittee reports.

The Chairman noted that the subcommittee reports for the Kansas Bureau of Investigation and the youth centers would be reviewed as they became available. He adjourned the meeting at 12:15 P.M. The next meeting is scheduled for March 23, 1995.

# SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE:           MARCH 22, 1995          

NAME	REPRESENTING
LINDA McGILL	KSTA
JANE A. JOCKEL	KS771A
<del>Bob Stumback</del>	<del>Ambassador for Corrections</del>
Jennie Harper	Adjutant General
Chuck Zudala	Adjutant General
Scott Misoguti	Budget
Diane Waterworth	Division of the Budget
MIKE WOSICKI	KTEC
Chris Cooper	KTEC
Lisa Mootz	KS
Kevin Pooch	RICEDCO
Joe Mays	Shawnee Tomorrow
DAN SNELL	SHAWNEE TOMORROW
Carol Norman	"
DIANA MALONEY	" "
Charlette Keys	" "
Mary Sherida	" "
Joyce	KAPB/KGP
Jean Strickler	KAPB/KGP



**SUBCOMMITTEE REPORT**

**Agency:** Kansas Racing Commission

**Bill No.** 2234

**Bill Sec.** --

**Analyst:** Efird

**Analysis Pg. No.** 404

**Budget Page No.** 423

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
State Operations	\$ 3,330,063	\$ 3,139,148	\$ 0
Other Assistance	1,336,730	1,336,730	0
<b>TOTAL</b>	<b>\$ 4,666,793</b>	<b>\$ 4,475,878</b>	<b>\$ 0</b>
FTE Positions	49.5	49.5	0.0
Special Project Appointments	0.0	0.0	0.0
<b>TOTAL</b>	<b>49.5</b>	<b>49.5</b>	<b>0.0</b>

**Agency Estimate/Governor's Recommendation**

The Racing Commission estimates an increase in expenditures for state operations, in part due to the anticipated opening of a new race track in Southeast Kansas. Nine new staff scheduled for the Frontenac facility are included in the agency's request rather than 11.0 FTE approved by the 1994 Legislature. The revised FY 1995 expenditure are less than what was approved by the 1994 Legislature. Expenditures of \$3,623,519 for state operations and 51.5 FTE positions were approved. The agency estimates a reduction in expenditures from the State Racing Fund which is subject to an approved limitation of \$2,207,526, based on its request of \$2,056,251, or \$153,775 less than current authority. Transfers to the State Gaming Revenues Fund (SGRF) are revised, increasing from \$5.2 million approved last year to almost \$5.7 million by the agency's revised estimate.

In FY 1995, the Governor's recommendations would provide a reduction in state operations expenditures of \$484,371 from the approved amount. A reduction in the current expenditure limitation for the State Racing Fund, based on the Governor's recommended spending level of \$1,992,236 is indicated, with the reduction amounting to \$215,290 in expenditure authority. Transfers to the SGRF are estimated at \$4,749,245, or \$945,620 less than the agency estimate in FY 1995 for SGRF transfers, in part due to a delayed opening of the new Southeast Kansas race track and reduced attendance at the Kansas City race track. A reduction of 2.0 FTE from the approved limit of 51.5 is recommended.

**House Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendations and further recommends the following action be taken:

1. Reduce the line item expenditure limitation on the State Racing Fund in the amount recommended by the Governor. The Subcommittee notes that the Governor's recommended reduction in FY 1995 expenditures is not reflected in the supplemental appropriations bill and therefore recommends that an item be added to H.B. 2234

*SWAM  
March 22, 1995  
Attachment 1*

to reduce the FY 1995 approved expenditure limitation from \$2,207,526 to \$1,992,236.

### **House Committee Recommendation**

The Committee concurs with the recommendation of the Subcommittee.

### **Senate Subcommittee Recommendation**

The Subcommittee concurs with the House and make the following additional FY 1995 adjustments:

1. Express concern that the Racing Commission's Executive Director was either unwilling or unable to make revised estimates for track handle and cashflows to the State Racing Fund, based on the trends to date this fiscal year. The Subcommittee has reviewed reports from its staff (Attachment 1) and reports from the Racing Commission's only auditor who compiles data reflecting some of the financial activity at the Kansas tracks (Attachment 2). Based on these reports, the Subcommittee concludes that parimutuel revenues will be less than estimated by the Governor in FY 1995 at the two major race tracks. However, the Governor's FY 1995 estimates do not include the opening of the Southeast Kansas track which now is scheduled to open on May 3, 1995. Revenue from this facility will augment the estimates noted for the other two major tracks. For FY 1995, the Subcommittee estimates SGRF transfers of \$4,404,000 based on trends through mid-March, 1995, or a reduction in the Governor's recommendation amounting to \$709,245 in the current fiscal year estimate.

**SUBCOMMITTEE REPORT**

**Agency:** Kansas Racing Commission

**Bill No.** 2132

**Bill Sec.** 5

**Analyst:** Efird

**Analysis Pg. No.** 404

**Budget Page No.** 423

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
State Operations	\$ 3,667,711	\$ 3,543,542	\$ (103,536)
Other Assistance	1,536,294	1,536,294	0
<b>TOTAL</b>	<u>\$ 5,204,005</u>	<u>\$ 5,079,836</u>	<u>\$ (103,356)</u>
FTE Positions	49.5	49.5	(1.0)
Special Project Appointments	0.0	0.0	0.0
<b>TOTAL</b>	<u>49.5</u>	<u>49.5</u>	<u>(1.0)</u>

**Agency Requested/Governor's Recommendation**

The Kansas Racing Commission administers provisions of the Parimutuel Racing Act and serves as the regulatory entity for horse and greyhound racing. The primary charge of the Commission is to regulate the racing industry and the parimutuel wagering associated with the racing industry. The Commission's primary objectives are to (1) regulate the racing industry; (2) issue licenses and conduct hearings involving licensees; (3) supervise race meetings; (4) enforce Commission policies and regulations; (5) protect the safety and welfare of racing animals and the wagering public; (6) maintain public confidence in the parimutuel wagering system; and (7) encourage the growth of the racing industry.

The Kansas Racing Commission is a five-member entity appointed by the Governor and confirmed by the Senate. The Commission appoints an Executive Director who administers the agency. Staff are located in Topeka at the headquarters, in Kansas City at the Woodlands, and in Wichita at the Wichita Greyhound Park. The Commission plans to open an office in Frontenac at the new greyhound race facility in Southeast Kansas. Staff also are sent to the tracks where intermittent racing takes place, such as Eureka Downs and Anthony, when the race meets are in session.

The following information presents the actual and projected figures for betting (handle) at the Kansas race tracks. A decline in handle at the Woodlands has been reported in calendar year 1994 due to the introduction of river boat gambling in the Kansas City area. It would appear that based on these projections from the Racing Commission that parimutuel handle peaked in FY 1994 and is less in both FY 1995 and FY 1996, even with the opening of the new track in Southeast Kansas.

<u>Track Location</u>	<u>Actual FY 1993</u>	<u>Actual FY 1994</u>	<u>Estimated FY 1995</u>	<u>Revised FY 1995</u>	<u>Estimated FY 1996</u>
Kansas City Woodlands	\$ 155,862,512	\$ 171,777,302	\$ 163,982,529	\$ 151,394,700	\$ 146,176,500
Wichita Greyhound Park	66,680,059	65,521,140	54,609,941	74,905,300	72,323,500
Frontenac Track Southeast	0	0	11,588,176	8,700,000	17,500,000
Eureka, Anthony	0	841,794	0	0	0
<b>Total Handle</b>	<u>\$ 222,542,571</u>	<u>\$ 238,140,236</u>	<u>\$ 230,180,646</u>	<u>\$ 235,000,000</u>	<u>\$ 236,000,000</u>



### **Agency Request**

For state operations, the Racing Commission requests a net increase of \$337,648 in FY 1996. No new positions are requested, but the Commission proposed to shift the financing of 20.0 FTE positions from the Racing Reimbursable Expense Fund to the State Racing Fund. The Commission estimates a reduction in SGRF transfers to less than \$4.7 million in FY 1996, a decrease of almost \$1.0 million compared with the estimate for this fiscal year. This shift in financing accounts for \$977,466 of this reduction in transfers next fiscal year.

### **Governor's Recommendation**

In FY 1996, the Governor recommends an increase in expenditures totaling \$404,394 for state operations. The Governor's recommendations maintain staffing at its current level and continue financing of salaries and benefits in the present manner, with the Reimbursement Fund to finance race officials who are employed by the Commission and stationed at the different tracks. An increase in expenditures of \$280,898 from the Reimbursable Fund is attributed to the annualizing costs for the new facility in Southeast Kansas. Transfers to the SGRF are estimated at \$5,127,100 in FY 1996 and include anticipated revenues from the new Southeast Kansas facility on an annual basis.

### **Performance Measures**

See Attached information.

### **House Subcommittee Recommendation**

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

1. Reduce \$58,536 from salaries and benefits enhancements which were recommended by the Governor for classified and unclassified personnel.
2. Delete 1.0 FTE positions for the Director of Racing which has never been filled and reduce \$45,000 for salaries and benefits associated with the position.

### **House Committee Recommendation**

The Committee concurs with the recommendation of the Subcommittee.

Expenditure	House Rec. FY 96	Senate Sub. Adjustments	Senate Sub. Rec. FY 96
State Operations	\$ 3,440,006	\$ 80,000	\$ 3,520,006
Other Assistance	1,536,294	0	1,536,294
TOTAL	<u>\$ 4,976,300</u>	<u>\$ 80,000</u>	<u>\$ 5,056,300</u>
FTE Positions	48.5	2.0	50.5
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>48.5</u>	<u>2.0</u>	<u>50.5</u>

**Senate Subcommittee Recommendation**

The Subcommittee concurs with the House and make the following additional FY 1996 adjustments:

1. Reiterate its concern that the Racing Commission's Executive Director was either unwilling or unable to make revised estimates for track handle and cashflows to the State Racing Fund, based on the trends to date this fiscal year and projected for next fiscal year. The Subcommittee concurs with the Governor's FY 1996 recommendations for lack of better information at this time.
2. Note the House reduction of funding and deletion of an FTE position for the Director of Racing. The Subcommittee does not recommend repeal of the statutory authority for this unclassified staff position. However, the Subcommittee would call attention to 1995 S.B. 124 which would impact the Racing Commissions statutes regarding staff and would recommend that if this bill passes the 1995 Legislature, then Omnibus review of its impact on staffing should be undertaken.

The Subcommittee further notes that it learned of plans to fill the Inspector of Parimutuels position which also has been vacant for some time. The Subcommittee reviewed the statutory requirements for this critically important position since by law this unclassified staff position is charged to "inspect and audit the conduct of parimutuel wagering by organization licenses, including the equipment and facilities and procedures followed..." (K.S.A. 74-8805(b)) The Subcommittee's concern is that auditing by Racing Commission staff of financial activities at the major race tracks is NOT being conducted on a regular basis since the Racing Commission currently has only one auditor position who must divide duties between Wichita and Kansas City. The abolition of one of the auditor positions previously stationed at Kansas City and the extended vacancy of the Inspector of Parimutuels position which oversees and directs the audit staff have lead the Subcommittee to believe that auditing is NOT a priority of the Racing Commission or its current Executive Director, and that the curtailment of an audit presence at Kansas race tracks reflects poorly on the stated mission and goals of the Racing Commission to "regulate the racing industry" and to "maintain public confidence in the parimutuel wagering system." It was the Legislature's intent when the first Racing Commission budget was approved that a full-time, classified auditor positions be stationed at each major race track facility and that the Inspector of Parimutuels would supervise the field audit staff.

The Subcommittee notes with dismay that, according to the Racing Commissions FY 1996 budget, 1.0 FTE auditor position was abolished in FY 1994. The Subcommittee reviewed the previous budget submission for FY 1995 which included revised FY 1994 and found that 2.0 auditor positions were requested for FY 1995 and FY 1996, as well as a third auditor in FY 1995 for the new, Southeast Kansas race track. According to the FY 1995 budget, both the Kansas City and Wichita auditor positions were filled as of August 18, 1993. The Subcommittee concludes that by abolishing 1.0 auditor position in FY 1994 that the Racing Commission does not understand the Legislature's concern about monitoring financial transaction at Kansas race tracks. The Racing Commission has placed itself in the same position that the Lottery found itself several years ago when members of the Legislature lost confidence in the reliability of the Lottery's financial reports. The Lottery has rebuilt the confidence of legislative members as noted in that Senate Subcommittee Report and is to be commended for its professional accounting and auditing staff.

The Senate Subcommittee recommends that a bill be introduced to require the Inspector of Parimutuel to be a Certified Public Accountant (CPA). In addition, the Subcommittee recommends 2.0 FTE and \$80,000 of funding be added in order to fund in FY 1996 auditor positions for the Kansas City and Southeast Kansas race tracks. The Subcommittee strongly recommends that the Racing Commission hire the Kansas City auditor as soon as possible and that the new auditor for the Southeast Kansas race track also be hired as soon as possible. The Subcommittee directs the Racing Commission to report to the 1995 Legislature during the Omnibus period regarding these matters. In addition, the Subcommittee recommends that the Chairperson of the Senate Ways and Means Committee write to the Chairperson of the House Federal and State Affairs Committee regarding these matters as the House reviews 1995 S.B. 124 and that a copy of this Subcommittee Report be transmitted.

3. Express concern that the KBI has not completed the background check of new owners of the Kansas City race track and that the annual subsidy paid to the KBI Gaming Unit appears to provide little incentive for timely work, whereas payment of work completed might be a more logical means to encourage results-oriented investigations. Point out that the Governor recommends continuing transfers to the Kansas Bureau of Investigation (KBI) Gaming Unit in FY 1996 in order to subsidize that nine person office. Transfers will total \$372,073 next fiscal year and the Subcommittee questions the value of continuing these payments. In addition, when fingerprint checks are run, the KBI bills the Racing Commission for those costs. The transfer language is in the KBI appropriations bill and that Subcommittee Report is scheduled to be heard in Senate Ways and Means later this week. Serious consideration should be given to whether this funding source ought to continue subsidizing the KBI Gaming Unit, or if funding should be provided on a billing basis for work completed.
4. Request that the Legislative Post Audit Committee Chairperson approve a 100 hour audit to examine the 1994 annual audits and financial statements received by the Racing Commission from the two major race tracks and report on the findings of that review. This request parallels a 1993 audit of those records in which the Legislative Post Auditor was asked to make a determination if there is a basis for

the financial problems reported by the tracks. This Subcommittee renews that earlier request for an evaluation by the Legislative Post Auditor of the financial records and other documents available at the Racing Commission in order to express an opinion about the condition of the race tracks. The Subcommittee would note that this request, like the one in 1993, is made of Legislative Post Audit because of its lack of confidence in the financial oversight capability of the Racing Commission staff noted earlier in this report.

5. Note that during testimony provided by the Racing Commission and its staff, it was revealed that the Kansas City race track has reduced expenditures for promoting and marketing its operations and has relied on more targeted direct mail to a narrower group instead. The Subcommittee views the decline in betting and attendance as having an adverse effect on revenue to the State Racing Fund. The race tracks legislative strategy uses these declines in promoting passage of its bill for enhanced gambling activities at the tracks, the Subcommittee notes.
6. Revise the cash flow for the transfers to the State Gaming Revenues Fund in FY 1995 and FY 1996 for the Lottery and Racing Commission based on the adjustments in the current fiscal year revenue estimates for both Lottery and Parimutuel activities.

