

Approved: April 20, 1995
Date

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 29, 1995 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Kathy Porter, Legislative Research Department
Eric Milstead, Legislative Research Department
Norman Furse, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

John Strickler, Director, Department of Wildlife and Parks

Others attending: See attached list

Senator Moran moved, Senator Karr seconded that the minutes of March 23, 1995 stand approved as presented. The motion carried on a voice vote.

HB 2265 **Appropriations for FY 96, homestead tax refunds, department of human resources, commission on veterans affairs, department of health and environment, department on aging, corporation for change, department of wildlife and parks**

Department of Health and Environment (Attachment 1) -- Senator Vancrum presented the FY 95 and FY 96 subcommittee reports. In discussing the FY 95 report, members expressed concern about the agency's practice of budgeting all monies for a multi-year grant in one year though the monies are expended over several years (item 2, Attachment 1-5). It was noted that this practice makes the budget difficult to track. Senator Vancrum stated that the current administration is aware of the problem, and he believes they want to address it. Senator Kerr inquired about the subcommittee's intent in regard to its recommendation on the federal Nonpoint Source Fund. Senator Vancrum stated that it was not the intent of the subcommittee to diminish the amount of nonpoint source work.

In answer to Senator Salisbury, Senator Vancrum stated that 42.6 special project positions are included in the agency's FY 95 budget above those approved by the 1994 Legislature. Senator Salisbury noted that special project positions had been an issue in the past and endorsed the practice of reviewing these positions because they are supported through federal state tax dollars and special fees.

Members discussed what the KBI regards as nonpayment for background checks done by the KBI for KDHE (item 8 Attachment 1-18). Senator Vancrum noted that KDHE believes that they have paid for the background checks on child care licensing because fees from those investigations (approximately \$200,000) are transferred to the SGF and those dollars pay for two KBI positions that conduct the checks. A representative from the Department of Health and Environment stated that currently the only type of background checks performed by the KBI are child care licensing checks. However, if enacted, **SB 8** would require background checks on adult home care administrators and assisted living operators.

Discussing the House subcommittee's recommendation (item 3, Attachment 1-11), Senator Vancrum stated that the Senate subcommittee believed that there would be no excess fees in future years if **HB 2036** (which would reduce tipping fees) were enacted.

Members commended the subcommittee on its recommendation that the agency evaluate programs that are funded through federal dollars or fees. In answer to Senator Karr, a member of the Finance Council, subcommittee members stated that they were comfortable with the Finance Council oversight during the interim.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 29, 1995.

Members of the Committee who are also on the Finance Council promised a closer review of programs and special project positions that are often assigned to them.

It was moved by Senator Vancrum and seconded by Senator Rock that the subcommittee reports on the Department of Health and Environment be adopted. The motion carried on a voice vote.

Corporation for Change (Attachment 2) -- Senator Vancrum presented the FY 95 and FY 96 subcommittee reports.

Kansas Commission on Veterans' Affairs (Attachment 3) -- The FY 95 and FY 96 subcommittee reports were reviewed by Senator Morris.

Kansas Soldiers' Home (Attachment 4) -- Senator Morris reviewed the FY 95 and FY 96 subcommittee reports. In answer to Senator Salisbury, Senator Morris stated that the Senate subcommittee had reviewed the House subcommittee's recommendation to study the feasibility of privatizing the Kansas Soldiers' Home and did not believe that was a viable alternative. Senator Morris moved, Senator Salisbury seconded, that the FY 96 report be amended by the addition of language stating that the Senate subcommittee does not believe that privatization of the Kansas Soldiers' Home is feasible. The motion carried on a voice vote.

Homestead Property Tax Refunds (Attachment 5) -- Senator Morris presented the FY 95 and FY 96 subcommittee reports.

Department of Human Resources (Attachment 6) -- Senator Salisbury reviewed the FY 95 and FY 96 subcommittee reports.

Department on Aging (Attachment 7) -- Senator Kerr presented the FY 95 and FY 96 subcommittee reports. In discussing the subcommittee's third recommendation (Attachment 7-6), Senator Kerr told members that there is currently no plan for accommodating the transfer of the long term care programs to the Department of Aging. In response to members, the Secretary of Aging stated that the schedule outlined in Sub. for HB 2455 gives the Department a year to plan and implement the transfer which she believes the Department could do.

Wildlife and Parks (Attachment 8) -- The subcommittee reports for fiscal years 1995 and 1996 were reviewed by Senator Moran. In response to the Chairman, the revisor stated that he would investigate whether the Wildlife Fee Fund could be divided into two separate funds by proviso (item 3, Attachment 8-15).

Senator Moran moved, Senator Lawrence seconded, that the FY 96 subcommittee report be amended by inclusion of language that would appropriate \$40,000 for Wildscape from the EDIF rather than from the Wildlife Fee Fund as recommended by the Governor. The motion carried on a voice vote.

Senator Brady noted that he had not signed the subcommittee report because he wanted more information on the Wolf Creek proposal. It was noted that the issue of Wolf Creek is in the capital improvements bill (HB 2235).

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

The Chairman requested that the Director of Wildlife and Parks make a presentation on the Wolf Creek proposal before the Committee.

Mr. John Strickler, Director, Department of Wildlife and Parks, appeared before the Committee and told members that discussions about the Wolf Creek fishing facility began under the Hayden administration. He stated that the proposal is to open the facility on a computer random selection basis to the public, and, in order to do that, capital improvements in the amount of \$800,000 are needed. Of that amount, \$200,000 would be paid by the county for road construction and the balance of \$600,000 would be used to design and construct the facility. Mr. Strickler explained that a post audit study had cited the agency for not having plans to use the Wildlife Conservation Fund, and the Department believed that the Wolf Creek project would be a good opportunity to use that fund. He noted that the Wolf Creek project is a federally eligible program on a 75% matching basis. Therefore, the \$200,000 used by the county for road construction would serve as the 25% match and the \$600,000 used for development of the facility would be reimbursed dollar for dollar out of the federal Dingle Johnson Fund. He noted that the project has the distinct advantage of helping the Department avoid reversion of federal aid dollars for which the Department is eligible in fishing programs. He added that enforcement at Wolf Creek would be handled like it is at the John Redmond Reservoir.

Members expressed concern that the proposal for the Wolf Creek fishing facility had not been submitted to the

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 29, 1995.

subcommittee for discussion. They discussed concerns that the plan was not adequately developed and that access to the public would be limited. Mr. Strickler testified that the Wolf Creek project has the advantage of not having to come up with the 25% match, and, in answer to questions, stated that in order for the Department to work its way out of a deficit, they'll have to consider the Community Lakes Program where the 25% match is provided. In answer to the Chairman, he stated that if the 25% match were provided for other projects, the Department could spend money on lakes that offer unlimited access and would be federally reimbursed.

The Chairman suggested that the Committee give the Department time to develop the engineering and construction plan and that it be considered during Omnibus.

Senator Salisbury requested information from the Department about the use of federal funds in the administration of the Hunter Safety Education Program.

Senator Morris moved, Senator Rock seconded, that **HB 2265** be further amended by technical adjustments and that **SB 2265** as amended be recommended favorable for passage. The motion carried on a roll call vote.

HB 2235 **Appropriations for FY 96, capital improvements for various state agencies**

Senator Salisbury moved, Senator Karr seconded, that the subcommittee report be amended by deleting \$600,000 from the Department of Wildlife and Parks in FY 95 for the capital improvement project to develop a Wolf Creek public fishing facility and that this item be considered during Omnibus (Sec. 18-19, item 3, Attachment 9-11). {There is a typographical error in item 3 of the subcommittee report (Attachment 9-11) -- it should have read "\$600,000 for the capital improvement project at Wolf Creek} The motion carried on a voice vote.

Senator Moran moved, Senator Karr seconded, that the subcommittee report be further amended to reflect that, in addition to concurring with the lapse of \$150,000 from the Wildlife Fee Fund and the appropriation of \$37,098 (WFF) for reservoir maintenance at Cedar Bluff Reservoir, the Senate subcommittee also recommended that a total of \$79,843 of the savings be appropriated to allow the Department to maintain the Smoky Hill River Channel at Cedar Bluff Reservoir (item 1, Attachment 8-6). The motion carried on a voice vote.

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

Senator Rock moved, Senator Morris seconded, that **HB 2235** as amended be recommended favorable for passage. The motion carried on a roll call vote.

HB 2234 **Appropriations for FY 95, supplemental appropriations for various state agencies**

Senator Brady moved, Senator Salisbury seconded, that **HB 2234** be amended by the inclusion of the provisions of **SB 94** (state general fund transfers to military retirees income tax refund fund). The motion carried on a voice vote.

It was moved by Senator Rock and seconded by Senator Salisbury that **HB 2234** as amended be recommended favorable for passage. The motion carried on a roll call vote.

The Chairman adjourned the meeting at 1:15 P.M. The next meeting is scheduled for March 30, 1995.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: MARCH 29, 1995

NAME	REPRESENTING
Josie Torres	Families Together
John Bottelty	Deppubagh
Sydney Hardman	KS Action for Children
Doug Bowman	Coordinating Council
Bob Hayes	HCSF
Meghan Diehl	—
Jim Byrnes	Cooperation For Nat. Surv
Martha Gabehart	DHR
Nancy Luben	#88 Golo Human Services/Aging
Cherise Still	" " " "
Mary Rypin	" " " "
Juan Duffy	KS Dept of Revenue
Bill Loyes	KS Dept Human Resources
Marc Lowe	KS Dept. of Human Resources
Heidi Schneider	KS Dept. of Human Resources
Sharon Hammann	Ops City Human Services/Aging
Bar McGee	" " " " " "
Betty Lieb	" " " " " "
Loren Oschel	Bellevue Housing Legislation

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: MARCH 29, 1995

NAME	REPRESENTING
Sandy McDinger	Johnson County Area Agency on Aging/HSTA
Margorie Jantz	Jo. Co. Senior Citizens
Trish Moore	Jo Co. Area Agency on Aging ^{HSTA} Dept.
Deezy Neal	Jo Co Commission on Aging
Mary Ann Bremer	Jo Co Comm. on Aging
Jim Glemmer	ditto
Ken Coster	KDOA
Jim Lambert	DOB
Laura Epler	KDHE
Marty Kennedy	DOB
Craig Grant	KNEA
Sally O'Grady	KDHE
Chris Stanfield	KDHE
Janice Hornell	KDHE
Steve R. Rosen	KDHE
Ron Hammerschmidt	KDHE

SUBCOMMITTEE REPORT

Agency: Department of Health
and Environment

Bill No. 2234

Bill Sec. 20

Analyst: Mah

Analysis Pg. No. 1063

Budget Page No. 215

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 83,153,697	\$ 85,747,916	\$ (333,451)
Aid to Local Units	26,671,595	27,671,595	(155,836)
Other Assistance	27,470,000	27,470,000	--
TOTAL	<u>\$ 137,295,292</u>	<u>\$ 140,889,511</u>	<u>\$ (489,287)</u>
State General Fund:			
State Operations	\$ 19,367,161	\$ 19,318,810	\$ (206,885)
Aid to Local Units	7,236,587	7,236,587	--
Other Assistance	--	--	--
TOTAL	<u>\$ 26,603,748</u>	<u>\$ 26,555,397</u>	<u>\$ (206,885)</u>
FTE Positions	843.1	842.1	(8.0)
Special Project Appointments	161.6	162.6*	--
TOTAL	<u>1,004.7</u>	<u>1,004.7</u>	<u>(8.0)</u>

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

Agency Estimate/Governor's Recommendation

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

*SWAM
March 29, 1995
Attachment 1*

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

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

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

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

House Subcommittee Recommendation

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

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

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House concurs with the House Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adj. FY 95</u>	<u>House Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (333,451)	\$ 85,414,465	\$ (736,150)
Aid to Local Units	(155,836)	27,515,759	24,335
Other Assistance	--	27,470,000	0
TOTAL	<u><u>\$ (489,287)</u></u>	<u><u>\$ 140,400,224</u></u>	<u><u>\$ (711,815)</u></u>
State General Fund:			
State Operations	\$ (206,885)	\$ 19,111,925	\$ 0
Aid to Local Units	--	7,236,587	24,335
Other Assistance	--	--	0
TOTAL	<u><u>\$ (206,885)</u></u>	<u><u>\$ 26,348,512</u></u>	<u><u>\$ 24,335</u></u>
FTE Positions	(8.0)	834.1	(1.0)
Special Project Appointments	--	163.6*	--
TOTAL	<u><u>(8.0)</u></u>	<u><u>997.7</u></u>	<u><u>(1.0)</u></u>

* Includes one special projects position inadvertently excluded from the Governor's recommended total.

Senate Subcommittee Recommendation

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

1. Add \$24,335 from the State General Fund to bring FY 1995 state funding for an existing Cowley County Teen Pregnancy Prevention project to the same level as Shawnee County's Teen Pregnancy Prevention project.
2. Delete \$474,835 of \$639,300 in additional expenditure authority recommended by the Governor from the federal EPA Nonpoint Source Fund. Of the amount deleted, \$195,801 would be shifted to FY 1996 and the remainder would be appropriated in subsequent fiscal years. The Senate Subcommittee learned that, although the agency asks that the federal moneys of \$639,300 be budgeted in the current year, most of the moneys actually will be expended in outlying fiscal years. Specifically, the moneys are for grants, including one which would end in FY 1998 and another which would end in FY 1997. Through the use of encumbrances, it is the practice of the agency to budget all moneys for a multi-year grant in one year, but actually expend the moneys over several years. Staff from the agency indicated that they prefer this practice because it relieves them of the burden of having to be concerned about whether the grant moneys get included in the budget for the fiscal year in which they will be expended. The result is that the agency's budget never reflects its true activities. The Senate Subcommittee does not think adequate reason exists to support this practice and

wants the agency to start budgeting expenditures in the fiscal year for which they occur.

3. Delete \$66,667 from the Sponsored Project Overhead Fund that was recommended by the Governor for new office space. The moneys were to allow the Bureau of Adult and Child Care Licensure to move to new office space so that all its divisions could be in one central area, freeing space for use by the agency's other programs. The agency has been working with the Joint Committee on State Building Construction in order to meet an informal policy established by the Department of Administration that the Joint Committee sign off on lease agreements which are to be for ten years or more. The Senate Subcommittee has learned that the Governor is going to evaluate executive branch office space and has indicated state agencies are not to sign agreements for leases that are over two years. The Senate Subcommittee believes that it may be possible to centralize the Bureau's division without acquiring new office space. Also, the Senate Subcommittee has concerns about expanding the agency's space, especially through a multi-year lease agreement, when reconfiguration of the agency is a strong possibility. Changes being discussed at the federal level, including abolishing programs and agencies, could significantly impact this state agency especially since many of its programs are supported by federal funds or fees collected because of federal mandates.

4. Concern was raised because the House deleted 3.0 FTE positions beginning in the current year that were vacant due to retirement. According to Supp. 1994 K.S.A. 75-6801, when a vacancy occurs due to a retirement, the position and moneys are deleted. However, the Governor's budget for FY 1995 and FY 1996 included the positions and money for the former employees. The House took the positions, apparently with the intention of prohibiting the positions from possibly being restored later after review by the executive branch. When retirements occur, it is the practice of the Budget Division to earmark money that can be saved in an agency's budget if the vacant positions are not reauthorized. According to the Budget Division, moneys that have been earmarked for the 3.0 positions could be taken when the retirement adjustments are actually implemented by the executive branch even though the House already has deleted the funding and position authorization for the 3.0 positions. Making this second adjustment appears to be contrary to the substantive law, which requires that retirement adjustments be tied to specific positions. In this case, if the Budget Division follows its customary practice, it will be applying a retirement adjustment to positions that no longer exist. Unless the Legislature takes specific action to delete positions in the executive branch that are vacant due to retirements, it is possible for the positions to be restored by action of the Governor. By deleting the three positions entirely, the Legislature makes its intent known that it does not want the positions restored.

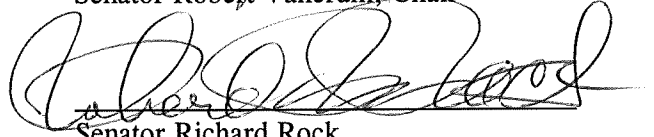
The Senate Subcommittee also learned, according to information from Accounts and Reports, that since passage of the 1993 law, the only adjustments that have been made took place at the end of FY 1994. The adjustments were made to State General Fund appropriations only. Some agencies had already spent a portion of the moneys that supposedly were not to be spent, requiring agencies to do back-vouchering in order to recoup most of the earmarked State General Fund moneys. The Subcommittee's concern is raised by the fact that the adjustments were made to State General Fund appropriations only. This is particularly a concern in an agency that is heavily funded by fee and federal funds. The law requires without exception the reduction of all

expenditure authority tied to a retiree's position. The Subcommittee does not understand why all appropriate reductions are not being made and asks the executive branch to begin at a minimum to make appropriate reductions to the fee funds of state agencies, in addition to the State General Fund.

5. Delete 1.0 FTE position and \$194,648 from the Health Care Database Fee Fund that was recommended by the Governor for costs related to collecting and compiling a statistical plan for the Insurance Department. Recent information from the agency indicates that costs will not be as great as were anticipated. The agency is still in the process of hiring employees for the project. Included in the recommendation is a total of 4.5 FTE positions, which is the number of FTE positions approved by the Legislature last year for this project. The recommendation deletes an FTE position that was added for this project by the agency through its own initiative.



Senator Robert Vancrum, Chair



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Department of Health
and Environment

Bill No. 2265

Bill Sec. 5

Analyst: Mah

Analysis Pg. No. 1063

Budget Page No. 215

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 94,485,590	\$ 86,646,303	\$ (1,591,465)
Aid to Local Units	29,512,035	28,736,810	--
Other Assistance	30,470,000	30,470,000	--
TOTAL	\$ 154,467,625	\$ 145,853,113	\$ (1,591,465)
State General Fund:			
State Operations	\$ 22,238,645	\$ 19,777,677	\$ (714,894)
Aid to Local Units	7,488,287	7,236,587	--
Other Assistance	--	--	--
TOTAL	\$ 29,726,932	\$ 27,014,264	\$ (714,894)
FTE Positions	941.6	845.1	(7.0)
Special Project Appointments	170.6	159.6	--
TOTAL	1,112.2	1,004.7	(7.0)

Agency Request/Governor's Recommendation

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

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

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

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

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

House Subcommittee Recommendation

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

1. In the Subcommittee's review of this agency, the Subcommittee noted the lack of flexibility for using staff among the Department's various programs. The Department indicated that program managers have been unwilling to share employee positions in the past, which is one reason why the agency has grown in the number of special projects positions. The Subcommittee also is concerned about the central management office not supporting field staff who are often in the best position to make decisions which could benefit the state. The Subcommittee believes that it is essential to restructure the agency so that the agency functions as if it was one program, allowing staff to be used in the most efficient way to improve services. The Subcommittee asks the Department to work toward this goal.
2. In the Subcommittee's opinion, the Department appears to have gotten into the habit of not budgeting moneys for which it has expenditure authority. The Legislature has allowed for this authority through the establishment of funds which have an expenditure limitation of "no limit." The Subcommittee's concern is increased by comments from the Department's staff, who indicated that agency staff view "no limit" funds as meaning that expenditures can exceed available receipts in the funds. The Legislature has made use of "no limit" funds to give agencies some flexibility, not to promote lack of accountability through not budgeting all anticipated expenditures in any given fiscal year.

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

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

FY 1995

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

FY 1996

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

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

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

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

K.S.A. 82a-951. The statute specifically prohibits use of State Water Plan moneys for replacing full-time equivalent positions of a state agency. The Department's practice has raised considerable concern and discussion, including the reported desire of some legislators to repeal all statutes which provide for the State Water Plan moneys. The Subcommittee hopes that this raised concern will be the only incentive needed for the Department to heed the state statute.

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

House Committee Recommendation

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

1. Ask the Department to establish performance indicators defining the quality of water in Kansas, especially stream waters. The performance indicators should include expected levels of change in future years.

House Committee of the Whole Recommendation

The House concurs with the House Committee's recommendation.