**Transfers to the SGRF.** The Lottery contributes a disproportionate larger share of the transfers to the State Gaming Revenues Fund (SGRF) than does parimutuel betting. A statutory provision requires that any funding in excess of \$50.0 million be deposited in the State General Fund in the subsequent fiscal year. The threshold will be exceeded in both FY 1995 and FY 1996, based on the estimates assumed by the Senate Subcommittee in FY 1995 and the Governor's estimates in FY 1996 which are assumed by the Senate Subcommittee at this time. Carryover from June 1995 Lottery sales will increase the July 1995 transfer by \$777,000 for an increase next fiscal year, based on an adjustments in current fiscal year estimates.

<u>Financial Activity</u>	<u>Approved FY 1995</u>	<u>Gov. Rec. FY 95</u>	<u>Senate Sub. Rec. FY 95</u>	<u>Gov. Rec. FY 96</u>	<u>Senate Sub. Rec. FY 96</u>
Transfers by Source:					
Lottery	\$ 40,607,553	\$ 46,175,163	\$ 49,798,163	\$ 49,613,357	\$ 50,390,357
Parimutuel	5,175,267	4,749,245	4,040,000	5,127,100	5,127,100
Total Estimated a)	<u>\$ 45,782,820</u>	<u>\$ 50,924,408</u>	<u>\$ 53,838,163</u>	<u>\$ 54,740,457</u>	<u>\$ 55,517,457</u>
SGF Estimate	\$ 0	\$ 924,408	\$ 3,838,163	\$ 4,740,000	\$ 5,517,457

a) Any amount in excess of \$50.0 million will be transferred to the State General Fund in the following fiscal year.

*Attachment 1 - Senate  
Subcommittee Report 1995*

game95.wk4

21-Mar-95

FY 1995  
LOTTERY AND RACING SGRF TRANSFERS  
(IN THOUSANDS)

Month	<u>Actual Lottery</u>	<u>FY 1993 Racing</u>	<u>Actual Lottery a)</u>	<u>FY 1994 Racing</u>	<u>Actual Lottery b)</u>	<u>FY 1995 Racing</u>
July	\$1,647	\$485	\$3,665	\$506	\$3,666	\$412
Aug.	1,836	450	4,225	583	4,059	491
Sept.	1,858	539	2,906	592	3,864	530
Oct.	1,897	427	3,081	570	3,384	327
Nov.	1,566	601	2,849	334	3,943	210
Dec.	2,416	510	3,669	503	4,688	366
Jan.	1,893	669	5,710	312	4,335	293
Feb.	2,061	666	3,834	595	3,865	281
Mar.	1,875	694	3,626	526	4,477	278
Apr.	2,008	831	3,836	535	NA	NA
May	1,932	598	4,663	447	NA	NA
June	1,859	636	3,725	459	NA	NA
12-Month	\$22,847	\$7,104	\$45,787	\$5,963	NA	NA

- a) July and December do not include the additional Lottery transfers totaling \$2 million for FY 1994 authorized by the Legislature.  
 b) October and March do not include the additional Lottery transfers totaling \$1,818,130 for FY 1995 authorized by the Legislature.

Month	<u>Cumulative Lottery</u>	<u>FY 1993 Racing</u>	<u>Cumulative Lottery</u>	<u>FY 1994 Racing</u>	<u>Cumulative Lottery</u>	<u>FY 1995 Racing</u>
July	\$1,647	\$485	\$3,665	\$506	\$3,666	\$412
Aug.	3,484	934	7,890	1,090	7,726	903
Sept.	5,341	1,473	10,795	1,682	11,589	1,433
Oct.	7,238	1,900	13,876	2,252	14,973	1,760
Nov.	8,804	2,501	16,725	2,585	18,916	1,970
Dec.	11,219	3,010	20,394	3,089	23,604	2,336
Jan.	13,112	3,679	26,104	3,400	27,939	2,629
Feb.	15,173	4,345	29,938	3,996	31,804	2,910
Mar.	17,048	5,039	33,564	4,522	36,281	3,188
Apr.	19,056	5,870	37,399	5,057	NA	NA
May	20,988	6,468	42,063	5,505	NA	NA
June	22,847	7,104	45,787	5,963	NA	NA

Kansas Legislative Research Dept.

21-Mar-95

07:42 AM

Post-It brand

**Fax Transmittal Memo**

To: <u>Julian E. Sid</u>		No. of Pages: <u>5</u>		Today's Date: <u>2-21-95</u>	
Company:		From: <u>RON Herter</u>		Time:	
Location:		Company: <u>K.R.C.</u>		Dept. Charge:	
Fax # <u>913-296-3824</u>		Location:		Fax # <u>316-755-2726</u>	
Comments:		Original Disposition:		<input type="checkbox"/> Destroy <input type="checkbox"/> Return <input type="checkbox"/> Call for pickup	

*Attachment 2 - Senate Subcommittee Report 1995*

**KANSAS RACING COMMISSION  
HANDLE AND ATTENDANCE COMPARISON  
FEBRUARY 1995 - 1994**

**WOODLANDS - GREYHOUNDS**

Month	HANDLE			ATTENDANCE		
	FY95	FY94	+/-	FY95	FY94	+/-
July	10,071,258	13,103,288	-23.1%	101,370	112,392	-9.8%
August	7,294,661	10,730,392	-32.0%	61,670	85,210	-27.6%
September	6,284,392	9,608,778	-35.6%	49,378	70,032	-29.5%
October	6,202,693	9,957,765	-37.7%	50,459	70,354	-28.3%
November	5,993,868	9,528,019	-37.1%	46,621	69,156	-32.6%
December	5,181,219	8,117,581	-36.2%	41,731	61,141	-31.2%
January	5,330,176	9,851,884	-45.9%	48,331	72,247	-33.1%
February	4,638,623	10,858,581	-57.3%	51,196	80,114	-36.1%
<b>TOTALS</b>	<b>50,996,890</b>	<b>81,756,288</b>	<b>-37.6%</b>	<b>450,757</b>	<b>620,646</b>	<b>-27.4%</b>

**WOODLANDS - HORSES**

Month	HANDLE			ATTENDANCE		
	FY95	FY94	+/-	FY95	FY94	+/-
August	2,099,813	1,859,834	+12.9%	28,779	27,180	+5.9%
September	2,329,068	2,670,168	-12.8%	24,981	35,762	-30.1%
October	1,492,039	2,016,426	-26.0%	17,282	25,713	-32.8%
November	352,703	475,397	-25.8%	5,024	6,938	-27.6%
<b>TOTALS</b>	<b>6,273,623</b>	<b>7,021,825</b>	<b>-10.7%</b>	<b>76,066</b>	<b>95,593</b>	<b>-20.4%</b>

**WOODLANDS - SIMULCASTING**

Month	HANDLE			ATTENDANCE		
	FY95	FY94	+/-	FY95	FY94	+/-
July	3,772,705	3,294,342	+15%	12,354	13,099	-5.7%
August	3,296,531	2,448,584	+35%	29,900*	31,130*	-4.0%
September	2,732,337	2,212,888	+23%	25,195*	35,762*	-29.5%
October	2,548,493	2,182,867	+17%	18,057*	25,713*	-29.8%
November	2,881,246	2,781,162	+3.6%	5,287	6,074	-13.0%
December	2,046,131	2,146,481	-4.7%	5,689	7,921	-28.2%
January	2,064,449	4,057,819	-49%	262	9,125	-97.1%
February	3,698,704	3,949,598	-6.4%	-0-	10,582	-100%
<b>TOTALS</b>	<b>23,040,596</b>	<b>23,073,741</b>	<b>-0.1%</b>	<b>96,744</b>	<b>139,406</b>	<b>-30.1%</b>

\*Live horse attendance is also included in simulcast attendance for comparison to 1993.

OTHER WOODLANDS COMPARISONS:

	FEBRUARY 1995	FEBRUARY 1994	+/-
Total Handle (All Wagering)	8,337,327	14,808,179	-43.7%
Horse Simulcasting Only	2,932,009	3,085,009	- 5.0%
Greyhound Simulcasting Only	766,695	864,589	-11.3%
YEAR TO DATE - ALL WAGERING	80,311,109	111,851,854	-28.2%

KANSAS RACING COMMISSION  
HANDLE AND ATTENDANCE COMPARISON  
FEBRUARY 1995 - 1994

WICHITA GREYHOUND PARK

Month	HANDLE			ATTENDANCE		
	FY95	FY94	+/-	FY95	FY94	+/-
July	5,889,184	6,176,123	- 4.6%	49,240	57,017	-13.6%
August	5,226,447	5,512,068	- 5.2%	42,424	46,177	- 8.1%
September	5,282,116	5,426,353	- 2.7%	41,658	43,921	- 5.2%
October	4,865,680	5,492,131	-11.4%	40,017	41,276	- 3.1%
November	4,867,797	5,222,052	- 6.8%	38,719	39,390	- 1.7%
December	4,663,905	5,176,575	- 9.9%	36,422	40,684	-10.5%
January	4,681,318	5,603,291	-16.5%	35,046	40,916	-14.3%
February	4,511,107	5,377,258	-16.1%	35,950	42,017	-14.4%
TOTALS	39,987,554	43,462,851	- 8.0%	320,476	351,398	- 8.8%

WICHITA - SIMULCASTING

Month	HANDLE		
	FY95	FY94	+/-
July	310,858	23,721	+1210.5%
August	333,871	0	+ 100.0%
September	573,881	0	+ 100.0%
October	624,239	0	+ 100.0%
November	557,272	0	+ 100.0%
December	447,274	0	+ 100.0%
January	410,081	0	+ 100.0%
February	605,438	0	+ 100.0%
Totals	3,862,914	23,721	+16,185%

OTHER WICHITA COMPARISONS:

	FEBRUARY 1995	FEBRUARY 1994	+/-
Total Handle (All Wagering)	5,116,545	5,377,258	- 4.8%
Horse Simulcasting Only	594,922	0	+ 100%
Greyhound Simulcasting Only	10,516	0	+ 100%
YEAR TO DATE - ALL WAGERING	43,850,468	43,486,572	+ 0.8%



**KANSAS RACING COMMISSION  
HANDLE AND ATTENDANCE COMPARISON  
FEBRUARY 1995 - 1994**

STATEWIDE - GREYHOUNDS

Month	HANDLE			ATTENDANCE		
	FY95	FY94	+/-	FY95	FY94	+/-
July	16,017,056	19,409,079	-17.5%	153,290*	172,431*	-11.1%
August	12,521,108	16,242,460	-22.9%	104,094	131,387	-20.8%
Sept.	11,566,508	15,035,131	-23.1%	91,012	113,953	-20.1%
October	10,938,242	15,449,896	-29.2%	90,476	111,630	-19.0%
November	10,861,665	14,750,071	-26.4%	85,340	108,546	-21.4%
December	9,845,124	13,294,156	-25.9%	78,153	101,825	-23.2%
January	10,011,494	15,455,175	-35.2%	83,337	113,163	-26.3%
February	9,149,730	16,235,839	-43.6%	87,146	122,131	-28.6%
<b>TOTALS</b>	<b>90,910,927</b>	<b>125,871,807</b>	<b>-27.8%</b>	<b>772,892</b>	<b>975,066</b>	<b>-20.7%</b>

STATEWIDE - HORSES

Month	HANDLE			ATTENDANCE		
	FY95	FY94	+/-	FY95	FY94	+/-
July	291,661	125,456	+232%	4,453*	3,274*	+36.0%
August	2,099,813	1,859,834	+ 23%	28,779	27,180	+ 5.9%
September	2,329,068	2,670,168	- 13%	24,981	35,762	-30.1%
October	1,492,039	2,016,426	- 26%	17,282	25,713	-32.8%
November	352,703	475,397	- 26%	5,024	6,938	-27.6%
<b>TOTALS</b>	<b>6,565,284</b>	<b>7,147,281</b>	<b>-8.1%</b>	<b>80,519</b>	<b>98,867</b>	<b>-18.6%</b>

\*Anthony Downs attendance divided 50% for greyhounds and 50% for horses.

STATEWIDE - SIMULCASTING

Month	HANDLE			ATTENDANCE		
	FY95	FY94	+/-	FY95	FY94	+/-
July	3,772,705	3,318,063	+13.7%	12,354	13,099	- 5.7%
August	3,630,402	2,448,584	+48.2%	29,900	31,130	- 4.0%
September	3,306,218	2,212,888	+49.4%	24,981	35,762	-30.1%
October	3,172,732	2,182,867	+45.3%	18,057	25,713	-29.8%
November	3,438,518	2,781,162	+23.6%	5,287	6,074	-13.0%
December	2,493,405	2,146,481	+16.2%	5,689	7,921	-28.2%
January	2,474,530	4,057,819	-39.0%	262	9,125	-97.1%
February	4,304,142	3,949,598	+ 9.0%	-0-	10,582	- 100%
TOTALS	26,589,652	23,097,462	+15.1%	96,530	139,406	-30.8%

OTHER STATEWIDE COMPARISONS:

	FEBRUARY 1995	FEBRUARY 1994	+/-
Total Handle (All Wagering)	13,453,872	20,185,437	-33.3%
Horse Simulcasting Only	3,526,931	3,085,009	+14.3%
Greyhound Simulcasting Only	777,211	864,589	-10.1%
YEAR TO DATE - ALL WAGERING	124,161,577	155,338,426	-20.1%

*Attachment - House Subcommittee Rep  
1995*

Kansas Racing Commission  
Performance Indicators  
FY 96

	<u>FY 96</u>	<u>FY 95</u>	<u>FY 94</u>	<u>FY 93</u>
<u>All tracks</u>				
Handle	236,000,000	235,000,000	238,000,000	222,000,000
Attendance	1,700,000	1,579,310	1,653,000	1,733,109
Race Days	820	715	620	618
<u>Revenue</u>				
Parimutuel tax	7,760,000	7,285,000	7,616,000	7,188,501
Admissions tax	244,000	229,000	239,000	228,314
Daily license fee	164,000	143,000	123,900	123,600

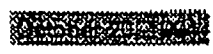
Frontenac data is included for the entire FY 96 period and for a half-year for FY 95 as follows:

	<u>FY 96</u>	<u>FY 95</u>
Handle	17,500,000	8,700,000
Attendance	154,000	84,000
Race days	207	101
<u>Revenue</u>		
Parimutuel tax	551,000	271,000
Admissions tax	21,600	11,700
Race days	41,400	20,200

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# Attachment - House Subcommittee Report 1995



## Kansas Racing Commission Performance Indicators FY 96

	<u>FY 96</u>	<u>FY 95</u>	<u>FY 94</u>	<u>FY 93</u>
<u>All tracks</u>				
Handle	236,000,000	235,000,000	238,000,000	222,000,000
Attendance	1,700,000	1,579,310	1,653,000	1,733,109
Race Days	820	715	619	618
<u>Revenue</u>				
Parimutuel tax	7,760,000	7,285,000	7,594,000	7,188,501
Admissions tax	244,000	228,000	236,000	228,314
Daily license fee	164,000	143,000	123,600	123,600

Frontenac data is included for the entire FY 96 period and for a half-year for FY 95 as follows:

	<u>FY 96</u>	<u>FY 95</u>
Handle	17,500,000	8,700,000
Attendance	154,000	84,000
Race days	207	101
<u>Revenue</u>		
Parimutuel tax	551,000	271,000
Admissions tax	21,600	11,700
Race days	41,400	20,200

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*Attachment - House Subcommittee Report  
1995*

**Kansas Racing Commission  
Performance Indicators  
By Track**

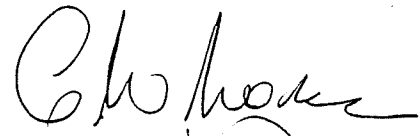
<u>Handle</u>	<u>FY 96</u>	<u>FY 95</u>	<u>FY 94</u>	<u>FY 93</u>
Kansas City	146,176,500	151,394,700	172,000,000	155,000,000
Wichita	72,923,500	74,905,300	68,000,000	67,000,000
Frontenac	17,500,000	8,700,000	0	0
	<u>236,000,000</u>	<u>235,000,000</u>	<u>238,000,000</u>	<u>222,000,000</u>
<u>Revenue</u>				
Kansas City	4,822,324	4,693,236	5,300,000	4,871,015
Wichita	2,866,676	2,320,764	2,294,000	2,317,486
Frontenac	551,000	271,000	0	0
	<u>7,760,000</u>	<u>7,285,000</u>	<u>7,594,000</u>	<u>7,188,501</u>
<u>Attendance</u>				
Kansas City	1,062,102	1,027,278	1,136,000	1,177,736
Wichita	483,898	468,092	517,000	555,373
Frontenac	154,000	84,000	0	0
	<u>1,700,000</u>	<u>1,579,310</u>	<u>1,653,000</u>	<u>1,733,109</u>
<u>Revenue</u>				
Kansas City	152,783	148,955	162,000	148,958
Wichita	69,617	68,345	74,000	79,358
Frontenac	21,600	11,700	0	0
	<u>244,000</u>	<u>229,000</u>	<u>236,000</u>	<u>228,314</u>
<u>Race Days</u>				
Kansas City	328	332	311	312
Wichita	285	282	308	306
Frontenac	207	101	0	0
	<u>820</u>	<u>715</u>	<u>619</u>	<u>618</u>
<u>Revenue</u>				
Kansas City	65,600	66,400	62,200	62,400
Wichita	57,000	56,400	61,600	61,200
Frontenac	41,400	20,200	0	0
	<u>164,000</u>	<u>143,000</u>	<u>123,800</u>	<u>123,600</u>

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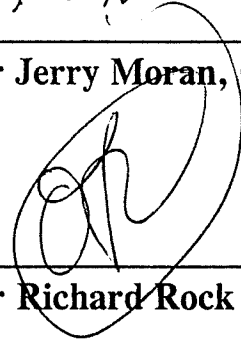
**1995 SENATE SUBCOMMITTEE ON:**

**Department of Commerce and Housing**



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**Senator Jerry Moran, Chair**



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**Senator Richard Rock**

**SUBCOMMITTEE REPORT**

**Agency:** Department of Commerce  
and Housing

**Bill No. --**

**Bill Sec. --**

**Analyst:** Milstead

**Analysis Pg. No. 414**

**Budget Page No. 107**

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 12,937,434	\$ 12,924,468	\$ 0
Aid and Other Assistance	68,183,788	68,183,788	0
Capital Improvements	878,025	878,025	0
<b>TOTAL</b>	<b>\$ 81,999,247</b>	<b>\$ 81,986,281</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 2,084,639	\$ 2,071,673	\$ 0
Aid and Other Assistance	794,216	794,216	0
<b>TOTAL</b>	<b>\$ 2,878,855</b>	<b>\$ 2,865,889</b>	<b>\$ 0</b>
<b>Economic Development Initiatives Fund:</b>			
State Operations	\$ 5,274,613	\$ 5,274,613	\$ 0
Aid and Other Assistance	6,794,520	6,794,520	0
Capital Improvements	878,025	878,025	0
<b>TOTAL</b>	<b>\$ 12,947,158</b>	<b>\$ 12,947,158</b>	<b>\$ 0</b>
FTE Positions	116.5	116.5	--
Special Project Appointments	12.0	12.0	--
<b>TOTAL</b>	<b>128.5</b>	<b>128.5</b>	<b>--</b>

**Agency Estimate/Governor's Recommendation**

The agency's current year estimate is an increase of \$21,464,551 from federal and special revenue funds compared to the approved budget. Most of the increase (\$15,078,683, CDBG-Disaster Relief) reflects KDCH's estimate of the additional dollars it anticipates from the federal government to cope with disaster relief efforts following the 1993 flood. Increased expenditures of HOME federal dollars (\$1,144,695) also contributed to the increase.

The Governor's current year recommendation is a decrease of \$12,966 from the agency's estimate. The entire decrease comes from State General Fund expenditures and is primarily attributable to a decrease in salary and wage expenditures (health insurance adjustments).

**House Subcommittee Recommendation**

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

**House Committee Recommendation**

The House Committee concurs.

**House Committee of the Whole**

The House concurs with the Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adj. FY 95</u>	<u>House Rec. FY 95</u>	<u>Senate Subc. Adj.</u>
<b>All Funds:</b>			
State Operations	\$ 0	\$ 12,924,468	\$ 0
Aid and Other Assistance	0	68,183,788	0
Capital Improvements	0	878,025	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 81,986,281</b>	<b>\$ 0</b>
<b>State General Fund:</b>			
State Operations	\$ 0	\$ 2,071,673	\$ 0
Aid and Other Assistance	0	794,216	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 2,865,889</b>	<b>\$ 0</b>
<b>Economic Development Initiatives Fund:</b>			
State Operations	\$ 0	\$ 5,274,613	\$ 0
Aid and Other Assistance	0	6,794,520	0
Capital Improvements	0	878,025	0
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 12,947,158</b>	<b>\$ 0</b>
FTE Positions	--	116.5	--
Special Project Appointments	--	12.0	--
<b>TOTAL</b>	<b>--</b>	<b>128.5</b>	<b>--</b>

**Senate Subcommittee Recommendation**

The Subcommittee concurs with the recommendation of the House.



## SUBCOMMITTEE REPORT

**Agency:** Department of Commerce  
and Housing

**Bill No.** 2132

**Bill Sec.** 6

**Analyst:** Milstead

**Analysis Pg. No.** 414

**Budget Page No.** 107

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 14,755,987	\$ 13,120,538	\$ (160,294)
Aid and Other Assistance	80,060,786	66,920,446	(900,000)
Capital Improvements	35,000	35,000	0
<b>TOTAL</b>	<b>\$ 94,851,773</b>	<b>\$ 80,075,984</b>	<b>\$ (1,060,294)</b>
<b>State General Fund:</b>			
State Operations	\$ 2,173,152	\$ 1,499,407	\$ (57,936)
Aid and Other Assistance	695,928	280,732	0
<b>TOTAL</b>	<b>\$ 2,869,080</b>	<b>\$ 1,780,139</b>	<b>\$ (57,936)</b>
<b>Economic Development Initiatives Fund:</b>			
State Operations	\$ 6,960,596	\$ 6,150,914	\$ 15,000
Aid and Other Assistance	18,330,000	11,589,600	(900,000)
Capital Improvements	35,000	35,000	0
<b>TOTAL</b>	<b>\$ 25,325,596</b>	<b>\$ 17,775,514</b>	<b>\$ (885,000)</b>
FTE Positions	120.5	116.5	--
Special Project Appointments	7.0	10.0	--
<b>TOTAL</b>	<b>127.5</b>	<b>126.5</b>	<b>--</b>

### Agency Request/Governor's Recommendation

**1. New Positions.** The Kansas Department of Commerce and Housing for FY 1996 requests the conversion of three current special projects positions to F.T.E. status. The agency states that each of the special project positions (High Performance Incentive Program Senior Financial Analyst, Community Development Block Grant Business Finance Specialist, and Kansas Rural Development Council Office Assistant) concern permanent functions of KDCH. The agency also requests the creation of one new FTE position (Economic Development Rep. III, \$46,133) in the Division of Community Development.

The Governor does not recommend the requested new FTE positions.

**2. Other Operating Expenditures.** KDCH requests \$9,497,626 for other operating expenses in FY 1996, an increase of \$1,669,383 from the current year. Of the requested increase, \$1,420,892 is

associated with expenditures in the Travel and Tourism Division. Specifically, \$1,000,000 is requested for out-of-state television and print advertising, \$430,000 for marketing strategies regarding the 175th anniversary of the Santa Fe Trail, \$100,000 for a public relations campaign and \$80,000 for community tourism development.

The Governor's FY 1996 recommendation for other operating expenses totals \$7,872,119, a reduction of \$1,625,507 from the agency's request. A lower level of activity in the State of Kansas Investments in Lifelong Learning (SKILL) program accounts for \$288,752 of the reduction, while a reduction of \$1,372,755 in Economic Development Initiative Fund (EDIF) expenditures account for the majority of the reduction.

**3. Local Aid/Other Assistance.** The agency requests \$80,060,786 for local aid and other assistance payments, financed by \$695,928 from the State General Fund, \$18,330,000 from the EDIF, and \$61,034,858 from federal and special revenue funds. The request represents a decrease of \$98,288 from the State General Fund and increases of \$11,535,480 from the EDIF and \$439,806 from other funding sources compared to the current year. Major increases from the EDIF are requested for new State Community Development Block Grant (\$10,000,000), and Microloan (\$2,400,000) programs and expansions of the Kansas Economic Initiative Opportunity Fund (from \$1,700,000 to \$5,000,000), Kansas Industrial Training and Retraining (from \$2,727,500 to \$3,000,000), and Tourism Grants (from \$379,600 to \$1,120,000) programs.

The Governor's FY 1996 recommendation for local aid and other assistance funding is a reduction of \$13,140,340 from the agency's request. No funding is recommended for the new EDIF funded State Economic Block Grant program while the Governor recommends \$4,000,000 for the Kansas Economic Initiative Opportunity Fund (\$1,000,000 less than the agency's request). The Governor also recommends lower than requested expenditures for SKILL program services (\$1,399,940 less than requested) and for tourism grants (\$740,400 less than requested).

**4. Capital Improvements.** The agency requests \$35,000 from the EDIF in FY 1996 for rehabilitation and repairs to the state's traveler information centers (TIC).

The Governor concurs with the agency's request for capital improvements.

### **House Subcommittee Recommendation**

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

1. Delete \$165,294, including \$47,936 from the State General Fund based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$29,514); classified step movement (\$74,095); a one percent base adjustment for classified employees (\$38,206); and the longevity bonus (\$23,479) from individual agency budgets.
2. Reduce by \$65,000 -- to zero -- funding for the Kansas Quality Information Network (KQIN). This program has been financed by EDIF funds. The Subcommittee recommends eliminating this program. Currently, KQIN is administered through the agency's Business Development Division.

3. Add \$65,000 (EDIF) funding for the Mid-America World Trade Center, located in Wichita. State funding for the program for FY 1996 would total \$65,000.
4. Reduce by \$900,000 (EDIF) funding for the Micro-Loan Program within the Business Development Division. The reduction leaves funding for the Program of \$1,500,000 (EDIF). The Subcommittee believes that because this is a new program, the reduction in funding is warranted for the initial year of operation in order to determine the program's efficacy.
5. Delete \$10,000 of State General Fund financing from the agency's state operations, leaving State General Fund financing for state operations of \$1,489,407.
6. Add \$15,000 as a carryover from funds originally appropriated for FY 1994. \$100,000 was originally appropriated in FY 1994 for database development. The agency projected spending the last of the \$100,000 in FY 1995 but because of a personnel change, the agency now estimates that \$15,000 will remain to be carried over for FY 1996.
7. The Subcommittee recommends proviso language be included in H.B. 2132 clarifying that the Low Income Tax Credit Fee Fund be allowed to be used for financing needy (particularly rural) housing projects.
8. The Subcommittee recommends that an appropriation line item be included in H.B. 2132 to establish a General Fees Fund for financing expenditures of the new Olathe Travel Information Center and the new South Haven Travel Information Center. The Fund is expected to be financed by revenues generated at the Information Centers from advertising, travel agents, gift shop sales, etc.
9. The Subcommittee recommends the addition to the appropriations bill of proviso language establishing a fund regarding the Microloan program. The fund will allow the program to receive microloan repayments and use those revenues for new loans.
10. The following tables reflect the agency's performance indicators for a number of its programs.

According to the agency, the following performance indicators reflect the technical and support assistance to businesses for workforce training provided by the KIT, KIR, SKILL, and KQIN programs:

<u>Outcome Measures</u>	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>
Number of new jobs created as a result of training assistance	3,799	3,000	3,750	3,000	3,000
Number of existing jobs retained as a result of retraining assistance	3,689	3,000	3,250	3,000	3,000
Percent of businesses rating training assistance as satisfactory or better	--	90%	90%	90%	90%
Percent of businesses and other clients rating quality-based services as satisfactory better	--	90%	90%	90%	90%
<u>Output Measures</u>					
Number of workforce training contracts	77	75	85	75	75
No. of contracts related to quality improvement	--	100	100	100	100

**Business Finance Program.** According to the agency, the following table reflects business assistance provided by Certified Development Companies and Small Business Development Centers. The Tables also reflect the assistance to business regarding tax incentives and financial assistance for job creation through the following program: KEOIF, Venture Capital, KBEL, Investment Tax Credit, and the High Performance Incentive Program (HPIP):

<u>Outcome Measures --</u>	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>
Financing dollars leveraged from nonprogram sources	-- \$	120,000,000	\$ 130,000,000	\$ 130,000,000	\$ 130,000,000
Jobs created/retained	--	3,000	3,400	3,600	3,600
Percent inquiries satisfied by assistance provided	--	90%	90%	90%	90%
<u>Output Measures</u>					
Number of clients/inquiries	8,000	8,600	8,600	9,000	9,000
Number of businesses receiving funding/incentives	340	380	410	450	450
Training/seminars conducted	110	130	130	140	150

**Community Development Division.** The following table reflects the Division's efforts to facilitate the growth of downtown commercial districts. The Division provides training and advice and technical assistance regarding design, economic restructuring, promotion, and organization.

<u>Outcome Measures</u>	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>
Designated cities:	20	22	24	24	24
Year 1	1	2	2	2	2
Years 2-5	9	8	8	8	8
Post Year 5	10	2	14	14	14
Partnership cities	15	20	25	25	25
Number of new businesses	33	40	44	44	44
Number of new jobs	188	200	225	225	225
<u>Output Measures</u>					
On-site assistance	57	62	65	65	65
Conference and workshops	6	7	10	65	65
Design assistance	33	40	44	44	44
Facade renovations	18	20	22	22	22
Other rehabilitation	55	60	65	65	65
Investment-public and private	\$11.3 M	\$12.4 M	\$15.0 M	\$15.0 M	\$15.0 M

The following table illustrates the Division's efforts to encourage metropolitan and nonmetropolitan counties to develop and implement economic development strategic plans:

<b>Outcome Measures</b>	<b>FY 1994</b>	<b>FY 1995</b>	<b>FY 1996</b>	<b>FY 1997</b>	<b>FY 1998</b>
Planning grants	37,530	260,000	90,000	75,000	--
Action grants	374,430	340,000	520,000	125,000	200,000
Conferences	20	25	25	15	15
Workshops	3	3	3	3	1
<b>Output Measures</b>					
Conferences	20	25	25	15	15
Workshops	3	3	3	3	3

**House Committee Recommendation**

The House Committee concurs.