<u>Expenditure Summary</u>	<u>House Adj. FY 96</u>	<u>House Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (1,591,465)	\$ 85,054,838	\$ (90,635)
Aid to Local Units	--	28,736,810	24,335
Other Assistance	--	30,470,000	0
TOTAL	<u>\$ (1,591,465)</u>	<u>\$ 144,261,648</u>	<u>\$ (66,300)</u>
State General Fund:			
State Operations	\$ (714,894)	\$ 19,062,783	\$ (160,000)
Aid to Local Units	--	7,236,587	24,335
Other Assistance	--	--	0
TOTAL	<u>\$ (714,894)</u>	<u>\$ 26,299,370</u>	<u>\$ (135,665)</u>
FTE Positions	(7.0)	838.1	(1.0)
Special Project Appointments	--	159.6	--
TOTAL	<u>(7.0)</u>	<u>997.7</u>	<u>(1.0)</u>

Senate Subcommittee Recommendation

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

1. The Senate Subcommittee learned that insurance companies are in the process of paying assessments against them due to passage of 1994 S.B. 487. The law, Supp. 1994 K.S.A. 40-2251, designates the Secretary of Health and Environment as the statistical agent responsible for gathering, receiving, and compiling the data required to form a statistical plan or plans that are to be used by each insurer in the recording and reporting of its premium, accident, and sickness insurance loss, and expense experience in order for the Insurance Commissioner to determine whether insurance rates being charged are, in fact, reasonable. The Secretary is authorized to establish and collect a fee to cover the expenses incurred. The reported assessment being collected for the costs of approximately one and one-half fiscal years totals \$876,913, including the assessment of one company which reports that its bill is \$400,687. The following recommendations are being made to address issues that have arisen from the Subcommittee's review of this item:
 - a. Create a new fund to be named the Insurance Statistical Plan Fund so that receipts collected from the fee assessed insurance companies for the creation of the statistical plan is no longer credited to the Health Care Database Fee Fund. Also, transfer all existing receipts from such fees to the new fund. Creating a separate fund for the receipts may help remove the perception that those being charged a fee for the creation of a statistical plan also are paying the entire costs of developing a comprehensive health

care database mandated by K.S.A. 65-6801. While data being collected for the statistical plan are a major component for building the state's comprehensive health care database, State General Fund moneys totaling approximately \$150,000 and 3.0 FTE positions were approved beginning in the current year for costs related to the database. A separate fund also will give those outside the Department of Health and Environment who have to pay the assessment easier access to information that will allow them to track balances and use of moneys in the fund.

- b. As was recommended in the FY 1995 report, delete an FTE position that was added by the agency through its own initiative. The recommendation provides for the 4.5 FTE positions that were approved by the 1994 Legislature for this project. Also, place a proviso on the new fund to limit salaries expenses to \$155,357. The recommended proviso would inhibit the agency from adding positions over the 4.5 FTE positions that are recommended. Including cost revisions recently done by the agency, the recommendation provides for a net reduction of \$126,436 (from \$603,715 to \$477,279).
- c. Ask the agency to work with the Insurance Department to develop a new fee schedule for FY 1995 and FY 1996. Reductions in expenses recommended in this report, as well as reductions recommended in the FY 1995 report, lower the amount of fees that need to be collected by \$70,154. The Subcommittee further asks that the Department of Health and Environment notify each insurance company of its revised assessment. The Subcommittee understands that, if excess fees from a company have already been collected, the moneys will be used to offset the company's next year's assessment, which is to be done on an annual basis.

The Subcommittee also wishes to inform the full Committee that a bill has been just introduced because questions have arisen over whether the agency has authority to collect fees for costs that have not already been incurred for the statistical plan project. The bill clarifies that any fee collected is for expected rather than already incurred cost. The Subcommittee believes that it was never the intent of the Legislature for the state to bear the costs of the statistical plan project before being reimbursed through the collection of fees. (The bill also would create the new fund, Statistical Insurance Plan Fund, recommended in this report.)

2. Add \$24,335 from the State General Fund to bring FY 1996 state funding for an existing Cowley County Teen Pregnancy Prevention project to the same level as was recommended in the FY 1995 report.
3. Delete \$160,000 from the State General Fund recommended by the Governor for office space rent. The recommendation deletes financing for new office space rent and is a continuation of a recommendation explained in the FY 1995 report.

4. Ask the agency to complete the attached form (Attachment 1), which provides a format for evaluating the agency's various programs that receive federal funding or are financed by fee funds generated due to federal mandates. The Senate Subcommittee believes that it is imperative that the Legislature begin evaluation of these programs because of discussion at the federal level of folding existing federal grant programs into block grants. There also is talk of reducing federal funding to the states. If there is reduced federal funding, states could be left with the task of cutting or deleting programs. The Senate Subcommittee wants the agency to complete this task so that the requested information will be available for review at the beginning of the 1995 Omnibus session. Tough decisions may be directly ahead for the state, which is why the Senate Subcommittee wants to begin to evaluate and plan its priorities. The Senate Subcommittee also notes federal funding for this agency has increased in recent years, including moneys that have been approved by action of the Governor or State Finance Council rather than the Legislature. The Senate Subcommittee is concerned about the state getting into federal programs which could become the state's responsibility to pay for in future years. Perhaps the question of whether a program is worth raising state taxes needs to be answered before federal moneys are accepted.
5. Reflect the shift of \$195,801 from the federal EPA Nonpoint Source Fund from FY 1995 to FY 1996, which is a continuation of a recommendation explained in the FY 1995 report (from \$853,501 to \$1,049,302).
6. Appropriate the agency's State General Fund moneys in two line items, one for salaries and wages and the other for other operating expenditures. The Governor merged the agency's State General Fund appropriation into one line item, which the Legislature separated last year. The Senate Subcommittee hesitates to give this agency the flexibility provided with a single State General Fund appropriation. As reported last year, the agency uses State General Funds to finance special projects positions that are above those that are approved by the Legislature. For example, State General Fund moneys were used to finance some of the 24.6 special projects positions added in FY 1994 by the Department over those which were approved by the 1993 Legislature. Reflected in the FY 1995 budget is a total of 42.6 special projects positions over those approved last year by the Legislature and another 7.5 special projects positions which were not budgeted and exceed the Governor's recommendations. The Senate Subcommittee's recommendation will not stop the agency from adding positions, but it is a means of making it more difficult to use State General Fund dollars for such purposes.

The growth in special projects positions for this agency prompts the Senate Subcommittee to request a 1995 interim study to provide the Legislature with information as to why special projects positions are created by state agencies, what oversight exists regarding their creation, and should other mechanisms be established to control their creation or continued existence.

7. Place expenditure limitations on all but six of the agency's various special revenue funds. The Senate Subcommittee's recommendation does away with most of the

agency's "no limit" expenditure authority. The Senate Subcommittee believes that this recommendation is necessary for the following reasons:

- a. The agency is using its "no limit" expenditure authority to pay for special projects positions such as those discussed in item No. 6 above. The number of special projects positions has gone from 56.0 in FY 1992 to 171.1 now being reported by the agency (including the 7.5 positions added by the agency that exceed the Governor's recommendation.) There has been significant growth in special projects positions in spite of the fact that the Legislature shifted 56.6 special projects positions to FTE positions beginning in FY 1995.
- b. Even though it has been pointed out that the Governor's recommendation does not include all anticipated expenditures from some of the agency's "no limit" funds, there has been no effort by the agency to have the Legislature make the appropriate adjustments. Over \$1.2 million is not included in the current year and more than \$200,000 in FY 1996. This lack of effort by the agency in having the budget reflect all anticipated expenditures leads the Senate Subcommittee to believe that the agency finds it unnecessary to make the effort to create a meaningful budget since it already has needed expenditure authority.
- c. The agency submitted early in August, 1994, a request for the State Finance Council to increase expenditure authority on five funds. Of these known items, only two were included in the agency's budget when it was submitted in September, 1994. No effort was made by the agency to submit an amended budget so the budget would reflect action of the State Finance Council, which approved all five items a week before the agency's budget was due. This reinforces the Senate Subcommittee's opinion that, if the agency continues to receive "no limit" expenditure authority, it will not make the effort to put together a meaningful budget. The agency's attitude also may reflect the view that fee and federal dollars may be spent loosely without the ordinary legislative oversight.

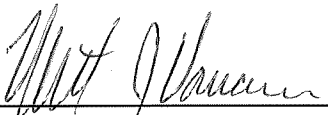
Problems with this agency are not new. The Senate Subcommittee views its recommendation as providing the new secretary with the hammer that is necessary to gain control over this agency. If the agency intends to function within its approved budget, as it has repeatedly indicated, it will be able to operate within the Senate Subcommittee's recommendation. The Subcommittee thinks that the agency has been given great leeway, perhaps too great, to use mechanisms in order to avoid going directly to the Legislature for each appropriation, such as executive directives, "no limit" expenditure funds, and the State Finance Council. However, the Subcommittee believes that it was never the intent of the Legislature to allow agencies to use these mechanisms to bypass the Legislature, to keep it in the dark about what agencies actually are doing, or to keep the Legislature from having the final say over state agency appropriations.

8. An issue was brought to the attention of the Senate Subcommittee, which has been ongoing and concerns costs of criminal record checks being done by the Kansas Bureau of Investigation (KBI) for the Department of Health and Environment. When a law was passed during the 1985 legislative session prohibiting felons from working or residing in a licensed day care facility, it was estimated that the KBI would need to do around 30,000 record checks a year for the Department. To pay for the checks, the Department increased its child care licensing fees, which are credited to the State General Fund. The additional State General Fund moneys were used to add two KBI record check clerks to conduct the estimated 30,000 record checks annually. In the view of the Department, the addition of the two KBI positions satisfied an agreement between the Department and the KBI that the additional costs incurred as the result of the criminal record checks be paid for from child care licensing fees generated by the Department. Further, the Department cites K.S.A. 1994 Supp. 65-516 (d), which gives the Secretary of Health and Environment access to KBI criminal record check information for purposes of checking those who wish to work in a child care facility. The statute makes no reference to as to whether the Department is to be billed for the checks. The Department maintains that no payment is required and refused to pay a bill submitted by the KBI in FY 1987. Since then, the KBI has not billed the Department, although it has kept records of the amount owed. According to the KBI, the total owed from July, 1986, to March, 1995, is approximately \$2.0 million. Costs are high because the annual number of record checks has risen from the initially estimated 30,000 in 1985 to around 100,000 currently. However, the Subcommittee questions the accuracy of the KBI's records. According to the KBI, to continue the current system of record checks, it needs 3.3 more FTE positions to conduct the record checks. Costs of these 3.3 FTE positions are significantly less than the \$400,377 that the KBI says was owed by the Department just for FY 1994. Billing amounts appear to be significantly more than the cost of staff to run the criminal checks.