**House Committee of the Whole Recommendation**

The House concurs with the recommendation of the Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 96</u>	<u>House Rec. FY 96</u>	<u>Senate Subc. Adj.</u>
All Funds:			
State Operations	\$ (160,294)	\$ 12,960,244	\$ 10,000
Aid and Other Assistance	(900,000)	66,020,446	500,000
Capital Improvements	0	35,000	0
TOTAL	<u>\$ (1,060,294)</u>	<u>\$ 79,015,690</u>	<u>\$ 510,000</u>
State General Fund:			
State Operations	\$ (57,936)	\$ 1,441,471	\$ 10,000
Aid and Other Assistance	0	280,732	0
TOTAL	<u>\$ (57,936)</u>	<u>\$ 1,722,203</u>	<u>\$ 10,000</u>
Economic Development Initiatives Fund:			
State Operations	\$ 15,000	\$ 6,165,914	\$ 0
Aid and Other Assistance	(900,000)	10,689,600	500,000
Capital Improvements	0	35,000	0
TOTAL	<u>\$ (885,000)</u>	<u>\$ 16,890,514</u>	<u>\$ 500,000</u>
FTE Positions	--	116.5	--
Special Project Appointments	--	10.0	--
TOTAL	<u>--</u>	<u>126.5</u>	<u>--</u>

**Senate Subcommittee Recommendation**

The Subcommittee concurs with the House with the following modifications:

1. Add \$500,000 (EDIF) and shift \$200,000 from the Strategic Planning Program to establish a new approach to revitalizing communities: Incubator Without Walls (IWW). The Subcommittee shares the concerns expressed by the Secretary of Commerce and Housing regarding the specificity of the Department's appropriations and the problems this can pose when the dollars available do not "fit" the economic development needs of a particular community. The IWW program would be designed to create, retain, and provide the expansion of downtown businesses by serving as a resource to "fill in the gaps" in the economic development strategies of selected Main Street cities. Funds may be used for loans or, in some cases, grants to cities or businesses for a multitude of purposes, such as acquisition of inventory or buildings, renovation of building facades, or provision of working capital.

The Main Street program has been identified as the appropriate vehicle for the initial stages of the program since these communities already have in place a plan, a structure, and a mechanism for monitoring outcomes. In future years, consideration should be given to expanding the program to other non-Main Street

communities demonstrating a commitment to community revitalization. The Secretary believes the IWW approach can also serve the goal of better coordinating other programs available within the Department to make a critical and lasting difference in the targeted communities.

2. Add \$10,000 (State General Fund) for State Operations.



**KANSAS LEGISLATIVE RESEARCH DEPARTMENT**

**300 S.W. 10th Avenue  
Room 545-N – Statehouse**

**Phone 296-3181**

**March 21, 1995**

**TO: Senator Dave Kerr**

**Office No. 120-S**

**RE: Key Concepts for Economic Development Strategy**

Per our discussion, below are some key concepts for the Legislature and state agencies to consider in restructuring state supported economic development efforts. Since 1987 when I began staffing the economic development committees, I have been struck by the lack of sustained effort directed toward various policy objectives. While many of the economic development programs are well intended, they are not provided to end users in an orchestrated manner and, therefore, cannot affect critical mass and make long term and meaningful changes. For example, when a community development strategic implementation grant is awarded to a county, there does not appear to be any ongoing effort to ensure that the county's strategy will be implemented and that possible spin offs will be realized. The same could be said of technical assistance provided to Main Street communities, export assistance, CDBG moneys to communities, finance assistance to small businesses, or a host of other otherwise well intended state economic development programs.

Given current fiscal constraints, the state needs to ensure that: coordination among all economic development service providers is occurring; local strategies are appropriate for outcomes identified by states but are tailored to actual community needs (not "one size fits all"); and that there is community and business commitment to the locally determined strategy. Even though it is difficult to attribute job creation or retention unilaterally to a set of state-assisted programs, there needs to be some monitoring mechanism with measurable indicators and some means of determining whether end users can easily access the state services; are satisfied with them, and find them useful.

Therefore, the following concepts might be considered as we move toward the next stage of economic development in Kansas.

**Components of a New Economic Development Strategy**

1. The state should direct resources to build and particularly to sustain capacity in communities and on a regional basis.

*SWAM  
March 22, 1995  
Attachment 3*

2. Strategies should be determined at the local, and preferably regional, level. The state should: provide technical assistance; strongly encourage chambers of commerce, in cooperation with other affected parties, such as neighborhood organizations, to conduct needs assessments for state technical assistance; develop outcomes and measurable indicators for assistance programs; and provide oversight and suggestions to communities and regional organizations for strengthening strategies.
3. Existing economic development programs should be provided synergistically to increase capacity in communities and regions. This should be a condition of all legislative appropriations. Evaluation of agency performance should include coordination of economic development service providers (within and external to the Kansas Department of Commerce) as a major factor.
4. Tracking systems with meaningful indicators should be required for all programs as a precondition for continued funding.
5. All programs should require business plans or community plans (depending on program) as the basis for funding so that one has a means of evaluating whether local/regional strategy is appropriate for realizing state-defined outcomes. The affected state agency would have to identify outcomes prior to the development of local/regional strategies and prior to providing assistance to the business or community.
6. All state programs should be aimed at making communities and businesses self-sufficient. Funding for any community or business should be limited to a set period of years. The funding recipient should be required to provide matching funds or in-kind support. While grants might be advisable under certain limited circumstances (recruiting hot prospects), loans should be the preferred financing tool.
7. Consistent with No. 6, all programs should be reviewed after a fixed number of years and measures to determine degree of self-sufficiency of business/community should be part of evaluation process. In addition, retention and expansion of businesses and high-paying jobs should be important indicators in the evaluation of business assistance programs.
8. State agencies should be given flexibility in designing technical assistance packages. After all, the strategy should come from end users and the outcomes from the state. Sometimes local strategies might have to change to accommodate the relocation or closure of a major employer and state assistance might have to change accordingly. State agencies should be given flexibility to alter approaches if something is not working to advance progress toward state-determined outcomes.
9. State incentives should not counteract each other. For example, any incentives directed at relocating businesses from the downtown area to a new part of a community, which at a later date requires additional state incentives to revitalize the downtown is *not* good public policy.
10. Each economic development agency should be required to review annually each program under its auspices and recommend discontinuation of a program if it is no longer needed or cannot be implemented effectively. Agencies should be encouraged

to reapply funding to locally-derived strategies with proper controls and other attributes addressed above to maximize investments.

Lynne Holt  
Principal Analyst

LH/mc

cc: Senator Jerry Moran

# **1995 Senate Subcommittee Reports**

## **HB2090**

**Kansas Parole Board  
Ombudsman of Corrections  
Kansas Sentencing Commission  
Emergency Medical Services Board  
Kansas Highway Patrol  
Adjutant General  
Kansas Dept. of the Civil Air Patrol  
State Fire Marshal**

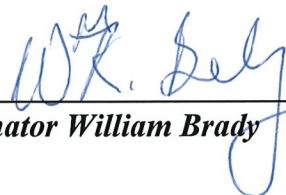
*SWAM  
March 22, 1995  
Attachment 4*

**FY 1995-FY 1996 SUBCOMMITTEE REPORT**

**House Bill No. 2090**

**Sec. 4 -- Kansas Parole Board**

  
\_\_\_\_\_  
**Senator Barbara Lawrence**  
**Subcommittee Chair**

  
\_\_\_\_\_  
**Senator William Brady**

**SUBCOMMITTEE REPORT**

**Agency:** Kansas Parole Board

**Bill No.** 2234

**Bill Sec.** 12

**Analyst:** Robinson

**Analysis Pg. No.** 451

**Budget Page No.** 417

<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	\$ 799,100	\$ 754,150	\$ 0
FTE Positions	13.0	13.0	0.0
Special Project Appointments	0.0	0.0	0.0
<b>TOTAL</b>	<u>13.0</u>	<u>13.0</u>	<u>0.0</u>

**Agency Estimate/Governor's Recommendation**

The Board's revised FY 1995 estimate of expenditures totals \$799,100, an increase of \$49,010 over the amount approved by the 1994 Legislature, as adjusted by State Finance Council action. The agency is requesting a State General Fund supplemental of \$49,010, which includes \$40,537 for separation pay for departing Board members, and \$8,473 to fully fund projected needs for salaries and wages.

For FY 1995, the Governor recommends expenditures of \$754,150, a reduction of \$44,950 from the amount estimated by the agency. The Governor recommends reductions from the agency estimate for salaries and wages (\$30,760), and travel (\$14,190). The recommended salaries and wages amount reflects a corrected calculation of the amount needed for separation pay for Board members, and imposes a 2.3 percent shrinkage rate, due to a vacant position. The reduction in travel assumes greater motor pool usage.

**House Subcommittee Recommendation**

The House Subcommittee concurs with the recommendations of the Governor.

**House Committee Recommendation**

Concur.

**House Committee of the Whole Recommendation**

Concur.

<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	\$ 0	\$ 754,150	\$ 0
FTE Positions	0.0	13.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>13.0</u>	<u>0.0</u>

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the House.

**SUBCOMMITTEE REPORT**

**Agency:** Kansas Parole Board

**Bill No.** 2090

**Bill Sec.** 4

**Analyst:** Robinson

**Analysis Pg. No.** 451

**Budget Page No.** 417

<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	\$ 912,543	\$ 746,912	\$ (21,685)
FTE Positions	13.0	12.0	0.0
Special Project Appointments	0.0	0.0	0.0
<b>TOTAL</b>	<u>13.0</u>	<u>12.0</u>	<u>0.0</u>

**Agency Request/Governor's Recommendation**

The agency requests FY 1996 expenditures of \$912,543, an increase of \$113,443 (14.2 percent) above the revised FY 1995 amount. Increases in the request for contractual services (\$2,733), commodities (\$6,200) and capital outlay (\$123,832) are partially offset by a reduction of \$19,322 in the salaries and wages request.

For FY 1996, the Governor recommends expenditures of \$746,912, a reduction of \$165,631 from the agency's request. The recommendation includes: \$652,630 for salaries and wages; \$91,939 for contractual services; and \$2,343 for commodities. The Governor does not recommend any capital outlay expenditures. In addition, the Governor recommends the elimination of a currently vacant position, reducing the agency's position limitation to 12.0 FTE positions.

**House Subcommittee Recommendation**

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

1. Delete \$21,685 from the State General Fund, based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$14,905); classified step movement (\$2,896); a one percent base adjustment for classified employees (\$1,760); and the longevity bonus (\$2,124) from individual agency budgets.
2. In reviewing several smaller agencies, including the Kansas Parole Board, the Kansas Sentencing Commission, and the Ombudsman of Corrections, the Subcommittee has concluded that some additional efficiencies could be achieved by pooling the clerical functions of certain agencies. In this manner, clerical staff could be better utilized and equipment such as FAX machines, copiers, and other capital equipment could be shared among several agencies. The Subcommittee is aware that the 1994 Legislature



approved funding for the Department of Administration to finance a study of state office space usage and needs in Shawnee County. The Subcommittee recommends that a similar study be undertaken regarding the co-location of agencies with the goal of pooling clerical functions for smaller agencies.

3. The agency presented information concerning the use of two-way interactive video for parole hearings. The agency indicated, that at the present time, it is more cost effective to continue the present system of traveling to correctional facilities for parole hearings than to utilize the interactive video facilities in the Landon State Office Building. The Subcommittee is also aware that the Department of Corrections is in the process of establishing two-way interactive video capabilities among the correctional facilities. The Subcommittee recommends that the Parole Board pursue the option of utilizing the facilities established by the Department of Corrections. The Subcommittee recommends that the agency be prepared to discuss the issue in greater detail with the Senate Subcommittee considering the agency's budget.

**House Committee Recommendation**

Concur.

**House Committee of the Whole Recommendation**

Concur.

<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	\$ (21,685)	\$ 725,227	\$ 0
FTE Positions	0.0	12.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>12.0</u>	<u>0.0</u>

**Senate Subcommittee Recommendation**

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

1. The Subcommittee notes that the agency is still experiencing problems related to the payment of accrued annual leave when an unclassified Board member separates from state service. Personnel Services Policy Statement No. 39 provides for crediting time served as an elected official toward the length of service calculations for persons subsequently appointed to positions in the executive branch. The

Subcommittee was under the impression that 1994 S.B. 56, approved by the 1994 Legislature, resolved the problem by providing that former elected officials who did not accrue annual leave time as part of elected positions shall not be credited with any prior service for calculating leave time. The agency informed the Subcommittee, however, that the provisions of 1994 S.B. 56 apply only to retirements and not to separations.

The Subcommittee, therefore, recommends the introduction of legislation to make the same provision for cases of separation from employment.

**FY 1995-FY 1996 SUBCOMMITTEE REPORT**

**House Bill No. 2090**

**Sec. 11 -- Ombudsman of Corrections**



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**Senator Robert Vancrum**  
**Subcommittee Chair**



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**Senator William Brady**

SWAM  
March 22, 1995  
Attachment 5

## SUBCOMMITTEE REPORT

**Agency:** Ombudsman of Corrections

**Bill No. --**

**Bill Sec. --**

**Analyst:** Robinson

**Analysis Pg. No. 447**

**Budget Page No. 153**

<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	\$ 181,312	\$ 178,303	\$ 0
FTE Positions	4.0	4.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>4.0</u>	<u>4.0</u>	<u>0.0</u>

### Agency Estimate/Governor's Recommendation

The agency estimate for FY 1995 is \$181,312, which is the amount approved by the 1994 Legislature, as adjusted by State Finance Council action. The funding, all of which is from the State General Fund, is composed of \$156,582 for salaries and wages of 4.0 permanent positions, and \$24,730 for other operating expenditures.

For FY 1995, the Governor recommends a total of \$178,303, a reduction of \$3,009 from the amount estimated by the agency. The Governor's recommendation includes \$155,994 for salaries and wages (a reduction of \$588 from the agency's revised estimate), and \$22,309 for other operating expenditures (a reduction of \$2,421 from the amount estimated by the agency).

### House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

### House Committee Recommendation

Concur.

### House Committee of the Whole Recommendation

Concur.

<u>Expenditure Summary</u>	<u>House Adj. FY 95</u>	<u>House Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 0	\$ 178,303	\$ 0
FTE Positions	0.0	4.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>4.0</u>	<u>0.0</u>

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the recommendation of the House.

**SUBCOMMITTEE REPORT**

**Agency:** Ombudsman of Corrections

**Bill No.** 2090

**Bill Sec.** 11

**Analyst:** Robinson

**Analysis Pg. No.** 447

**Budget Page No.** 153

<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	\$ 185,444	\$ 184,033	\$ (5,028)
FTE Positions	4.0	4.0	0.0
Special Project Appointments	0.0	0.0	0.0
<b>TOTAL</b>	<u>4.0</u>	<u>4.0</u>	<u>0.0</u>

**Agency Request/Governor's Recommendation**

The agency request for FY 1996 totals \$185,444, all of which is from the State General Fund. The requested funding is composed of \$160,714 for the salaries and wages of 4.0 FTE positions, the same as the number approved for FY 1995, and \$24,730 for other operating expenditures. For FY 1996, \$23,474 is requested for contractual services, and \$1,256 is requested for commodities. No funding is requested for capital outlay.

For FY 1996, the Governor recommends total expenditures of \$184,033, a reduction of \$1,411 from the amount requested by the agency. The Governor's recommendation includes \$161,339 for salaries and wages (an increase of \$625 over the agency's request), and \$22,694 for other operating expenditures (a reduction of \$2,036 from the amount requested).

**House Subcommittee Recommendation**

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

1. Delete \$5,028 from the State General Fund, based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$4,241); classified step movement (\$545); a one percent base adjustment for classified employees (\$243); and the longevity bonus (\$0) from individual agency budgets.

**House Committee Recommendation**

Concur.

**House Committee of the Whole Recommendation**

Concur.

<u>Expenditure Summary</u>	<u>House Adj. FY 96</u>	<u>House Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (5,028)	\$ 179,005	\$ 0
FTE Positions	0.0	4.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>4.0</u>	<u>0.0</u>

**Senate Subcommittee Recommendation**


The Senate Subcommittee concurs with the recommendations of the House.

***FY 1995-FY 1996 SUBCOMMITTEE REPORT***

***House Bill No. 2090***

***Sec. 14 -- Kansas Sentencing Commission***

  
***Senator Barbara Lawrence***  
***Subcommittee Chair***

  
***Senator Jerry Moran***

SWAM  
March 22, 1995  
Attachment 6



**SUBCOMMITTEE REPORT**

**Agency:** Kansas Sentencing Commission

**Bill No. --**

**Bill Sec. --**

**Analyst:** Robinson

**Analysis Pg. No. 527**

**Budget Page No. 465**

<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	\$ 510,182	\$ 560,150	\$ 0
Local Aid	3,138,850	3,138,850	0
<b>TOTAL</b>	<u><u>\$ 3,649,032</u></u>	<u><u>\$ 3,699,000</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 287,463	\$ 286,813	\$ 0
FTE Positions	5.0	5.0	0.0
Special Project Appointments	3.0	3.0	0.0
<b>TOTAL</b>	<u><u>8.0</u></u>	<u><u>8.0</u></u>	<u><u>0.0</u></u>

**Agency Estimate/Governor's Recommendation**

The agency estimate for FY 1995 totals \$3,649,032, a reduction of \$3,289,088 from the amount approved by the 1994 Legislature, as adjusted by State Finance Council action and as further adjusted by Executive Directive of the Governor. (Staff Note: By executive directive, the Governor transferred a total of \$6,682,556 from the Department of Administration to the Sentencing Commission. The funding included \$145,681 for state operations (3.0 special projects positions), and \$6,536,875 for state aid to local units of government for federal drug abuse grants.)

The agency's revised FY 1995 estimate includes funding of \$510,182 for state operations, and \$3,138,850 for aid to local units of government for federal drug abuse grants. (Staff Note: The budget also reflects nonreportable expenditures totaling \$896,162 for aid to state units of government for federal drug abuse grants. This funding passes through the budget of the Kansas Sentencing Commission to other state agencies for anti-drug abuse purposes.)

The amount requested for aid in FY 1995 is a reduction of \$3,398,025 from the amount authorized. This is the result in a reduction in funding from the federal Byrne memorial grant, which funds the largest portion of the agency's anti-drug abuse expenditures. The FY 1995 request would fund 5.0 FTE positions, the number currently authorized.

The Governor recommends FY 1995 expenditures totaling \$3,699,000, an increase of \$49,968 over the amount estimated by the agency. (Staff Note: By Executive Directive, the Governor authorized the agency to expend \$51,000 from a federal Juvenile Justice grant. This amount was not included in the agency's revised FY 1995 estimate.) The Governor's recommendation includes a reduction of \$1,032 in salaries and wages to reflect health insurance rate revisions. The Governor's recommendation includes \$560,150 for state operations, a reduction of \$1,032 from the agency's revised estimate. The Governor

concur with the agency's estimate of \$3,138,850 for local aid expenditures. The Governor's recommendation would fund the existing 5.0 FTE positions and 3.0 special projects appointments.

**House Subcommittee Recommendation**

The House Subcommittee concurs with the recommendations of the Governor.

**House Committee Recommendation**

Concur.

**House Committee of the Whole Recommendation**

Concur.

<u>Expenditure Summary</u>	<u>House Adj. FY 95</u>	<u>House Rec. FY 95</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 0	\$ 560,150	\$ 0
Local Aid	0	3,138,850	0
TOTAL	<u>\$ 0</u>	<u>\$ 3,699,000</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 0	\$ 286,813	\$ 0
FTE Positions	0.0	5.0	0.0
Special Project Appointments	0.0	3.0	0.0
TOTAL	<u>0.0</u>	<u>8.0</u>	<u>0.0</u>

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the recommendations of the House.

**SUBCOMMITTEE REPORT**

**Agency:** Kansas Sentencing Commission

**Bill No.** 2090

**Bill Sec.** 14

**Analyst:** Robinson

**Analysis Pg. No.** 527

**Budget Page No.** 465

<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	\$ 963,698	\$ 1,097,989	\$ (37,137)
Local Aid	3,138,850	3,138,850	0
<b>TOTAL</b>	<u>\$ 4,102,548</u>	<u>\$ 4,236,839</u>	<u>\$ (37,137)</u>
State General Fund:			
State Operations	\$ 451,600	\$ 448,069	\$ (13,753)
FTE Positions	9.0	6.0	(1.0)
Special Project Appointments	0.0	3.0	0.0
<b>TOTAL</b>	<u>9.0</u>	<u>9.0</u>	<u>(1.0)</u>

**Agency Request/Governor's Recommendation**

The agency's total FY 1996 request is \$4,102,548, an increase of \$453,516 from the revised FY 1995 estimate. The requested increase is entirely in state operations. The request would fund a total of 9.0 FTE positions, an increase of 4.0 over the number approved for FY 1995. The agency is requesting that 3.0 special projects appointments be made FTE positions, and that one other new FTE position be added.

The request also includes funding for improvement of criminal history record information. According to the agency, this would bring Kansas into compliance with the federal mandate outlined in the Brady Bill regarding the improvement of criminal history records. The federal Byrne grant provides a mechanism for Kansas to obtain assistance in upgrading and improving criminal history records. The federal funds would, however, require a 25 percent state match.

The Governor recommends FY 1996 expenditures of \$4,236,839, an increase of \$134,291 from the amount requested by the agency. The Governor's recommendation includes: \$352,074 for salaries and wages (a reduction of \$3,976 from the agency's request); \$102,212 for contractual services (a reduction of \$1,000); \$6,320 for commodities (as requested by the agency); and \$637,473 for capital outlay (an increase of \$139,267). The Governor's recommendation includes funding for: 1.0 new FTE Research Analyst position (\$22,773, excluding fringe benefits); for computer simulation software and fees (\$25,000); and for the agency's criminal history records improvement plan (\$625,073).

**House Subcommittee Recommendation**

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

1. Delete \$9,863, including \$6,934 from the State General Fund, based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$9,863); classified step movement (\$0); a one percent base adjustment for classified employees (\$0); and the longevity bonus (\$0) from individual agency budgets.
2. Delete funding of \$27,274, including \$6,819 from the State General Fund and delete the 1.0 new FTE Research Analyst position recommended by the Governor.
3. The Subcommittee heard testimony concerning the development of the Criminal Justice Information System. The Governor's recommendation includes a total of \$625,073 (including \$156,267 from the State General Fund and \$468,806 from federal funds) to allow the Sentencing Commission, under the authority of the Kansas Criminal Justice Coordinating Council, to develop a plan for the establishment of an integrated statewide criminal justice information system. The Subcommittee is generally supportive of the proposal, but would recommend that the agency utilize the services of an outside professional consultant to perform a needs analysis before the actual acquisition of hardware and software takes place. The needs analysis should involve a thorough analysis to define the computer needs, and using that information, should determine the tasks and products involved in the design and implementation of the system. When the analysis is completed, the information should be used to evaluate and estimate the resources needed to carry out the project.

**House Committee Recommendation**

Concur.

**House Committee of the Whole Recommendation**

Concur.

Expenditure Summary	House Adj. FY 96	House Rec. FY 96	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ (37,137)	\$ 1,060,852	\$ 0
Local Aid	0	3,138,850	0
TOTAL	<u>\$ (37,137)</u>	<u>\$ 4,199,702</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ (13,753)	\$ 434,316	\$ 0
FTE Positions	(1.0)	5.0	0.0
Special Project Appointments	0.0	3.0	0.0
TOTAL	<u>(1.0)</u>	<u>8.0</u>	<u>0.0</u>

### Senate Subcommittee Recommendation

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

1. During the 1994 Session, the Senate Subcommittee recommended the introduction of a bill to reduce the size of the Sentencing Commission by two members, the chairperson of the Kansas Parole Board or the chairperson's designee, and one commission member who is a representative of the general public. The bill, S.B. 831, was introduced and referred to the Senate Committee on Governmental Organization, and died in committee at the end of the 1994 Session. The Subcommittee still believes that the size of the Commission could be reduced without a negative impact on the ability of the Commission to fulfill its statutory mission. The Subcommittee recommends, therefore, that a substantive bill be introduced which would reduce the membership of the Commission by three members, the chairperson of the Kansas Parole Board or the chairperson's designee, and two commission members who are representatives of the general public. In addition, the Subcommittee recommends, as suggested by the House Subcommittee considering the agency's budget during the 1994 Session, that the bill also remove from the Commission the four members of the Legislature who are ex officio, nonvoting members of the Commission. As noted by the 1994 House Subcommittee, while legislative input may have been desirable on the Commission prior to the enactment of the Sentencing Guidelines Act, there is little justification for continued legislative membership. The reduction in the size of the Commission is expected to save approximately \$4,000 to \$5,000 annually.

The current Commission membership includes: the Chief Justice or a designee; two district court judges appointed by the Chief Justice; the Attorney General or a designee; one public defender; one private defense counsel; two members of the general public (at least one of whom must be a member of a racial minority group), one county or district attorney, and a director of a community corrections program; all appointed by the Governor; the Secretary of Corrections or a designee; the Chairperson of the Kansas Parole Board, or a designee; and a court services officer appointed by the Chief Justice. Four members of the Legislature are designated ex officio, nonvoting members of the Commission. The Governor appoints a Chairperson and no more than three of the Governor's appointments may be from the same political party.

2. The Governor's recommendation includes funding of \$625,073, including \$156,267 from the State General Fund, for use in developing the Criminal Justice Information System (CJIS). The State General Fund recommendation provides the 25 percent match to access \$468,806 in federal funding. Since the Governor's recommendation was made, the agency has been informed that an additional \$437,934 in federal funding is available for use on the CJIS. This would require an additional match of \$145,978 from the State General Fund. The agency indicated that it had requested a Governor's Budget Amendment for the additional state matching funds. The Subcommittee recommends that this issue be revisited during consideration of items for inclusion in the Omnibus appropriations bill.

3. As a technical adjustment, add transfer language to the appropriations bill to allow the transfer of funding from the Department of Administration to the Sentencing Commission. A fund to accept the money is included in the bill, but the necessary transfer language was inadvertently omitted.

**SUBCOMMITTEE REPORT**

**Agency:** Emergency Medical Services Board      **Bill No. --**      **Bill Sec. --**

**Analyst:** Mah      **Analysis Pg. No. 515**      **Budget Page No. 181**

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 751,495	\$ 750,425	\$ 0
Regional Council Grants	70,200	70,200	0
<b>TOTAL</b>	<u><u>\$ 821,695</u></u>	<u><u>\$ 820,625</u></u>	<u><u>\$ 0</u></u>
<b>State General Fund:</b>			
State Operations	\$ 289,271	\$ 288,201	\$ 0
Regional Council Grants	70,200	70,200	0
<b>TOTAL</b>	<u><u>\$ 359,471</u></u>	<u><u>\$ 358,401</u></u>	<u><u>\$ 0</u></u>
FTE Positions	13.0	13.0	0.0
Special Project Appointments	0.0	0.0	0.0
<b>TOTAL</b>	<u><u>13.0</u></u>	<u><u>13.0</u></u>	<u><u>0.0</u></u>

**Agency Estimate/Governor's Recommendation**

The agency estimates FY 1995 expenditures of \$821,695, a reduction of \$4,305 from the currently approved budget of \$826,000. Included in the revised estimate is \$533,093 for salaries and \$218,402 for other state operations. The remaining \$70,200 provides for continuing grants to four nonprofit regional emergency medical service councils covering the state. The grants were reduced from the amount originally approved (\$79,200) because the Board anticipated at a meeting following the 1994 Session that appropriated moneys for FY 1995 would not cover the costs of continuing current services. The Board estimated a shortage of \$12,000, choosing to reduce grant awards to the regional councils by \$9,000 and the agency's operating expenditures by the remaining \$3,000.

The Governor's FY 1995 recommendation of \$820,625 is a reduction of \$1,070 from the agency's revised estimate of \$821,695. The reduction is mostly due to adjustments to fringe benefit costs to reflect lower than originally anticipated health insurance rates.

**House Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation and notes the Governor's following performance indicators:

*SWAM  
March 22, 1993  
Attachment 7*

Performance Indicators	Actual FY 1994	Est. FY 1995	Est. FY 1996*
Service Inspections	168	190	170
Times On-Site Technical Assistance Provided	32	35	35
Ambulance Attendants Certified or Recertified	9,921	10,350	10,350
Instructor/Coordinator Training Courses	214	210	220
Initial and Continuing Education Courses Approved	1,527	1,600	1,600

\* Estimated level of performance under Governor's recommendation.

**House Committee Recommendation**

The House Committee concurs with the House Subcommittee's recommendation.

**House Committee of the Whole Recommendation**

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

Expenditure Summary	House Adj. FY 95	House's Rec. FY 95	Senate Subc. Adj.
All Funds:			
State Operations	\$ 0	\$ 750,425	\$ 0
Regional Council Grants	0	70,200	0
TOTAL	<u>\$ 0</u>	<u>\$ 820,625</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 0	\$ 288,201	\$ 0
Regional Council Grants	0	70,200	0
TOTAL	<u>\$ 0</u>	<u>\$ 358,401</u>	<u>\$ 0</u>
FTE Positions	0.0	13.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>13.0</u>	<u>0.0</u>

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the House's recommendation.



*Barbara Lawrence*  
\_\_\_\_\_  
Senator Barbara Lawrence, Chair

*Jerry Moran*  
\_\_\_\_\_  
Senator Jerry Moran

## SUBCOMMITTEE REPORT

Agency: Emergency Medical Services Board      Bill No. 2090      Bill Sec. 13

Analyst: Mah      Analysis Pg. No. 515      Budget Page No. 181

Expenditure Summary	Agency Request FY 96	Governor's Recommendation FY 96	House Subcommittee Adjustments
<b>All Funds:</b>			
State Operations	\$ 1,230,456	\$ 1,123,177	\$ (383,246)
Regional Council Grants	200,000	70,200	(70,200)
<b>TOTAL</b>	<b><u>\$ 1,430,456</u></b>	<b><u>\$ 1,193,377</u></b>	<b><u>\$ (453,446)</u></b>
<b>State General Fund:</b>			
State Operations	\$ 772,537	\$ 694,777	\$ (370,214)
Regional Council Grants	200,000	70,200	(70,200)
<b>TOTAL</b>	<b><u>\$ 972,537</u></b>	<b><u>\$ 764,977</u></b>	<b><u>\$ (440,414)</u></b>
FTE Positions	15.0	13.0	0.0
Special Project Appointments	0.0	0.0	0.0
<b>TOTAL</b>	<b><u>15.0</u></b>	<b><u>13.0</u></b>	<b><u>0.0</u></b>

### Agency Request/Governor's Recommendation

The agency requests FY 1996 expenditures of \$1,430,456, an increase of \$608,761 above the current year revised estimate of \$821,695. The agency requests funding for 15.0 FTE positions, including \$83,450 for the salaries and other operating costs of 2.0 FTE new positions (an EMS Development Specialist I and a Programmer Analyst II). Further, the agency requests \$365,800 for the first year funding of a ten-year plan to create a statewide EMS ultra high frequency (UHF) communications system. The proposal would allow the agency to integrate with the Kansas Department of Transportation's statewide 800 Mhz system that began in FY 1993. Another significant increase above the current year revised estimate is the request for annual grants to the four EMS regional councils. A total of \$200,000 is requested from the State General Fund to increase grants from \$17,550 to \$50,000 each. The agency asks that the moneys for the grants be combined with the agency's other State General Fund expenditures and appropriated as one-line item instead of the historical pattern of two separate line items (one for the agency's operating expenses and the other for the regional council grant amounts). Out of concern that the agency could experience a shortfall in revenues to cover current services, the 1994 Legislature made a single line item appropriation for FY 1995 to give the agency flexibility for use of the moneys. The agency is asking that the 1995 Legislature continue this policy of a single line item appropriation for its State General Fund moneys in FY 1996.