The Subcommittee understands that the Department of Health and Environment is the only state agency not paying for its record checks. (Legislation implemented in FY 1987 gives the KBI authority to charge certain agencies a fee for record checks.) Further, this issue remains unresolved in spite of recommendations made in an April, 1993, Legislative Post Audit Report titled *Reimbursement for Services Provided by the Kansas Bureau of Investigation* and in a response dated May 14, 1993, to Legislative Post Audit by the KBI and the Department through a collaborative effort. The Senate Subcommittee is especially concerned because reports indicate that it is the State General Fund which has been used to pick up the cost of the criminal record checks. The Subcommittee's review of this issue indicates that use of federal funds in the Department of Health and Environment is not a viable option and that licensing fees would have to be greatly increased over the current statutory maximums to generate needed revenues. An alternative that has been proposed by the two agencies involves automated record checks. It appears that differences between the agencies still need to be worked out before the automation can take place. The Senate Subcommittee wants the two agencies to confer and report at the beginning of the 1996 Session to the full Senate Ways and Means Committee on a solution to resolve this issue. It is important to get this issue

resolved because options exist through automation to provide significant savings to the State General Fund.

9. The Senate Subcommittee notes that receipts from tipping fees for solid waste were \$4.9 million in FY 1994, which provided for a carryforward balance of \$1.4 million in FY 1995. The statutory tipping fee of \$1.50 per ton of solid waste disposed of at a solid waste disposal area apparently has been higher than necessary to cover costs. The Subcommittee notes that 1995 H.B. 2036 currently in Conference Committee would reduce the tipping fee, helping to remedy the current the situation. However, the Subcommittee is reminded that the solid waste tipping fee is only one fee paid to the agency's more than 25 fee funds. The Subcommittee asks the Department to provide at the beginning of the 1996 legislative session a comprehensive report that assesses fee fund balances and evaluates need for change. The report should also include for each fee collected: rate of the fee, fund to which the fee is credited, program for which the fee is collected, cost of the program, and authorization for collection of the fee.
10. The Subcommittee wishes to report that the agency outlined three potential projects that are being considered, which would be funded with a total of \$200,000 from the State General Fund. The funding for the projects was recommended by the Governor for addressing rural health needs. The appropriation was an initiative by the Governor over the agency's budget request. The three projects include a community recruitment and retention clearinghouse to address the need of communities to recruit and retain physicians and other health professionals; grants to aid communities in becoming more involved in prioritizing their health needs and developing their own solutions to meet the needs; and grants to develop public health coalitions and integrated health service systems. The agency reported that none of the moneys will be used for ongoing state operations, which is consistent with a proviso included in the Governor's recommendation for the State General Fund appropriation.
11. Make appropriate technical adjustments to the bill if needed.



Senator Robert Vancrum, Chair



Senator Richard Rock

KDHE PROGRAM SURVEY

For all programs with federal financing or fee funded due to federal mandates, please provide the following information.

Division:

Granting Agency:

Division:

Bureau:

Grant/Contract Title:

Program:

Amount:

Subprogram:

Grant Ongoing or Requested Annually:

Name of Administrator:

Matching Required:

Program Mandated or Requested?

Source and Amount of Match:

Initial Date of Program Start-Up:

Moneys for State Use or Pass Through (given to locals based on federal formula):

Initial Financing for Program:

Federal Amount:

Percent of Overhead:

State General Fund Amount:

Amount of Overhead:

Other Amount:

How is Overhead Used:

1-20

KDHE PROGRAM SURVEY

Program Explanation:

Who is the program directed to?

Total number being served?

What are the expected results of this program? (be specific)

Explain why Kansas should continue this program. (be specific)

Explain what would be the results if Kansas did not do this program. (be specific)

Any Additional Comments:

KDHE PROGRAM SURVEY

Current Program Funding Summary (Include All Administrative Costs)

	Federal Dollars	State Dollars	Other Dollars
Salaries			
Communications			
Travel			
Capital Outlay			
Rents			
All Other Operating			
Aid or Other Assistance Grants			
TOTAL (by fund)			
TOTAL (all funds)			
Number of Positions Financed by Program			
Regular FTE			
Limited-Term FTE			
Special Projects Positions			
Temporary			

1-22

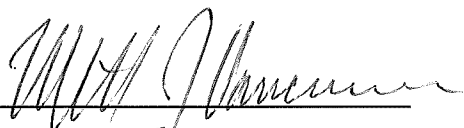
Senate Subcommittee Report

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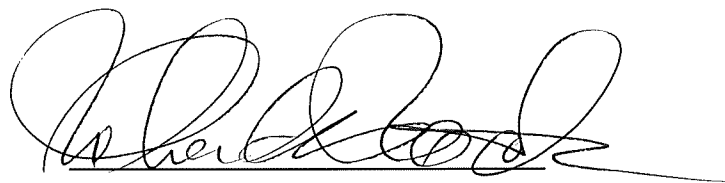
Corporation for Change

House Bill 2265

(section 7)



Senator Robert Vancrum



Senator Richard R. Rock

SWAM

March 29, 1995

Attachment 2

SUBCOMMITTEE REPORT

Agency: Corporation for Change

Bill No. --

Bill Sec. --

Analyst: West

Analysis Pg. No. 996

Budget Page No. 121

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 774,014	\$ 720,599	\$ 0
Aid to Locals	755,749	755,749	0
Total -- Operating	<u>\$ 1,529,763</u>	<u>\$ 1,476,348</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 144,100	\$ 99,886	\$ 0
Aid to Locals	152,060	196,160	0
Total -- Operating	<u>\$ 296,160</u>	<u>\$ 296,046</u>	<u>\$ 0</u>
FTE Positions	0.0	0.0	--
Special Project Appointments	9.0	9.0	--
TOTAL	<u>9.0</u>	<u>9.0</u>	<u>--</u>

Agency Estimate/Governor's Recommendation

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

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

House Subcommittee Recommendation

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

House Committee Recommendation

The House Committee concurs with the recommendation of the Subcommittee.

House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Adj. FY 95</u>	<u>House Rec. FY 95</u>	<u>Senate Subc. Adj.</u>
All Funds:			
State Operations	\$ 0	\$ 720,599	\$ 0
Aid to Locals	0	755,749	0
Total -- Operating	<u>\$ 0</u>	<u>\$ 1,476,348</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 0	\$ 99,886	\$ 0
Aid to Locals	0	196,160	0
Total -- Operating	<u>\$ 0</u>	<u>\$ 296,046</u>	<u>\$ 0</u>
FTE Positions	--	0.0	--
Special Project Appointments	--	9.0	--
TOTAL	<u>--</u>	<u>9.0</u>	<u>--</u>

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House.

SUBCOMMITTEE REPORT

Agency: Corporation for Change

Bill No. 2265

Bill Sec. 7

Analyst: West

Analysis Pg. No. 996

Budget Page No. 121

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 654,052	\$ 604,512	\$ (10,071)
Aid to Locals	685,284	685,284	0
Total -- Operating	<u>\$ 1,339,336</u>	<u>\$ 1,289,796</u>	<u>\$ (10,071)</u>
State General Fund:			
State Operations	\$ 155,770	\$ 84,837	\$ (999)
Aid to Locals	189,090	177,745	0
Total -- Operating	<u>\$ 344,860</u>	<u>\$ 262,582</u>	<u>\$ (999)</u>
FTE Positions	0.0	0.0	--
Special Project Appointments	8.5	7.5	--
TOTAL	<u>8.5</u>	<u>7.5</u>	<u>--</u>

Agency Request/Governor's Recommendation

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

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

House Subcommittee Recommendation

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

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

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

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

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

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

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

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

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

House Committee Recommendation

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

1. The Committee recommends that the plan for social service delivery reform be presented to the 1996 Legislature by January 1, 1996.

House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Adjustments FY 96</u>	<u>House Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (10,071)	\$ 594,441	\$ 0
Aid to Locals	0	685,284	0
Total -- Operating	<u>\$ (10,071)</u>	<u>\$ 1,279,725</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ (999)	\$ 83,838	\$ 0
Aid to Locals	0	177,745	0
Total -- Operating	<u>\$ (999)</u>	<u>\$ 261,583</u>	<u>\$ 0</u>
FTE Positions	--	0.0	--
Special Project Appointments	--	7.5	--
TOTAL	<u>--</u>	<u>7.5</u>	<u>--</u>

Senate Subcommittee Recommendation

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

1. The Subcommittee notes that for the local planning council process to be successful, the council has to be representative of a broad array of diverse community interests. The ideal local planning council should include representatives of government, families, the religious community, service providers, and the general public. The Subcommittee recommends that the Corporation work with the local planning councils to ensure that all interests are adequately represented.

2. This Subcommittee has been assigned the task of reviewing S.B. 42. S.B. 42, by the Joint Committee on Children and Families, appropriates \$50,000 to the Corporation to establish a state office for the cities in schools program to provide technical assistance to local units wishing to establish the program locally. While the Subcommittee believes that the concept of a state office may have merit, the Subcommittee does not believe the Corporation should be the entity to administer the program, especially in light of the Corporation's renewed focus on developing a specific plan of social service delivery reform .

Senate Subcommittee

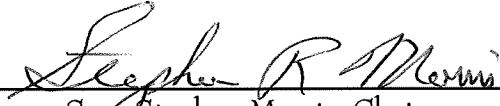
on

Kansas Commission on Veterans' Affairs

Kansas Soldiers Home

H.B. 2265

Section 4


Sen. Stephen Morris, Chairperson


Sen. Marge Petty

SWAM
March 29, 1995
Attachment 3

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Veterans' Affairs

Bill No. 2234

Bill Sec. 22

Analyst: Wiegiers

Analysis Pg. No. 985

Budget Page No. 541

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,496,347	\$ 1,482,986	\$ 0
Fee Funds	98,000	98,000	0
TOTAL	<u><u>\$ 1,594,347</u></u>	<u><u>\$ 1,580,986</u></u>	<u><u>0</u></u>
 FTE Positions	 54.0	 54.0	 --

Agency Estimate/Governor's Recommendation

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

House Subcommittee Recommendation

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

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

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

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

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

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

House Committee

Concur.