The Governor's FY 1996 recommendation of \$1,193,377 is a reduction of \$237,079 from the agency's request of \$1,430,456. Salaries and wages are reduced by \$62,975 and all other operating expenditures by \$174,104. The recommendation deletes moneys requested for 2.0 new FTE positions and for increasing grant amounts to four regional emergency medical services councils. Also deleted are moneys

requested to have on-line access to the state's new employee payroll system that begins in January, 1996. Included in the recommendation is the requested \$365,800 from the State General Fund to begin a ten-year plan for a statewide communications system. Also, an additional 1.0 percent salary adjustment is included in the recommendations so that the agency's classified staff would receive a 3.5 percent base salary adjustment in FY 1996 instead of the more historical rate of 2.5 percent. There also is an unclassified merit pool of 3.5 percent for the Board's Administrator. With regard to the request to continue a single-line appropriation for all of the agency's approved State General Fund moneys, the Governor concurs.

### **House Subcommittee Recommendation**

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

1. The Subcommittee concurs with the Governor who did not recommend FY 1996 funding to cover the costs of on-line access to the state's new employee payroll system that will be implemented in January, 1996. The Subcommittee was told that the Governor was not recommending funding for agencies that have less than 15.0 employees. The Subcommittee believes that this 13.0 FTE agency should team with another agency for its payroll needs, making it unnecessary for the agency to expend moneys in either the current year or FY 1996 because of the new payroll system being implemented by the Department of Administration in January, 1996.
2. Delete \$365,800 from the State General Fund recommended by the Governor so the agency could begin its ten-year plan for a statewide EMS ultra high frequency communications system. The Subcommittee believes the project can be delayed for a year without consequence. It is the Subcommittee's intent to review next year the agency's proposed plan for a statewide EMS communications system.
3. Delete \$70,200 from the State General Fund recommended by the Governor for continued state financing of four regional EMS councils. The Subcommittee is not convinced of the need for state funding in FY 1996. Information obtained from the agency shows that moneys appropriated in prior years for the regional councils remain unexpended. Further, a review of the individual budgets of the regional councils provided to the agency raises concern about how the state moneys have been used by the regional councils.
4. Delete \$17,446, including \$4,414 from the State General Fund based on the House Appropriations Committee's recommendation to delete funding for a 3.5 percent unclassified merit pool (\$2,198); classified step movement (\$8,198); a one percent base adjustment for classified employees (\$3,861); and the longevity bonus (\$3,189) from individual agency budgets.

### **House Committee Recommendation**

The House Committee concurs with the House 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>House Adj. FY 96</u>	<u>House Rec. FY 96</u>	<u>Senate Subc. Adj.</u>
All Funds:			
State Operations	\$ (383,246)	\$ 739,931	\$ 455,950
Regional Council Grants	(70,200)	0	0
<b>TOTAL</b>	<b><u><u>\$ (453,446)</u></u></b>	<b><u><u>\$ 739,931</u></u></b>	<b><u><u>\$ 455,950</u></u></b>
State General Fund:			
State Operations	\$ (370,214)	\$ 324,563	\$ 0
Regional Council Grants	(70,200)	0	0
<b>TOTAL</b>	<b><u><u>\$ (440,414)</u></u></b>	<b><u><u>\$ 324,563</u></u></b>	<b><u><u>\$ 0</u></u></b>
FTE Positions	0.0	13.0	0.0
Special Project Appointments	0.0	0.0	0.0
<b>TOTAL</b>	<b><u><u>0.0</u></u></b>	<b><u><u>13.0</u></u></b>	<b><u><u>0.0</u></u></b>

**Senate Subcommittee Recommendation**

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

1. Add \$455,950 for an EMS statewide 800 megahertz communication system. The Governor recommended and the House deleted \$365,800 from the State General Fund to begin in FY 1996 the EMS Board's ten-year plan for a statewide ultra high frequency (UHF) communications system. The Governor's recommendation, which was based on the Board's ten-year plan, did not include enough moneys for equipment to start using all existing tower sites. Therefore, the Senate Subcommittee recommends instead \$455,950 from currently uncommitted funds, estimated to be slightly less than \$3.1 million, available from the Department of Transportation's Highway Safety Fund. The Department of Transportation will have the uncommitted funds available in October, 1995, when there will be a transfer of moneys from the highway construction funds to the Kansas Highway Safety Fund. The Department of Transportation reports that the EMS Board's communication system would be a viable option for use of the moneys as long as the moneys are not used for construction of permanent structures. (The Senate Subcommittee asks the Board to work with the Department of Transportation so that the Legislature is provided written confirmation from the federal government before the Omnibus session that the recommended moneys can be used as outlined in this report.) The recommended \$455,950 would be for repeaters to link one site to another and for phone patches to allow communication between radio and telephone users. Moneys also would be for tower site hookups (antennas and cables) as well as for installation

costs of the equipment. Specifically, the recommended moneys would allow the Board to make use of ten tower sites already completed by the Department of Transportation and to use another 12 tower sites that will be completed by the Department of Transportation before the end of FY 1996. These tower sites provide for communication coverage across the northeast part of the state. A breakdown of the cost of hookups and installation for each of the 22 tower sites is shown in the table below:

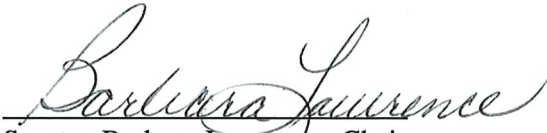
Repeater, including installation costs of \$300	\$ 17,300
Phone patch, including installation costs of \$300	3,200
Federal Communications Commission radio license	<u>225</u>
TOTAL	<u>\$ 20,725</u>


The Department of Transportation indicates that there will be a total of 60 to 70 tower sites when the Department completes its 800 Mhz communication system across the state over the next eight to ten years. Using current prices, future appropriations for the EMS Board over the next few years to allow the Board to continue to integrate with the Department of Transportation's statewide communication system would total \$766,825 to \$974,075 (excluding one known existing tower site in Topeka for which the Board reports no costs will be incurred). From the Senate Subcommittee's perspective, total costs of the EMS communication system (ranging from \$1,222,775 to \$1,430,025) would be significantly less than the Board's estimated ten-year costs of \$3,658,000, mostly because the Senate Subcommittee does not believe state-level funding should be included to buy mobile radio units for each ambulance across the state (currently estimated to cost \$1,928,500 or \$3,500 each for 551 ambulances in the state). The Senate Subcommittee wants funding for the radio units to come from local or private sources.

To take care of future financing of the communication system, the Senate Subcommittee's intent is that the Department of Transportation and the EMS Board seek a commitment from the federal government for all projected costs of the communication system (\$1,430,025), which will be credited to the EMS Board in the form of a grant. Out of the grant funds, \$455,950 would be appropriated for the communication system in FY 1996, with the remainder to be appropriated for the system in subsequent fiscal years.

2. The agency reported to the Senate Subcommittee that it requested \$9,500 for costs related to accessing the state's new payroll system that will be implemented in January, 1996. The Governor recommended none of the requested moneys for FY 1996, suggesting instead that possible savings in the current year could be used to acquire hardware and software for the new payroll system. Information from the Governor's office indicated that the Governor thought the agency was currently functioning as a paper agency in regard to payroll procedures. However, the agency told the Senate Subcommittee that its payroll needs are met through on-line computer access and that it would like to continue as a computer access agency

instead of becoming a paper agency for its payroll procedures. While the House recommended that the agency team with another state agency for its payroll needs, the Senate Subcommittee believes that input from the Department of Administration on this matter would be helpful. Therefore, it asks the agency to consult with the Department of Administration so that, if it would be more cost effective for the agency to purchase equipment in order to have direct computer access to the state's new payroll system, documentation can be provided by the agency from the Department of Administration for possible consideration by the Legislature during the Omnibus session.

  
\_\_\_\_\_  
Senator Barbara Lawrence, Chair

  
\_\_\_\_\_  
Senator Jerry Moran

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KANSAS DEPARTMENT OF TRANSPORTATION

E. Dean Carlson  
Secretary of Transportation

Docking State Office Building  
Topeka 66612-1568  
(913) 296-3566  
TTY (913) 296-3585  
FAX (913) 296-1095  
March 22, 1995

Bill Graves  
Governor of Kansas

The Honorable August "Gus" Bogina  
Chairperson, Senate Ways and Means  
Statehouse, Room 120-S  
Topeka, Kansas

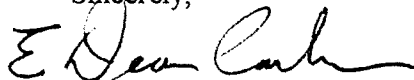
Dear Chairman Bogina:

It has come to our attention that consideration is being given to development of legislation that would transfer Highway Safety funds from the Kansas Department of Transportation to the Emergency Medical Services (EMS) Board for the development of a statewide EMS communication system. As you are aware, the utilization of the monies transferred from our highway construction funds to the Highway Safety Fund due to the lack of a state universal helmet law requires federal approval. We intend to submit a proposed plan which would incorporate the EMS program as a part of our Statewide Communications Plan. This would allow the Kansas Department of Transportation to directly fund and support the EMS program fully coordinated with our communications development. Therefore, legislation transferring these funds is unnecessary.

We have been in contact with the National Highway Traffic Safety Administration regarding our desire to utilize Highway Safety Funds for the development of a statewide communication system and believe that necessary approvals can be secured. It is our intention that no additional staff or resources will be required for continuing activities associated with this plan.

I hope that this information provides some further clarification on this issue. If additional information is needed or if you would like to discuss this matter further, please let me know.

Sincerely,



E. Dean Carlson  
Secretary of Transportation

cc: Senator Jerry Moran  
Senator Barbara Lawrence


SWAM  
March 22, 1995  
Attachment 8

# 1995 House Bill 2090

## Section 5

# Kansas Highway Patrol

  
\_\_\_\_\_  
Senator Alicia Salisbury, Chairman

  
\_\_\_\_\_  
Senator Jerry Karr

SWAM  
March 22, 1995  
Attachment 9



**SUBCOMMITTEE REPORT**

**Agency:** Kansas Highway Patrol

**Bill No.** 2234

**Bill Sec.** 11

**Analyst:** Colton

**Analysis Pg. No.** 482

**Budget Page No.** 249

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
All Funds			
State Operations	\$ 39,679,247	\$ 39,330,310	\$ 0
Other Assistance	674,883	674,883	0
Total	<u>\$ 40,354,130</u>	<u>\$ 40,005,193</u>	<u>\$ 0</u>
<b>Capital Improvements:</b>			
MCI Fund	\$ 220,000	\$ 220,000	\$ 0
Other Funds	215,000	215,000	0
Total	<u>\$ 435,000</u>	<u>\$ 435,000</u>	<u>\$ 0</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 40,789,130</b>	<b>\$ 40,440,193</b>	<b>\$ 0</b>
FTE Positions	814.6	814.6	0.0

**Agency Estimate/Governor's Recommendation**

The agency estimates FY 1995 operating expenditures in the amount of \$40,354,130. This is \$2,629,117 more than was approved by the 1994 Legislature as adjusted by the State Finance Council. The Highway Patrol is seeking an FY 1995 supplemental appropriation from the State General Fund in the amount of \$1,407,060. According to the agency, the supplemental appropriation is necessary in order to meet the liability incurred by the agency in the settlement of the *Kinnett* lawsuit against the State of Kansas. Also included in the \$2.629 million figure is \$840,000 from the Kansas Highway Patrol Motor Vehicle Fund, which is a no-limit fund.

The Governor recommends FY 1995 operating expenditures of \$40,005,193, which is a reduction of \$348,937 from the amount estimated by the agency. The Governor recommends a supplemental appropriation of \$1.154 million from the State General Fund for the agency, so that it might deal with its liabilities from the *Kinnett* lawsuit. The Governor revises approved expenditures for salaries and wages to reflect changes in fringe benefit rates, and recommends cuts in other operating expenditures of approximately \$202,000, apparently in an attempt to recoup expenditures from the *Kinnett* lawsuit.

### **House Subcommittee Recommendation**

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

1. The Subcommittee is pleased to announce that the Highway Patrol has agreed to provide the state matching funds for a federal grant which will enable the Kansas Bureau of Investigation to purchase the "DRUGFIRE" computerized ballistic sample identification system. This technology, which was developed by the Federal Bureau of Investigation, is able, with the aid of special cameras, computer software and computerized photography, to record and store for law-enforcement use the similarity of microscopic variations, identifications and patterns on spent shell casings. The software is available gratis from the FBI. The KBI, in its FY 1996 budget request, asked for \$60,000 in matching funds for a federal grant that would allow the agency to purchase a server, DRUGFIRE workstations, and other equipment necessary to establish a DRUGFIRE network in Kansas.

The Highway Patrol will provide the matching funds out of federal criminal interdiction funds. The Subcommittee is pleased that the two agencies are in cooperation in this effort, and commends the Highway Patrol for its dedication to the cause of law enforcement and public safety in the State of Kansas.

The Kansas Bureau of Investigation is awaiting word on the outcome of its application for the federal DRUGFIRE grant. The agency hopes to have had word on this matter by the end of the 1995 legislative session.

### **Senate Subcommittee Recommendation**

Concur.

**SUBCOMMITTEE REPORT**

**Agency:** Kansas Highway Patrol

**Bill No.** 2090

**Bill Sec.** 5

**Analyst:** Colton

**Analysis Pg. No.** 482

**Budget Page No.** 249

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
<b>Operating Expenditures:</b>			
<b>All Funds</b>			
State Operations	\$ 42,857,886	\$ 39,458,888	\$ (947,760)
<b>Capital Improvements:</b>			
MCI Fund	\$ 202,513	\$ 0	\$ 0
Other Funds	235,000	235,000	0
Total	<u>\$ 437,513</u>	<u>\$ 235,000</u>	<u>\$ 0</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 43,295,399</b>	<b>\$ 39,693,888</b>	<b>\$ (947,760)</b>
FTE Positions	849.6	814.6	0.0

**Agency Request/Governor's Recommendation**

The agency requests FY 1996 operating expenditures of \$42,857,886. Of the requested funding, \$26,043,728 is from the State General Fund and \$16,814,158 is from special revenue funds. The request would fund 846.9 FTE positions, an increase of 35.0 FTE positions from the revised current year estimate.

Of the 35.0 requested new FTE positions, 30.0 FTE are new Trooper I positions within the Patrol Operations sub-program, and 5.0 FTE are CASP Police Officer positions within the Capitol Area Security Patrol.

The Governor recommends FY 1996 operating expenditures of \$39,693,888, which is a reduction of \$3,601,511 from the amount requested by the agency. The Governor does not recommend the new positions that the agency requested. Several expenditure categories are reduced with respect to the Governor's current year recommendations, almost all of which are in the Patrol Operations program. The Governor's recommendation will have the effect of lowering levels of service that the agency is able to provide. For example, under the Governor's recommendations, patrol miles driven will fall from 10.44 million in FY 1994 to 9.1 million in FY 1995 and 1996. Hours of overtime per Trooper will drop from the approved 13½ hours in the current year to 10 hours in FY 1996. The Governor's recommendation contains funding for classified step movement, a 1-percent base salary adjustment for classified employees, and a 3.5-percent unclassified merit increase.

### **House Subcommittee Recommendation**

Concur, with the following adjustments:

1. Place funding for the Governor's salary plan (\$917,372 all funds, \$575,224 State General Fund) in another bill.
2. Place funding for SHARP implementation (\$30,388) in another bill.

### **Senate Subcommittee Recommendation**

The Senate Subcommittee agrees with the House recommendations, with the following adjustments and comments:

1. At the direction of last year's Senate Subcommittee, the Highway Patrol investigated the possibility of renegotiating its lease of office and storage space at the Jayhawk Tower in Topeka. The Patrol is considering entering into a proposed new lease, which would result in saving to the state of approximately \$18,401.

It is the opinion of the Subcommittee that the Patrol should take advantage of the savings that could result from the proposed new lease, and direct the State General Fund dollars saved in the new lease towards the purchase of overhead lights for Patrol vehicles in metropolitan areas, which are a high priority for the agency but which the Governor did not fund.

2. The Subcommittee learned that since the Patrol began a special training program for Patrol officers in improving relations with the public, complaints against Patrol officers have dropped 43 percent. The Subcommittee is very impressed with this result, and is impressed with the agency's efforts aimed at improving its employees' ability to serve the public in a courteous way.
3. The Subcommittee was told that the agency could lose about 50 experienced officers if buy-out programs like those currently under consideration in the Senate are implemented. The Subcommittee calls this to the Committee's attention, since it may require legislative attention in coming sessions.

# Subcommittee Report

## Adjutant General

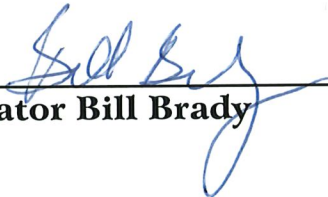
1995 H.B. 2090

### Section 2



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Senator Barbara Lawrence, Chairman



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Senator Bill Brady

SWAM  
March 22, 1995  
Attachment 10

**SUBCOMMITTEE REPORT**

Agency: Adjutant General

Bill No. 2234

Bill Sec. 8

Analyst: Mills

Analysis Pg. No. 455

Budget Page No. 3

<u>Expenditure Summary</u>	<u>Agency Request FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 13,664,978	\$ 13,460,354	\$ 0
Aid to Local Units	15,317,703	15,314,500	0
Other Assistance	4,519	4,519	0
Subtotal	<u>\$ 28,987,200</u>	<u>\$ 28,779,373</u>	<u>\$ 0</u>
Capital Improvements	481,064	509,664	0
<b>TOTAL</b>	<u><u>\$ 29,468,264</u></u>	<u><u>\$ 29,289,037</u></u>	<u><u>\$ 0</u></u>
<b>State General Fund:</b>			
State Operations	\$ 3,505,122	\$ 3,487,714	\$ 0
Aid to Local Units	15,703	12,500	0
Other Assistance	4,519	4,519	0
Subtotal	<u>\$ 3,525,344</u>	<u>\$ 3,504,733</u>	<u>\$ 0</u>
Capital Improvements	283,879	248,839	0
<b>TOTAL</b>	<u><u>\$ 3,809,223</u></u>	<u><u>\$ 3,753,572</u></u>	<u><u>\$ 0</u></u>
FTE Positions	230.0	230.0	0.0
Special Project Appointments	5.0	5.0	0.0
<b>TOTAL</b>	<u><u>235.0</u></u>	<u><u>235.0</u></u>	<u><u>0.0</u></u>

**Agency Request/Governor's Recommendation**

The agency estimate for operating expenditures for FY 1995 totals \$28,987,200, which is composed of \$7,391,125 for salaries and wages, \$6,273,853 for other operating expenditures, \$15,317,703 for aid to local units, and \$4,519 for other assistance. The FY 1995 operating expenditure estimate is composed of \$3,525,344 from the State General Fund and \$25,461,856 from other funds, chiefly federal funds. The estimate for salaries and wages will support 230.0 FTE positions, and 5.0 special project appointments for a total of 235.0 positions..

The Governor's recommendation for operating expenditures in FY 1995 totals \$28,779,373 which is composed of \$7,186,501 for salaries and wages, \$6,273,853 for other operating expenditures, \$15,314,500 for aid to local units, and \$4,519 for other assistance. The FY 1995 recommendation is composed of \$3,504,733 from the State General Fund and \$25,274,640 from other funds, chiefly federal funds. The *Governor's Budget Report* indicates that the salaries and wages funding supports 230.0 FTE positions, and 5.0 special project appointments for a total of 235.0 positions. The Governor also recommends a State General Fund supplemental appropriation of \$62,232; this funding is recommended for

the Air National Guard unit at McConnell Air Force Base in Wichita which has been converted to a B-1 bomber mission.

**House Subcommittee Recommendation**

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

**House Committee Recommendation**

Concur.

**House Committee of the Whole Recommendation**

Concur.

<u>Expenditure Summary</u>	<u>House Adj. FY 95</u>	<u>House Rec. FY 95</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 0	\$ 13,460,354	\$ 0
Aid to Local Units	0	15,314,500	0
Other Assistance	0	4,519	0
Subtotal	<u>\$ 0</u>	<u>\$ 28,779,373</u>	<u>\$ 0</u>
Capital Improvements	0	509,664	0
TOTAL	<u><u>\$ 0</u></u>	<u><u>\$ 29,289,037</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 0	\$ 3,487,714	\$ 0
Aid to Local Units	0	12,500	0
Other Assistance	0	4,519	0
Subtotal	<u>\$ 0</u>	<u>\$ 3,504,733</u>	<u>\$ 0</u>
Capital Improvements	0	248,839	0
TOTAL	<u><u>\$ 0</u></u>	<u><u>\$ 3,753,572</u></u>	<u><u>\$ 0</u></u>
FTE Positions	0.0	230.0	0.0
Special Project Appointments	0.0	5.0	0.0
TOTAL	<u><u>0.0</u></u>	<u><u>235.0</u></u>	<u><u>0.0</u></u>

**Senate Committee Recommendation**

Concur.

**SUBCOMMITTEE REPORT**

Agency: Adjutant General

Bill No. 2090

Bill Sec. 2

Analyst: Mills

Analysis Pg. No. 455

Budget Page No. 3

<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	\$ 16,655,160	\$ 13,458,094	\$ (236,995)
Aid to Local Units	1,185,666	1,185,666	--
Other Assistance	4,519	4,519	--
Subtotal	<u>\$ 17,845,345</u>	<u>\$ 14,648,279</u>	<u>\$ (236,995)</u>
Capital Improvements	436,265	352,357	--
TOTAL	<u><u>\$ 18,281,610</u></u>	<u><u>\$ 15,000,636</u></u>	<u><u>\$ (236,995)</u></u>
State General Fund:			
State Operations	\$ 4,493,857	\$ 3,334,970	\$ (52,640)
Aid to Local Units	12,500	12,500	--
Other Assistance	4,519	4,519	--
Subtotal	<u>\$ 4,510,876</u>	<u>\$ 3,351,989</u>	<u>\$ (52,640)</u>
Capital Improvements	280,148	196,240	--
TOTAL	<u><u>\$ 4,791,024</u></u>	<u><u>\$ 3,548,229</u></u>	<u><u>\$ (52,640)</u></u>
FTE Positions	281.0	230.0	--
Special Project Appointments	6.0	7.0	--
TOTAL	<u><u>287.0</u></u>	<u><u>237.0</u></u>	<u><u>--</u></u>

**Agency Request/Governor's Recommendation**

The agency request for operating expenditures for FY 1996 totals \$17,845,345, which is composed of \$9,247,412 for salaries and wages, \$7,407,748 for other operating expenditures, and \$1,190,185 for aid and other assistance. The FY 1996 request is composed of \$4,510,876 from the State General Fund and \$13,334,469 from other funds, chiefly federal funds. The request for salaries and wages will support 281.0 FTE positions, and 6.0 special projects appointments for a total of 287.0 positions, an increase of 51.0 positions over the current year.

The Governor's recommendation for operating expenditures in FY 1996 totals \$14,648,279 which is composed of \$7,537,247 for salaries and wages, \$5,920,847 for other operating expenditures, and \$1,190,185 for aid and other assistance. The FY 1996 recommendation is composed of \$3,351,989 from the State General Fund and \$11,296,290 from other funds. The *Governor's Budget Report* indicates that the salaries and wages recommendation will support 230.0 FTE positions, and 7.0 special projects appointments for a total of 237.0 positions.



The Governor's salary recommendation includes step movement, longevity pay, a 1.0 percent base salary adjustment for classified employees, a 3.5 percent merit pool for unclassified employees, and revised health insurance rates.

**1. New Positions.** The Adjutant General for FY 1996 requests \$177,810 from the State General Fund and \$941,907 from federal funds for 51.0 additional FTE positions, not including fringe benefits. The agency also requests \$38,508 to reclassify selected positions.

No funding is included in FY 1996 by the Governor for these requested new positions or for the reclassifications.

**2. Shrinkage.** The agency's request for FY 1996 does not include a shrinkage rate.

The Governor recommends a shrinkage rate of 3.5 percent in FY 1996, producing salary and wage savings of \$272,993. In FY 1995, the Governor's recommendation is for a 3.0 percent shrinkage rate (\$221,700).

**3. Active Duty Pay.** The agency requests \$64,554 in FY 1996 from the State General Fund to fund active duty days at \$74 per day. The FY 1996 request of \$64,554 is composed of the following elements: \$17,700 for 240 active duty days to respond to emergencies; \$18,304 for troops ordered to active duty in support of memorial services, civil functions, and related activities; and \$28,550 for state-funded marksmanship training for active duty pay for soldiers to attend small arms school.

The Governor recommends \$18,304 for 60 active duty days in FY 1996. No funding is provided for marksmanship and small arms training.

**4. Repairs and Servicing of the State Defense Building and National Guard Armories.** For FY 1996, \$313,681 is requested for repairs and servicing of the State Defense Building and armories, which represents a \$148,911 increase over the current year. For FY 1995, the agency requests \$164,770 for repairs.

A total of \$154,140 is recommended by the Governor for the repair and servicing of the State Defense Building and National Guard Armories in FY 1996. For FY 1995, the Governor concurs with the agency estimate of \$164,770 for repairing and servicing.

**5. Utilities -- National Guard Facilities.** The agency requests a total of \$3,600,506 in FY 1996 for utility payments for all Army and Air National Guard facilities. Major components of the request include: \$810,764 for the State Defense Building and National Guard Armories; \$216,361 for other Army National Guard facilities; \$252,516 for the statewide training sites; \$450,900 for the facilities at Forbes Field; \$24,000 for the Smoky Hill Weapons Range; and \$1,788,592 for facilities at McConnell Air Force Base. For FY 1995, the agency requests \$3,351,256 for utilities at these facilities.

The Governor's recommendation for utilities in FY 1996 totals \$3,019,761, which is a reduction of \$580,745 from the agency's request. For FY 1995, the Governor concurs with the agency estimate of \$3,351,256 for utilities.

**6. RETROEUR Repair Site.** The agency requests \$3,859,203 and 119.5 positions for the Retro-Europe repair site, located at Fort Riley, which is an increase of 24.0 new positions over the 95.5

currently authorized. The Retroeur repair site, which is 100 percent federally funded, receives U.S. Army vehicles from Europe and other areas, refurbishes the equipment, and ships the equipment to its recipients.

The Governor recommends \$3,066,494 in federal funds and 95.5 FTE positions in FY 1996 to continue the implementation of this program. The new positions are not recommended.

### **House Subcommittee Recommendation**

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

1. Delete \$236,995, including \$52,640 from the State General Fund based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$177,976); classified step movement (\$27,849); a 1 percent base adjustment for classified employees (\$14,989); and the longevity bonus (\$16,181) from individual agency budgets.
2. Delete the expenditure limit (currently \$20,000) on the Armories and Units General Fee Fund and make this a No-Limit fund. This fund receives revenue from the rental of armories to the public and for utility payments; it is used for maintenance and repairs. The agency requested this change to provide greater flexibility to the Department.
3. The Subcommittee discussed the issue of rental rates charged by the armories across the state and feels that, in some instances, the rates are set too low by the local armory manager. The Subcommittee recommends that the Adjutant General review these rental rates with the goal of making the armory rental rate competitive in each locality in comparison to similar rental space.
4. The Subcommittee also discussed the issue of the role of local armories in the communities and concludes that the Adjutant General should make increased efforts to maximize the usage of these buildings by both the general public and other state agencies. The Subcommittee believes that these local armories should be considered to be community resources of the local cities. The Subcommittee notes that, in prior years, the state placed driver license examination programs in some armories; evidently this practice has been scaled back. The Subcommittee recommends that other state agencies consider placing more operations in these armory buildings.

### **House Committee Recommendations**

The House Committee concurs with the House Subcommittee's recommendation, with the following addition:

1. With regard to House Subcommittee Item No. 4 above, the House Committee adds the following new language:

The House Committee believes that the Department of Administration (D of A) should have a role in reviewing the possible uses of local armories by state agencies, since D of A has broad authority over the use of rental space by state agencies. The Committee recommends that the D of A personnel actively consider the possible use of state armories for use by appropriate programs of state agencies. The Department should also prepare a report on the efforts for presentation to the appropriate subcommittees during the 1996 Session.

2. Several of the performance measures used in the *Governor's Budget Report* are shown below:

<b>Military Service Operations</b>			
<u>Performance Measures</u>	<u>FY 1994 Actual</u>	<u>FY 1995 Estimate</u>	<u>FY 1996 Estimate</u>
Number of times Guard is unable to respond to duty	--	--	--
Number of "late" State Active Duty payments	N/A	1	1
Number of "late" payments due to error	N/A	--	--

<b>Emergency Management Operations</b>			
<u>Performance Measures</u>	<u>FY 1994 Actual</u>	<u>FY 1995 Estimate</u>	<u>FY 1996 Estimate</u>
Number of county assessments or reports	53	53	53
Number of individuals receiving disaster management training	N/A	75	100

<b>Technological Hazards</b>			
<u>Performance Measures</u>	<u>FY 1994 Actual</u>	<u>FY 1995 Estimate</u>	<u>FY 1996 Estimate</u>
Number of radiological monitoring kits calibrated	4,989	4,990	5,420
Number of county radiological plans reviewed	26	26	26

<b>Emergency Planning</b>			
<u>Performance Measures</u>	<u>FY 1994 Actual</u>	<u>FY 1995 Estimate</u>	<u>FY 1996 Estimate</u>
Number of local emergency operation plans exercised	42	42	42
Number of plans updated	25	25	26

Physical Plant Operations			
Performance Measures	FY 1994 Actual	FY 1995 Estimate	FY 1996 Estimate
Investigations performed regarding Air National Guard security programs	30	25	30
State General Funds as a percentage of All Funds expenditures for program activities	11.5%	18.6%	17.3%
Percentage of scheduled recurring maintenance actions completed at McConnell Air Base	78.0%	85.0%	50.0%
Number of sorties flown at Smokey Hill Bomb Range	6,021	6,000	6,000

**House Committee of the Whole Recommendation**

Concur.