House Committee of the Whole

Concur.

Expenditure Summary	House Adj. FY 95	House Recommendation FY 95	Senate Subcommittee Adjustments
State Operations:			
State General Fund	\$ 0	\$ 1,482,986	\$ 0
Fee Funds	0	98,000	0
TOTAL	<u><u>\$ 0</u></u>	<u><u>\$ 1,580,986</u></u>	<u><u>\$ 0</u></u>
 FTE Positions	 0.0	 54.0	 0.0

Senate Subcommittee

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

1. The Subcommittee heard testimony from the agency regarding the amount of cost sharing done by various veterans' organizations in providing the Commission's services to the citizens of Kansas. According to the agency the Veterans of Foreign Wars (VFW) budgets \$22,000 per year and the American Legion budgets \$73,000 per year for such support services. The Subcommittee notes that these monies do not go directly to the Commission but instead are in the form of providing office furnishings, paying for training of personnel and travel costs and providing services, including legal services, for veterans wishing to appeal claims on the national level.

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Veterans' Affairs

Bill No. 2265

Bill Sec. 4

Analyst: Wiegiers

Analysis Pg. No. 985

Budget Page No. 541

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,622,537	\$ 1,550,755	\$ (48,311)
Fee Funds	83,867	82,867	1,000
TOTAL	<u>\$ 1,706,404</u>	<u>\$ 1,633,622</u>	<u>\$ (47,311)</u>
 FTE Positions	 55.0	 54.0	 --

Agency Request/Governor's Recommendation

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

House Subcommittee Recommendation

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

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

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

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

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

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

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

House Committee Recommendation

The House Committee concurs with the House Subcommittee.

House Committee of the Whole Recommendation

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

<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	\$ (48,311)	\$ 1,502,444	\$ 0
Fee Funds	1,000	83,867	0
TOTAL	<u>\$ (47,311)</u>	<u>\$ 1,586,311</u>	<u>\$ 0</u>
FTE Positions	--	54.0	--

Senate Subcommittee

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

1. The Subcommittee recommends that the agency study the number of cases handled by each of the agency's field offices during FY 1996 to help in the formulation of a plan to close some of these field offices. The agency should report back to the 1996 Legislature.
2. The Subcommittee heard testimony from the agency regarding the amount of cost sharing done by various veterans' organizations in providing the Commission's services to the citizens of Kansas. According to the agency, the Veterans of Foreign Wars (VFW) budgets \$22,000 per year and the American Legion budgets \$73,000 per year for such support services. The Subcommittee notes that these monies do not go directly to the Commission but instead are in the form of providing office furnishings, paying for training of personnel and travel costs and providing services, including legal services, for veterans wishing to appeal claims on the national level.
3. The Subcommittee requests that the agency investigate an alternative to adding an additional Management Analyst II position to help the agency gain access to additional federal funds which may be available to fund capital improvement projects at the Kansas Soldiers' Home. One of the options to be explored is for the agency to work with a consulting firm, business or individual who has experience in the process of obtaining federal grants. The Subcommittee requests that the agency report back their findings in time for Omnibus consideration.

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home

Bill No. 2234

Bill Sec. 22

Analyst: Wiegars

Analysis Pg. No. 989

Budget Page No. 541

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,618,927	\$ 1,332,050	\$ 0
General Fees Fund	2,639,447	2,889,447	215,000
Benefit and Gift Fund	17,160	17,160	0
TOTAL	<u>\$ 4,275,534</u>	<u>\$ 4,238,657</u>	<u>\$ 215,000</u>
 FTE Positions	 137.8	 137.8	 --

Agency Estimate/Governor's Recommendation

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

House Subcommittee Recommendation

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

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

*SWAM
March 29, 1995
Attachment 4*

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

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

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

House Committee

Concur.

House Committee of the Whole

Concur.

Expenditure Summary	House Adj. FY 95	House Recommendation FY 95	Senate Subcommittee Adjustments
State Operations:			
State General Fund	\$ 0	\$ 1,332,030	\$ 0
General Fees Fund	215,000	3,104,447	0
Benefit and Gift Fund	0	17,160	0
TOTAL	<u>\$ 215,000</u>	<u>\$ 4,453,637</u>	<u>\$ 0</u>
FTE Positions	0.0	137.8	0.0

Senate Subcommittee Recommendation

Concur.

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SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home

Bill No. 2265

Bill Sec. 4

Analyst: Wiegars

Analysis Pg. No. 985

Budget Page No. 541

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,620,000	\$ 1,425,999	\$ (372,603)
General Fees Fund	2,887,161	2,959,093	301,157
Benefit and Gift Fund	17,160	17,160	0
Total	<u>\$ 4,524,321</u>	<u>\$ 4,402,252</u>	<u>\$ (71,446)</u>
FTE Positions	140.8	137.8	3.0

Agency Request/Governor's Recommendation

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

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

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

* Level of performance under Governor's recommendation.

House Subcommittee Recommendation

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

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

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

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

House Committee Recommendation

The House Committee concurs with the House Subcommittee.

House Committee of the Whole Recommendation

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

<u>Expenditure Summary</u>	<u>House Adjustments FY 96</u>	<u>House Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (372,603)	\$ 1,053,396	\$ 0
General Fees Fund	301,157	3,260,250	0
Benefit and Gift Fund	0	17,160	0
Total	<u>\$ (71,446)</u>	<u>\$ 4,330,806</u>	<u>\$ 0</u>
FTE Positions	3.0	140.8	0.0

Senate Subcommittee

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


1. The Subcommittee notes that S.B. 8 as originally introduced would exclude institutions operated by federal or state governments from the definition of "adult care home" but that it has been amended to exempt facilities run by the Kansas Commission on Veterans Affairs. The Subcommittee notes that if S.B. 8 does not pass as amended there will need to be a proviso to this bill that the Kansas Soldiers' Home should be exempt from this restriction.

SENATE SUBCOMMITTEE ON:

Homestead Property Tax Refunds



Senator Stephen Morris
Subcommittee Chair



Senator Marge Petty

SWAM
March 29, 1995
Attachment 5

House Committee Recommendation

The House Committee concurs with the Subcommittee.

House Committee of the Whole Recommendation

The House concurs with the Committee.

<u>Expenditure Summary</u>	<u>House Adj. FY 95</u>	<u>House Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State General Fund: Homestead Tax Refund	\$ 0	\$ 9,100,000	\$ 0
FTE Positions	0.0	0.0	0.0

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House.

SUBCOMMITTEE REPORT

Agency: Department of Revenue --
Homestead Property Tax Refunds

Bill No. 2265

Bill Sec. 2

Analyst: Milstead

Analysis Pg. No. 994

Budget Page No. 451

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

Agency Request/Governor's Recommendation

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

House Subcommittee Recommendation

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

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

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

House Committee Recommendation

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

1. The House Committee requests the Senate to examine the situation regarding taxpayers who prequalify for the homestead property tax refund program in light of Senate Bill No. 2.

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 Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State General Fund:			
Homestead Tax Refunds	\$ 0	\$ 8,900,000	\$ 0
FTE Positions	0.0	0.0	0.0

Senate Subcommittee Recommendation

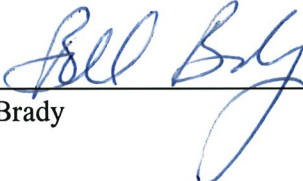
The Senate Subcommittee concurs with the House.

SENATE SUBCOMMITTEE ON:

Department of Human Resources



Senator Alicia Salisbury
Subcommittee Chair



Senator Bill Brady

SWAM
March 29, 1995
Attachment 6

SUBCOMMITTEE REPORT

Agency: Department of Human Resources

Bill No. --

Bill Sec. --

Analyst: Milstead

Analysis Pg. No. 961

Budget Page No. 279

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 45,151,713	\$ 45,053,779	\$ 0
Local Aid	0	0	0
Other Assistance	207,195,000	207,195,000	0
Subtotal	<u>\$ 252,346,713</u>	<u>\$ 252,248,779</u>	<u>\$ 0</u>
Capital Improvements	351,276	351,276	0
TOTAL	<u><u>\$ 252,697,989</u></u>	<u><u>\$ 252,600,055</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 1,008,044	\$ 1,006,594	\$ 0
Other Assistance	5,000	5,000	0
TOTAL	<u><u>\$ 1,013,044</u></u>	<u><u>\$ 1,011,594</u></u>	<u><u>\$ 0</u></u>
FTE Positions	928.5	928.5	--
Special Project Appointments	16.0	16.0	--
TOTAL	<u><u>944.5</u></u>	<u><u>944.5</u></u>	<u><u>--</u></u>

Agency Estimate/Governor's Recommendation

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

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

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

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

Other Funds. The agency estimates that FY 1995 operating expenditures from federal and special revenue funding sources will be \$251,333,669, a net decrease of \$22,871,670 from the approved budget. Unemployment insurance benefits are estimated to be \$194,000,000, a reduction of \$20,900,000. Grants under the federal Job Training Partnership Act (JTPA) are estimated at \$16,557,131.

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

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

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

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

House Subcommittee Recommendation

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

House Committee Recommendation

The House Committee concurs with the Subcommittee's recommendation.

House Committee of the Whole Recommendation

The House concurs with the recommendation of the Committee.

<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	\$ 45,053,779	\$ 0
Local Aid	0	0	0
Other Assistance	0	207,195,000	0
Subtotal	<u>\$ 0</u>	<u>\$ 252,248,779</u>	<u>\$ 0</u>
Capital Improvements	0	351,276	0
TOTAL	<u><u>\$ 0</u></u>	<u><u>\$ 252,600,055</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 0	\$ 1,006,594	\$ 0
Other Assistance	0	5,000	0
TOTAL	<u><u>\$ 0</u></u>	<u><u>\$ 1,011,594</u></u>	<u><u>\$ 0</u></u>
FTE Positions	0.0	928.5	0.0
Special Project Appointments	0.0	16.0	0.0
TOTAL	<u><u>0.0</u></u>	<u><u>944.5</u></u>	<u><u>0.0</u></u>

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House.

SUBCOMMITTEE REPORT

Agency: Department of Human Resources

Bill No. 2265

Bill Sec. 3

Analyst: Milstead

Analysis Pg. No. 961

Budget Page No. 279

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

Agency Request/Governor's Recommendation

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

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

New Initiatives

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

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

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

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

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

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

House Subcommittee Recommendations

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

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

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

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

* Through January, 1995.