Expenditure Summary	House Adj. FY 96	House Rec. FY 96	Senate Subcommittee Adjustments
<b>All Funds:</b>			
State Operations	\$ (236,995)	\$ 13,221,099	\$ 95,000
Aid to Local Units	--	1,185,666	0
Other Assistance	--	4,519	0
Subtotal	\$ (236,995)	\$ 14,411,284	\$ 95,000
Capital Improvements	--	352,357	0
<b>TOTAL</b>	<b>\$ (236,995)</b>	<b>\$ 14,763,641</b>	<b>\$ 95,000</b>
<b>State General Fund:</b>			
State Operations	\$ (52,640)	\$ 3,282,330	\$ 95,000
Aid to Local Units	--	12,500	0
Other Assistance	--	4,519	0
Subtotal	\$ (52,640)	\$ 3,299,349	\$ 95,000
Capital Improvements	--	196,240	0
<b>TOTAL</b>	<b>\$ (52,640)</b>	<b>\$ 3,495,589</b>	<b>\$ 95,000</b>
FTE Positions	--	230.0	0.0
Special Project Appointments	--	7.0	0.0
<b>TOTAL</b>	<b>--</b>	<b>237.0</b>	<b>0.0</b>

**Senate Committee Recommendation**

The Senate Committee concurs with the House recommendation, with the following adjustment:

1. Add \$95,000 (SGF) in FY 1996 for utilities costs in the Armories and State Defense Building Program. The Subcommittee notes that the Governor's recommendation for utilities in the Armories program is a reduction of \$177,691 (21.9 percent) from the current year estimate. The table below indicates utilities costs for the armories in recent years.

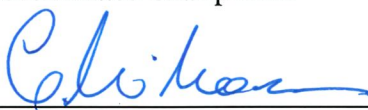
<u>Actual FY 92</u>	<u>Actual FY 93</u>	<u>Actual FY 94</u>	<u>Gov. Rec. FY 95</u>	<u>Gov. Rec. FY 96</u>
\$ 613,484	\$ 679,124	\$ 715,928	\$ 810,764	\$ 633,073

The Subcommittee believes that the reduction in utilities is too severe, and will force the agency to close armories because of lack of funding. The agency had appealed for an additional \$190,000 for utilities; the Subcommittee recommendation funds one-half of the appeal. The Senate Subcommittee was informed that the Governor's recommendation was intended to force local communities to assist in funding the state armories. The Subcommittee believes it to be unrealistic to expect local communities which are already financially challenged to find extra cash for the operation of state-owned facilities.

1995 Senate Subcommittee on:

**Kansas Department of the Civil Air Patrol**

  
\_\_\_\_\_  
Senator Barbara Lawrence  
Subcommittee Chairperson

  
\_\_\_\_\_  
Senator Jerry Moran

SWAM  
March 22, 1995  
Attachment II

**SUBCOMMITTEE REPORT**

**Agency:** Department of Civil Air Patrol

**Bill No.** --

**Bill Sec.** --

**Analyst:** Cawby

**Analysis Pg. No.** 524

**Budget Page No.** 105

<u>Expenditure Summary</u>	<u>Agency Request FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 14,337	\$ 14,277	\$ 0
Special Revenue Fund	4,500	4,500	0
<b>TOTAL</b>	<u>\$ 18,837</u>	<u>\$ 18,777</u>	<u>\$ 0</u>
 FTE Positions	 0.5	 0.5	 --

**Agency Request/Governor's Recommendation**

The agency requests \$18,837 for FY 1995, the amount approved by the 1994 Legislature. The Governor recommends expenditures of \$18,777 for FY 1995, a reduction of \$60 from the agency estimate, including \$14,277 from the State General Fund and \$4,500 from the agency's fee fund.

The agency's performance levels at the recommended expenditure level are detailed below:

<u>Performance Indicators</u>	<u>Actual FY 1994</u>	<u>Agency Estimate FY 1995</u>
Number of cadets	10	12
Number of trained Emergency Services personnel	225	230
Total number of missions	286	290
Aerospace education workshops	2	2

**House Subcommittee Recommendation**

The House Subcommittee concurs with the Governor's recommendation.

**House Committee Recommendation**

Concur.

**House Committee of the Whole Recommendation**

Concur.

<u>Expenditure Summary</u>	<u>House Adj. FY 95</u>	<u>House Rec. FY 95</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
State General Fund	\$ 0	\$ 14,277	\$ 0
Special Revenue Fund	0	4,500	0
TOTAL	<u>\$ 0</u>	<u>\$ 18,777</u>	<u>\$ 0</u>
FTE Positions	--	0.5	--

**Senate Subcommittee Recommendation**

Concur.



**SUBCOMMITTEE REPORT**

**Agency:** Department of Civil Air Patrol

**Bill No.** 2090

**Bill Sec.** 12

**Analyst:** Cawby

**Analysis Pg. No.** 524

**Budget Page No.** 105

<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	\$ 14,952	\$ 14,190	\$ (96)
Special Revenue Fund	4,500	4,500	0
<b>TOTAL</b>	<u><u>\$ 19,452</u></u>	<u><u>\$ 18,690</u></u>	<u><u>\$ (96)</u></u>
 FTE Positions	 0.5	 0.5	 --

**Agency Request/Governor's Recommendation**

The agency requests \$19,452 for FY 1996, \$14,952 in State General Funds and \$4,500 in other funds. The requested amount represents an increase of \$615 (3.3 percent) over the current year estimate of \$18,837. Actual FY 1994 expenditures were \$16,376. The increase is salaries and wages adjustments over FY 1995.

The Governor recommends expenditures of \$18,690 in FY 1996, a reduction of \$762 from the agency request. The Governor's recommendation provides for step movement and a 1.0 percent classified base salary increase over FY 1995. Recommended expenditures include \$14,190 from the State General Fund and \$4,500 from the agency's fee fund.

The agency's performance levels at the recommended expenditure level are detailed below:

<u>Performance Indicators</u>	<u>Actual FY 1994</u>	<u>Agency Estimate FY 1995</u>	<u>Agency Estimate FY 1996</u>
Number of cadets	10	12	15
Number of trained Emergency Services personnel	225	230	240
Total number of missions	286	290	300
Aerospace education workshops	2	2	4

**House Subcommittee Recommendation**

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

1. Delete \$96 based on the recommendation to delete funding for classified step movement (\$0); a one percent base adjustment for classified employees (\$96); and the longevity bonus (\$0) from individual agency budgets. **(Staff Note:** The agency

budget understated salaries by an amount slightly more than the cost of step movement, therefore, no reduction is made for deletion of classified step movement.)

**House Committee Recommendation**

Concur.

**House Committee of the Whole Recommendation**

Concur.

<u>Expenditure Summary</u>	<u>House Adj. FY 96</u>	<u>House Rec. FY 96</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
State General Fund	\$ (96)	\$ 14,094	\$ 0
Special Revenue Fund	0	4,500	0
Total	<u>\$ (96)</u>	<u>\$ 18,594</u>	<u>\$ 0</u>
FTE Positions	0.5	0.5	--

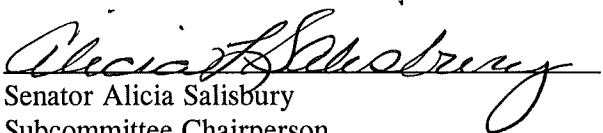
**Senate Subcommittee Recommendation**

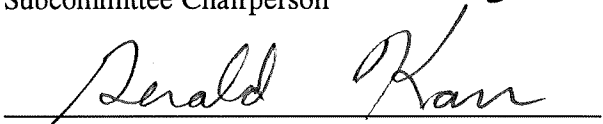
Concur.

**1995 SENATE SUBCOMMITTEE ON:**

**H.B. 2090**

**Sec. 3 -- State Fire Marshal**

  
\_\_\_\_\_  
Senator Alicia Salisbury  
Subcommittee Chairperson

  
\_\_\_\_\_  
Senator Gerald Karr

SWAM  
March 22, 1995  
Attachment 12

## SUBCOMMITTEE REPORT

Agency: State Fire Marshal

Bill No. --

Bill Sec. --

Analyst: Cawby

Analysis Pg. No. 474

Budget Page No. 195

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 1,886,808	\$ 1,882,577	\$ 0
Other Grant Fund	22,616	22,616	0
TOTAL	<u>\$ 1,909,424</u>	<u>\$ 1,905,193</u>	<u>\$ 0</u>
FTE Positions	40.0	40.0	0.0

### Agency Estimate/Governor's Recommendation

The agency estimates \$1,909,424 for state operations in FY 1995, an increase of \$22,616 over the amount approved by the 1994 Legislature, as adjusted by Finance Council action. The increase represents a federal grant for one-time capital outlay purchases which have already been approved through the executive directive process. The Governor recommends expenditures of \$1,905,193 in FY 1995, a reduction of \$4,231 from the agency request to reflect health insurance rate adjustments.

### House Subcommittee Recommendation

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

The House Subcommittee notes the agency's estimated performance levels at the recommended expenditure level for FY 1995 and the status of the fee fund based on the recommendation.

<u>Performance Indicators</u>	<u>Actual FY 94</u>	<u>Estimated FY 95</u>	<u>Estimated FY 96</u>
Number of fire departments participating in K-FIRS	468	504	550
Formal training sessions for K-FIRS reporting	4	12	24
Fire safety inspections	7,546	7,500	8,000
Fire safety enforcement activities	9,809	9,500	9,750
Number of deaths/injuries in priority facilities	0 / 36	0 / 24	0 / 15
Fire investigation training sessions for local fire officials and criminal justice agencies	39	45	48
Number of fires determined to be arson	148	175	195
Number of persons charged with arson	47	56	68

<u>Resource Estimate</u>	<u>Actual FY 94</u>	<u>Estimate FY 95</u>
Beginning Balance	\$ 1,186,329	\$ 527,645
Projected Receipts	2,565,664	2,508,259
Total Available	<u>\$3,751,993</u>	<u>\$ 3,035,904</u>
Less: Expenditures	1,749,348	1,882,577
Discretionary Transfer Out	1,475,000	375,000
Ending Balance	<u><u>\$ 527,645</u></u>	<u><u>\$ 778,327</u></u>
Ending Balance as a Percentage of Expenditures	30.2%	41.3%

**House Committee Recommendation**

The House Committee concurs with the recommendations of the Subcommittee.

**House Committee of the Whole Recommendation**

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

<u>Expenditure Summary</u>	<u>House Adj. FY 95</u>	<u>House Rec. FY 95</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 0	\$ 1,882,577	\$ 0
Other Grants Fund	0	22,616	0
TOTAL	<u>\$ 0</u>	<u>\$ 1,905,193</u>	<u>\$ 0</u>
FTE Positions	--	40.0	--

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the recommendation of the House.

**SUBCOMMITTEE REPORT**

**Agency:** State Fire Marshal

**Bill No.** 2090

**Bill Sec.** 3

**Analyst:** Cawby

**Analysis Pg. No.** 474

**Budget Page No.** 195

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
Special Revenue Fund	\$ 2,145,081	\$ 1,971,325	\$ (57,938)
FTE Positions	40.0	40.0	0.0

**Agency Request/Governor's Recommendation**

For FY 1996, the agency requests \$2,145,081 for state operations, an increase of \$258,273 (13.7 percent) over the FY 1995 revised estimate. The request includes \$187,880 for initiatives in FY 1996. The requested initiatives include: \$109,122 for salaries and wages; \$25,208 for travel; \$18,452 for other contractual services, \$28,394 in commodities; and \$6,704 in capital outlay. Requested initiatives are: 3.0 new FTE positions (\$137,878); a toll free phone line (\$13,490); facility handbooks and training materials (\$22,134); dress blazers for Fire Prevention Inspectors (\$3,400); and increased Fire Prevention Travel (\$10,978).

The Governor recommends expenditures of \$1,971,325 in FY 1996, a reduction of \$173,756 (8.1 percent) from the agency's request and an increase of \$66,132 (3.5 percent) over current year recommended expenditures. The Governor does not recommend the requested 3.0 FTE positions and associated expenditures or a toll free phone line for the agency. Aside from expenditures associated with these items not recommended for funding, the Governor increases salaries and wages by \$8,213, decreases capital outlay by \$12,632, and decreases all other operating expenditures by \$17,969. The Governor recommends expenditures of \$20,738 associated with new initiatives detailed below. The Governor's FY 1996 recommendation provides for routine step movement, longevity, an unclassified merit pool of 3.5 percent, and a 1.0 base salary increase for classified employees.

**House Subcommittee Recommendation**

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

1. Delete \$51,740 based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$3,387); classified step movement (\$26,162); a one percent base adjustment for classified employees (\$12,934); and the longevity bonus (\$9,256) from individual agency budgets.

2. Delete \$6,198 for three computer packages for SHaRP, based on the recommendation to delete funding for all SHaRP items from individual agency budgets.
3. The House Subcommittee notes the offer of the State Fire Marshal to equip a KBI minivan from the Fire Marshal Fee Fund. The agency stated that the availability of this van in the state would be a benefit to the Fire Marshal on some arson investigations. The Subcommittee commends the Office of the State Fire Marshal for its cooperation with the KBI and for its commitment to state law enforcement. The Subcommittee recommends that the agency equip the KBI minivan out of existing and recommended resources.
4. Include language in the appropriations bill which would exempt expenditures for federally reimbursed overtime pay from the fee fund expenditure limit.

The House Subcommittee notes the agency's estimated performance levels at the recommended expenditure level for FY 1996 and the status of the fee fund based on the recommendation.

Performance Indicators	Actual FY 94	Estimated FY 95	Estimated FY 96
Number of fire departments participating in K-FIRS	468	504	550
Formal training sessions for K-FIRS reporting	4	12	24
Fire safety inspections	7,546	7,500	8,000
Fire safety enforcement activities	9,809	9,500	9,750
Number of deaths/injuries in priority facilities	0 / 36	0 / 24	0 / 15
Fire investigation training sessions for local fire officials and criminal justice agencies	39	45	48
Number of fires determined to be arson	148	175	195
Number of persons charged with arson	47	56	68

Resource Estimate	Actual FY 94	Estimated FY 95	Estimated FY 96
Beginning Balance	\$ 1,186,329	\$ 527,645	\$ 778,327
Projected Receipts	<u>2,565,664</u>	<u>2,508,259</u>	<u>2,544,000</u>
Total Available	\$ 3,751,993	\$ 3,035,904	\$ 3,322,327
Less: Expenditures	1,749,348	1,882,577	1,913,387
Discretionary Transfer Out	<u>1,475,000</u>	<u>375,000</u>	<u>550,000</u>
Ending Balance	<u>\$ 527,645</u>	<u>\$ 778,327</u>	<u>\$ 858,940</u>
Ending Balance as a Percentage of Expenditures	30.2%	41.3%	44.9%



**House Committee Recommendation**

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

1. Delete item 3 from the House Subcommittee's recommendation.

**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 96</u>	<u>House Rec. FY 96</u>	<u>Senate Sub. Adjustments</u>
State Operations:			
Special Revenue Fund	\$ (57,938)	\$ 1,913,387	\$ 0
FTE Positions	--	40.0	--

**Senate Subcommittee Recommendation**

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

1. The Subcommittee notes that the agency's accelerant detection canine, Avon, has been utilized at 17 fire scenes throughout Kansas since July 1994. Of those fire scenes where Avon was used, 23 samples were collected with 18 testing positive, a 72 percent accuracy rating. As a result of Avon's work, 3 persons have been charged with arson and two persons convicted. Reports filed by the agency estimate that Avon has saved 720 man hours on 15 of the 17 scenes which she investigated (the other reports are pending). By estimating the cost of each man hour at \$16 per hour, the Subcommittee notes that Avon's efforts have resulted in an estimated cost savings of \$11,520.
2. The Subcommittee notes the agency's belief that Avon's accuracy rating is directly related to deficiencies in the current evidence sample collection techniques of the agency and the inability of the KBI lab to promptly process these samples. The agency stated that it is currently working with the KBI to improve in both of these areas.
3. The Subcommittee commends the agency on their successful efforts in assessing the costs of its programs.