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

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

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

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

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

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

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

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

House Committee Recommendation

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

1. In regard to the Advisory Committee on Hispanic Affairs, the Committee requests the Senate review a special report published by Wichita State University in the Spring of 1994 entitled *Special Needs of Minority Groups in Kansas*. The Senate is also requested to examine the response to the report, *Response to the Minority Needs Study*, prepared by the Kansas Advisory Committee on Hispanic Affairs.

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 Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ (1,279,496)	\$ 44,318,655	\$ 0
Local Aid	0	0	0
Other Assistance	0	212,295,545	0
Subtotal	<u>\$ (1,279,496)</u>	<u>\$ 256,614,200</u>	<u>\$ 0</u>
Capital Improvements	0	91,131	0
TOTAL	<u><u>\$ (1,279,496)</u></u>	<u><u>\$ 256,705,331</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ (27,554)	\$ 938,831	\$ 0
Other Assistance	0	95,545	0
TOTAL	<u><u>\$ (27,554)</u></u>	<u><u>\$ 1,034,376</u></u>	<u><u>\$ 0</u></u>
FTE Positions	0.0	928.5	0.0
Special Project Appointments	0.0	16.0	0.0
TOTAL	<u><u>0.0</u></u>	<u><u>944.5</u></u>	<u><u>0.0</u></u>

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the House, with the following observations:

1. The Subcommittee has been informed by the agency that legislation (specifically H.B. 2305) which has gone to the Governor and which provides for a two-year moratorium on Unemployment Insurance Contributions for Kansas employers will reduce deposits into the Federal Indirect Cost Offset Fund (FICO). The FICO Fund is used to finance operating expenditures of various state programs in the Department of Human Resources, including Labor Relations and Employment Standards and Industrial Safety. The agency is requesting a transfer for FY 1996 of approximately \$215,000 from the State General Fund to the Federal Indirect Cost Offset Fund to make up for the anticipated cash flow shortfall resulting from a reduction in interest payments throughout the year. The Subcommittee understands these funds will be repaid to the SGF following the moratorium. The Subcommittee currently takes no position on the agency's request but does acknowledge that the agency is presently seeking a Governor's budget amendment to meet the anticipated shortfall.

2. In regard to the Kansas Advisory Committee on Hispanic Affairs (KACHA), the Subcommittee reviewed the 1994 report published by Wichita State University entitled *Special Needs of Minority Groups in Kansas*. The Subcommittee also reviewed KACHA's response to that report and heard testimony from the agency regarding the report. The Subcommittee agrees with the *Special Needs* report's recommendation that KACHA narrow the scope of its mission. Specifically, the

Subcommittee agrees that KACHA should focus its work on public policy research and advice. The Subcommittee emphasizes, however, that absent any structural changes within the Department of Human Resources in its method of serving other minority groups within the state, the Subcommittee does not recommend substantive programmatic changes to KACHA. The Subcommittee is aware of other minority groups' desires to have access to organized governmental structures to address their unique needs and problems. The Subcommittee notes that the new Secretary of Human Resources is in the process of developing ideas with the Governor to address those groups' interests.

3. A proviso in 1994 S.B. 305 required the Department to submit: (a) a comprehensive plan for the creation of certain pilot projects; and (b) a plan reorganizing the Job Training Partnership Act's service delivery area. The Subcommittee received a proposed reorganization of service delivery areas that is being submitted to the Governor, as well as a plan that creates one-stop career centers.
4. Make technical adjustments.

SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 2234

Bill Sec. 17

Analyst: Colton

Analysis Pg. No. 974

Budget Page No. 47

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,990,420	\$ 3,021,471	\$ 0
Aid to Local Units	4,465,147	4,465,147	0
Other Assistance	12,587,486	12,587,486	0
TOTAL	<u>\$ 20,043,053</u>	<u>\$ 20,074,104</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 1,318,673	\$ 1,349,008	\$ 0
Aid to Local Units	1,318,867	1,318,867	0
Other Assistance	3,488,055	3,488,055	0
TOTAL	<u>\$ 6,125,595</u>	<u>\$ 6,155,930</u>	<u>\$ 0</u>
FTE Positions	40.0	40.0	0.0
Special Project Appointments	6.8	6.8	0.0
TOTAL	<u>46.8</u>	<u>46.8</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

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

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

*SWAM
March 29, 1995
Attachment 7*

House Subcommittee Recommendation

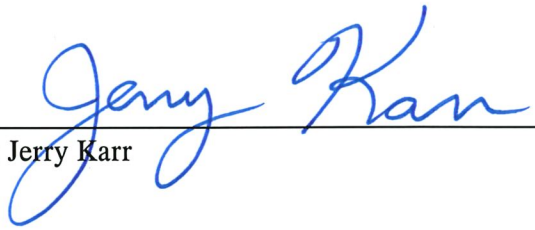
Concur.

Senate Subcommittee Recommendation

Concur.



Senator Dave Kerr
Subcommittee Chair



Senator Jerry Kerr

SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 2265

Bill Sec. 6

Analyst: Colton

Analysis Pg. No. 974

Budget Page No. 47

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 4,290,755	\$ 3,926,824	\$ (113,559)
Aid to Local Units	4,663,122	4,483,261	0
Other Assistance	12,702,742	12,425,616	0
TOTAL	<u><u>\$ 21,656,619</u></u>	<u><u>\$ 20,835,701</u></u>	<u><u>\$ (113,559)</u></u>
State General Fund:			
State Operations	\$ 2,021,612	\$ 1,674,351	\$ (72,579)
Aid to Local Units	1,434,493	1,259,424	0
Other Assistance	3,782,639	3,515,162	0
TOTAL	<u><u>\$ 7,238,744</u></u>	<u><u>\$ 6,448,937</u></u>	<u><u>\$ (72,579)</u></u>
FTE Positions	47.8	40.0	0.0
Special Project Appointments	4.5	6.8	0.0
TOTAL	<u><u>52.3</u></u>	<u><u>46.8</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

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

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

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

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

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

House Subcommittee Recommendation

Concur with the Governor, except:

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

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

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

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

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

Senate Subcommittee Recommendation

The Senate Subcommittee concurs, with the following adjustments:

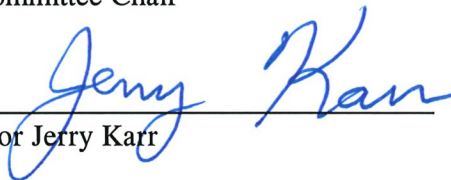
1. Restore \$31,547 SGF in funding for travel, and \$4,984 SGF for computer software upgrades which was deleted by the House Subcommittee. This will restore funding for travel and software to the level recommended by the Governor. Travel funding recommended by the Governor was almost \$10,000 below actual FY 1994 expenditures. Reductions below the Governor's recommendations may hinder the agency in the performance of its mission and duties.
2. Add \$10,000 SGF for the Retired and Senior Volunteer Program (RSVP). The Subcommittee believes that the program is worthy of a modest increase in state support, and that the state receives an excellent return on its investment in RSVP.

The Department on Aging showed that with the \$17,820 in state funding for RSVP in FY 1994, 315 volunteers were placed. These volunteers worked almost 90,000 hours in their communities. Valuing the volunteers' time at a very modest \$5.00 per hour, the economic impact created was worth nearly \$450,000. Funding added by the Subcommittee will bring RSVP funding to \$30,000 for FY 1996.

3. The Subcommittee notes that Sub. for H.B. 2455 is currently under consideration in the House Committee on Appropriations. That bill would transfer responsibility for certain long-term care programs from the Department of Social and Rehabilitation Services (SRS) to the Department on Aging. While the Subcommittee is supportive of the concept of making this transfer, it feels that the transfer should be made only after careful planning and study.
4. The Subcommittee received information from the Department showing that, since the transfer of nursing home preadmission screenings from SRS to the Department on Aging, the waiting time for screening results has dropped dramatically. The Subcommittee learned that the Department does not plan to request a supplemental appropriation for the Client Assessment, Referral and Evaluation (CARE) program, which is the program within the Department responsible for screenings, including the federally-required PASARR screenings (which are designed to keep persons with mental illness or mental retardation from being warehoused in nursing facilities). Testimony indicated that the Department could be off to a good start in implementing this program.



Senator Dave Kerr
Subcommittee Chair



Senator Jerry Karr

Subcommittee Report
Department of Wildlife & Parks

1995 H.B. 2265

Section 8

Jerry Moran

Senator Jerry Moran, Chairman

Senator Bill Brady

SWAM
March 29, 1995
Attachment 8

SUBCOMMITTEE REPORT

Agency: Department of Wildlife and Parks

Bill No. 236

Bill Sec. 8

Analyst: Mills

Analysis Pg. No. 1002

Budget Page No. 551

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 24,177,149	\$ 23,449,675	\$ 0
Local Aid	698,288	698,288	0
Other Assistance	417,986	417,715	0
Subtotal -- Operating	<u>\$ 25,293,423</u>	<u>\$ 24,565,678</u>	<u>\$ 0</u>
Capital Improvements	13,792,721	13,792,721	(112,902)
TOTAL	<u><u>\$ 39,086,144</u></u>	<u><u>\$ 38,358,399</u></u>	<u><u>\$ (112,902)</u></u>
State General Fund:			
State Operations	\$ 3,719,109	\$ 3,670,816	\$ 0
Local Aid	0	0	0
Other Assistance	201,100	201,100	0
Subtotal -- Operating	<u>\$ 3,920,209</u>	<u>\$ 3,871,916</u>	<u>\$ 0</u>
Capital Improvements	70,808	70,808	0
TOTAL	<u><u>\$ 3,991,017</u></u>	<u><u>\$ 3,942,724</u></u>	<u><u>\$ 0</u></u>
EDIF:			
State Operations	\$ 0	\$ 0	\$ 0
Local Aid	0	0	0
Other Assistance	50,000	50,000	0
Subtotal -- Operating	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 0</u>
Capital Improvements	1,569,337	1,569,337	0
TOTAL	<u><u>\$ 1,619,337</u></u>	<u><u>\$ 1,619,337</u></u>	<u><u>\$ 0</u></u>
State Water Plan Fund:			
State Operations	\$ 236,200	\$ 236,200	\$ 0
Local Aid	0	0	0
Other Assistance	0	0	0
Subtotal -- Operating	<u>\$ 236,200</u>	<u>\$ 236,200</u>	<u>\$ 0</u>
Capital Improvements	1,314,425	1,314,425	0
TOTAL	<u><u>\$ 1,550,625</u></u>	<u><u>\$ 1,550,625</u></u>	<u><u>\$ 0</u></u>
FTE Positions	406.0	406.0	0.0
Special Project Appointments	11.0	11.0	0.0
TOTAL	<u><u>417.0</u></u>	<u><u>417.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

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

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

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

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

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

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

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

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

House Subcommittee Recommendation

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

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

House Committee Recommendation

The House Committee concurs with the House Subcommittee recommendation for FY 1995.

House Committee of the Whole 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 Subc. Adj.</u>
All Funds:			
State Operations	\$ 0	\$ 23,449,675	\$ 79,843
Local Aid	0	698,288	0
Other Assistance	0	417,715	0
Subtotal -- Operating	\$ 0	\$ 24,565,678	\$ 79,843
Capital Improvements	(112,902)	13,679,819	0
TOTAL	<u>\$ (112,902)</u>	<u>\$ 38,245,497</u>	<u>\$ 79,843</u>
State General Fund:			
State Operations	\$ 0	\$ 3,670,816	\$ 0
Local Aid	0	0	0
Other Assistance	0	201,100	0
Subtotal -- Operating	\$ 0	\$ 3,871,916	\$ 0
Capital Improvements	0	70,808	0
TOTAL	<u>\$ 0</u>	<u>\$ 3,942,724</u>	<u>\$ 0</u>
EDIF:			
State Operations	\$ 0	\$ 0	\$ 0
Local Aid	0	0	0
Other Assistance	0	50,000	0
Subtotal -- Operating	\$ 0	\$ 50,000	\$ 0
Capital Improvements	0	1,569,337	0
TOTAL	<u>\$ 0</u>	<u>\$ 1,619,337</u>	<u>\$ 0</u>
State Water Plan Fund:			
State Operations	\$ 0	\$ 236,200	\$ 0
Local Aid	0	0	0
Other Assistance	0	0	0
Subtotal -- Operating	\$ 0	\$ 236,200	\$ 0
Capital Improvements	0	1,314,425	0
TOTAL	<u>\$ 0</u>	<u>\$ 1,550,625</u>	<u>\$ 0</u>
FTE Positions	0.0	406.0	0.0
Special Project Appointments	0.0	11.0	0.0
TOTAL	<u>0.0</u>	<u>417.0</u>	<u>0.0</u>

Senate Subcommittee Recommendation

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

1. With regard to House Subcommittee Recommendation No. 1, the Senate Subcommittee concurs with the lapse of \$150,000 (Wildlife Fee Fund) and the appropriation of \$37,098 (WFF) for the required payment to the Bureau of Reclamation for reservoir maintenance at Cedar Bluff Reservoir. Additionally, the Senate Subcommittee recommends that a total of \$79,843 of the savings be appropriated to allow the Department to maintain the Smoky Hill River Channel at Cedar Bluff Reservoir by purchasing equipment and utilizing seasonal labor. The funding, as requested by the Department, is composed of \$73,843 for a one-time equipment purchase for equipment to maintain the river channel and \$6,000 for salary and OOE costs for 500 hours of seasonal labor at \$5 per hour, for timber management practices.
2. A technical correction to the bill to properly reflect the House recommendation.

SUBCOMMITTEE REPORT

Agency: Department of Wildlife and Parks

Bill No. 2265

Bill Sec. 8

Analyst: Mills

Analysis Pg. No. 1002

Budget Page No. 551

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96*</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 26,678,190	\$ 24,237,373	\$ (810,863)
Local Aid	575,000	575,000	0
Other Assistance	40,000	40,000	0
Subtotal -- Operating	\$ 27,293,190	\$ 24,852,373	\$ (810,863)
Capital Improvements	14,472,571	4,983,800	0
TOTAL	\$ 41,765,761	\$ 29,836,173	\$ (810,863)
State General Fund:			
State Operations	\$ 5,569,399	\$ 4,174,216	\$ (125,465)
Local Aid	0	0	0
Other Assistance	0	0	0
Subtotal -- Operating	\$ 5,569,399	\$ 4,174,216	\$ (125,465)
Capital Improvements	4,128,042	650,000	0
TOTAL	\$ 9,697,441	\$ 4,824,216	\$ (125,465)
EDIF:			
State Operations	\$ 0	\$ 0	\$ 0
Local Aid	0	0	0
Other Assistance	40,000	0	0
Subtotal -- Operating	\$ 40,000	\$ 0	\$ 0
Capital Improvements	722,000	0	0
TOTAL	\$ 762,000	\$ 0	\$ 0
State Water Plan Fund:			
State Operations	\$ 50,000	\$ 50,000	\$ 0
Local Aid	0	0	0
Other Assistance	0	0	0
Subtotal -- Operating	\$ 50,000	\$ 50,000	\$ 0
Capital Improvements	2,500,000	1,000,000	0
TOTAL	\$ 2,550,000	\$ 1,050,000	\$ 0
FTE Positions	419.0	406.0	0.0
Special Project Appointments	11.0	11.0	0.0
TOTAL	430.0	417.0	0.0

* Includes GBA No. 2 adjustment increasing Wildlife Fee Fund by \$32,201.

Agency Request/Governor's Recommendation

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

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

The Governor recommends a total of \$24,205,172 for state operations in FY 1996, a reduction of \$2,473,018 from the agency request. The reductions are found in salaries (\$853,612), contractual services (\$828,428), commodities (\$578,649), and capital outlay (\$212,329). The Governor recommends a transfer of \$250,000 in FY 1996 (and in FY 1995) from the State General Fund to the Parks Fee Fund to

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

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

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

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

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

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

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

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

The Governor recommends a total of \$4,983,800 in FY 1996 for various capital improvement projects. The Governor recommends financing of \$650,000 from the State General Fund, \$100,000 from the State Budget Stabilization Fund, \$367,700 from the Wildlife Fee Fund, \$1,000,000 from the State Water Plan Fund, \$1,350,000 from the State Highway Fund, \$1,000,000 from federal funds, \$216,100 from the Boating Fee Fund, \$245,000 from the Migratory Waterfowl Fund, and \$55,000 from the Nongame Wildlife

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

House Subcommittee Recommendation

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

1. Delete \$580,724, including \$100,465 from the State General Fund, based on the recommendation to delete funding for a 3.5 percent merit pool (\$10,164), classified step movement (\$243,252), a one percent base adjustment for classified employees (\$133,575), and the longevity bonus (\$193,734) from individual agency budgets.
2. The Subcommittee is aware that the Legislative Division of Post Audit is preparing a K-GOAL performance audit reviewing issues relating to the financial management, efficiency, and effectiveness of the Kansas Department of Wildlife and Parks (KDWP) for release in February of 1995. However, the timing of this audit was such that the House Subcommittee had completed its review prior to the release of the audit report. The House Subcommittee recommends that the Senate Subcommittee review this audit report when it becomes available. Also, the House Committee on Governmental Organization will review the report and should forward its recommendations to the House Appropriations Committee.
3. Delete \$80,600 (Wildlife Fee Fund) which the Governor had inadvertently recommended as capital outlay for equipment for 4.0 new FTE positions. The agency had requested 4.0 new FTE Conservation Officer positions: the Governor did not recommend the new positions, but did not delete the associated capital outlay funding for four trucks, pistols, ballistic vests, and related law enforcement equipment.
4. Delete \$113,539 (\$25,000 State General Fund; \$25,000 Park Fee Fund; \$25,000 Wildlife Fee Fund; and \$38,539 Federally Licensed Areas Fund) of the \$613,539 recommended by the Governor for repairing and servicing in the Parks and Public Lands Division. The recommendation would leave \$500,000 for repairing in FY 1996. Actual FY 1994 expenditures for repairing were \$426,750 and the FY 1995 estimate is \$406,052.
5. Delete \$36,000 (Boating Fee Fund) of the \$200,000 which the Governor had recommended for the purchase of 10 new patrol boats and 2 new personal watercraft for the Law Enforcement Division. The House Subcommittee recommendation will allow for the purchase of 8 replacement boats (\$144,000) and 2 personal watercraft (\$20,000) in FY 1996. The agency currently has 25 patrol boats located on the larger reservoirs.

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

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

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

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

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

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

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

House Committee Recommendation

The House Committee concurs with the House Subcommittee recommendation, with the following adjustments:

1. With regard to House Subcommittee Item No. 4 above, restore \$113,539 to return to the Governor's recommendation of \$613,539 for repairing and servicing in the Parks and Public Lands Division.
2. With regard to House Subcommittee Item No. 5 above, restore \$36,000 to return to the Governor's recommendation of \$200,000 for replacement boats and boating equipment.
3. With regard to House Subcommittee Item No. 9 above, concerning the payment to the U.S. Corps of Engineers for El Dorado State park, the House Committee directs the Chairman to request an Attorney General's opinion to clarify the state's contractual obligations and any options which may be available regarding the payment.
4. The House Committee recommends that the Senate Subcommittee address the revised amount of expenditures for diversion for the period FY 1989 to FY 1992 as recently determined by the U.S. Fish and Wildlife Service (USFWS). The Legislative Post Auditor had determined that the amount of diversion for the above period was \$1,668,205. The FY 1996 *Governor's Budget Report* provides for a transfer of \$432,170 in FY 1996 from the State General Fund to the Wildlife Fee Fund as the second of three payments equal to the amount determined by the Post Auditor. The USFWS on February 16, 1995, accepted \$1,900,109 as the final amount of diversion. This action will require an increase of \$231,904 (which could be spread over two years) in the total amount of payments to the Wildlife Fee Fund.
5. The House Committee recommends that the Department of Wildlife and Parks prepare legislation (either in the 1995 Session or the 1996 Session) to increase its current fees or to revise the entire fee structure in order to properly fund its operations. Such legislation was considered during the 1994 Session, but was not enacted.

House Committee of the Whole Recommendation

Concur.

Expenditure Summary	House Adj. FY 96	House Rec. FY 96	Senate Subc. Adj.
All Funds:			
State Operations	\$ (661,324)	\$ 23,576,049	\$ 0
Local Aid	0	575,000	0
Other Assistance	0	40,000	0
Subtotal -- Operating	<u>\$ (661,324)</u>	<u>\$ 24,191,049</u>	<u>\$ 0</u>
Capital Improvements	0	4,983,800	0
TOTAL	<u><u>\$ (661,324)</u></u>	<u><u>\$ 29,174,849</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ (100,465)	\$ 4,073,751	\$ 0
Local Aid	0	0	0
Other Assistance	0	0	0
Subtotal -- Operating	<u>\$ (100,465)</u>	<u>\$ 4,073,751</u>	<u>\$ 0</u>
Capital Improvements	0	650,000	0
TOTAL	<u><u>\$ (100,465)</u></u>	<u><u>\$ 4,723,751</u></u>	<u><u>\$ 0</u></u>
EDIF:			
State Operations	\$ 0	\$ 0	\$ 0
Local Aid	0	0	0
Other Assistance	0	0	0
Subtotal -- Operating	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
State Water Plan Fund:			
State Operations	\$ 0	\$ 50,000	\$ 0
Local Aid	0	0	0
Other Assistance	0	0	0
Subtotal -- Operating	<u>\$ 0</u>	<u>\$ 50,000</u>	<u>\$ 0</u>
Capital Improvements	0	1,000,000	0
TOTAL	<u><u>\$ 0</u></u>	<u><u>\$ 1,050,000</u></u>	<u><u>\$ 0</u></u>
FTE Positions	0.0	406.0	0.0
Special Project Appointments	0.0	11.0	0.0
TOTAL	<u><u>0.0</u></u>	<u><u>417.0</u></u>	<u><u>0.0</u></u>

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the House recommendation, with the following additional recommendations:

1. The Senate Subcommittee notes that the Governor's recommendation for FY 1996 includes no funding for the second year of the "Rails-to-Trails" project. The 1994 Legislature had approved \$1,376,000 for the first year of the project. The Department had requested \$1,010,000 (\$202,000 from the EDIF and \$808,000 in federal funds) in FY 1996 for the second year funding for this three-year project. The total project cost is estimated at \$3,246,000. The Subcommittee understands that the Franklin County Commission has scheduled a public hearing to approve this project. Depending on the outcome of the hearing, this funding could become a potential item for a Governor's Budget Amendment. If a GBA item is presented, the issue should be discussed in Omnibus Session.

2. The Senate Subcommittee is aware that a new federal audit covering the fiscal years 1993-1994 is being conducted. (The original federal audit covered the period FY 1989-FY 1992.) This new audit will probably not be completed until after the 1995 Session. The Subcommittee recommends that the 1996 Legislature review this audit next session.

3. The Subcommittee received a request from the Department of Wildlife and Parks to divide or "split" the Wildlife Fee Fund (established by K.S.A. 32-990) into two separate funds. This request was made by the KDWP in order to concur with a recommendation of the Legislative Post Auditor to separate the receipts which are restricted use (wildlife expenditures only) from those receipts which are non-restricted. In order to accomplish this recommendation, legislation would need to be introduced to amend K.S.A. 32-990. The proposed legislation would allow the KDWP to deposit receipts not restricted by state law or federal regulations into a newly created fund entitled "Wildlife Non-Restricted Fees Fund." In addition, a transfer of \$225,000 from the existing Wildlife Fee Fund to the newly created Wildlife Non-Restricted Fees Fund would need to occur upon the effective date of the act creating the new fund. The proposed transfer amount represents an estimate of the non-restricted fees currently available in the Wildlife Fee Fund that could be used for expenditures related to wildlife but not restricted by state law or federal regulation.

4. The Senate Subcommittee was briefed by the Secretary of Wildlife and Parks on the financial obligations of the Department to comply with federal aid audit issues. The three components of the federal aid audit issues are summarized below:
 - a. The dollar amount involved in diversion for the period FY 1989-FY 1992 has been finalized at \$1,900,109. To comply with the requirement of the U.S. Fish and Wildlife Service, this amount must be transferred to the Wildlife Fee Fund from another funding source.

FY 1995	\$	802,736	Transfer approved by the 1994 Legislature from the State General Fund (SGF) to the Wildlife Fee Fund (WFF)
FY 1996		432,710	Governor recommends transfer from SGF to WFF in FY 1996
--		664,663	Balance to be transferred to WFF.
TOTAL	\$	<u>1,900,109</u>	

- b. Inadequate expenditures were made to comply with base fisheries expenditures for the period FY 1986-FY 1992. The Department must expend \$3,541,526 for the fisheries program during the three-year period.

FY 1995	\$ 1,180,509	Amount authorized by the 1994 Legislature from the WFF for fisheries program. First-year payment.
FY 1996	1,187,650	Amount recommended by Governor from WFF for second-year payment.
FY 1997	1,173,367	Third-year payment needed to resolve issue.
TOTAL	<u>\$ 3,541,526</u>	

- c. The Department received \$845,099 in federal sport fisheries aid for projects at state parks. These projects were not part of the approved operations plan for FY 1992, and were inappropriate to receive federal reimbursement. The Department must reimburse the federal aid program for \$845,099.

FY 1995	\$ 845,099	The 1994 Legislature authorized expenditures of \$300,000 for state fishing lake renovations and \$750,000 for dam maintenance and repair from the WFF to compensate for the federal aid reimbursement and resolve this issue.
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5. A technical adjustment to the appropriation language in the bill.

Senate Subcommittee Report


on

House Bill No. 2235

Capital Improvement Projects



Senator August Bogina Jr., Chairman



Senator Robert Vancrum



Senator Gerald Karr

SWAM
March 29, 1995
Attachment 9

**BILL EXPLANATION
HOUSE BILL NO. 2235
CAPITAL IMPROVEMENT PROJECTS**

9-2

Sec.	Agency	Governor's Rec. FY 96		House Rec. FY 96		Senate Subcommittee Rec. FY 96	
		State		State		State	
		General	All	General	All	General	All
		Fund	Funds	Fund	Funds	Fund	Funds
2	Insurance Department	\$ 0	\$ 100,044	\$ 0	\$ 100,044	\$ 0	\$ 100,044
3	Department of Administration	1,535,500	3,184,487	1,535,500	3,434,487	1,535,500	3,434,487
4	Department of Commerce & Housing	0	35,000	0	35,000	0	35,000
5	Fort Hays State University	0	786,592	0	786,592	0	786,592
6	Kansas State University	0	7,642,907	0	7,642,907	0	7,642,907
7	KSU - Salina, College of Technology	189,466	214,466	189,466	214,466	189,466	214,466
8	Emporia State University	0	90,000	0	90,000	0	90,000
9	Pittsburg State University	0	4,997,000	0	4,997,000	0	4,997,000
10	University of Kansas	(3,800,000)	6,887,000	(3,800,000)	6,887,000	(3,800,000)	6,887,000
11	University of Kansas Medical Center	0	3,187,000	0	3,187,000	0	3,187,000
12	Wichita State University	0	214,000	0	214,000	0	214,000
13	Department of Human Resources	0	91,131	0	91,131	0	91,131
14	Kansas Commission on Veterans Affairs	0	150,000	0	150,000	0	150,000
15	Attorney General - KBI	145,000	145,000	190,000	190,000	190,000	190,000
16	Kansas Highway Patrol	0	235,000	0	235,000	0	235,000
17	Adjutant General	196,240	352,357	196,240	352,357	196,240	352,357
18	Dept. of Wildlife and Parks	650,000	2,100,000	650,000	2,100,000	650,000	2,100,000
20	KSU - Extension Systems and Agriculture Research Programs	0	0	0	0	0	0
	TOTAL	\$ (1,083,794)	\$ 30,411,984	\$ (1,038,794)	\$ 30,706,984	\$ (1,038,794)	\$ 30,706,984

FY 1995 Projects

19	Dept. of Wildlife and Parks	\$ 0	\$ 0	\$ 0	\$ 600,000	\$ 0	\$ 600,000
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Agency Request/Governor's RecommendationHouse AdjustmentsSenate Subcommittee Adjustments**Sec. 2 -- Insurance Department**

The agency requests \$10,000 in FY 1996 from the Insurance Department Rehabilitation and Repair Fund for contingent building repairs on the Department's Topeka office. The funding is requested for unforeseen problems with the building's heating and cooling, electrical and plumbing systems. Also, the agency requests \$10,044 from the Insurance Department Rehabilitation and Repair Fund to continue a four-year carpet replacement project the began in the current year. In addition, the request includes a total of \$80,000 from the Insurance Building Principal and Interest Payment Fund for the principal portion payment of bonds issued in 1991 for the purchase of the agency's building. The Governor concurs with the agency's request.

The House concurs with the recommendations of the Governor.

The Senate Subcommittee concurs with the recommendations of the House.

Sec. 3 -- Department of Administration

The table below notes the agency request and Governor's recommendations for Department of Administration capital improvement projects:

1. The table below notes the House recommendations for Department of Administration capital improvement projects.
2. Make technical adjustments to the bill to reflect the Governor's recommendation.

1. Concur, with the addition of a proviso which states that the agency shall not issue bonds for Memorial Hall renovation until the agency has presented to the Joint Committee on State Building Construction a plan for Memorial Hall renovation, including which agencies are to occupy the building. The State Finance Council may authorize issuance of the bonds upon its review of the Joint Committee's recommendation.
2. Concur. Make an additional technical amendment to reflect the Governor's recommendation.

Agency Request/Governor's Recommendation	House Adjustments		Senate Subcommittee Adjustments	
Project	Agency Request FY 1996	Governor's Rec. FY 1996	House Rec. FY 1996	Senate Subcommittee Rec. FY 1996
State General Fund:				
Energy Conservation Debt Service	\$ 1,165,000 (a)	\$ 1,165,000	\$ 1,165,000	\$ 1,165,000
Rehabilitation and Repair -- Statehouse, Judicial Center, Governor's Residence	315,950	117,000 (e)	117,000	117,000
Fire Alarm, Security, and Life/Safety Systems Upgrade -- Statehouse	253,500	253,500	253,500	253,500
Roof Replacement and Scupper Installation -- Judicial Center	250,000	0	0	0
Replace Carpet -- Judicial Center	61,880	0	0	0
Americans with Disabilities Act (ADA) Modifications -- Memorial Hall	45,000	0	0	0
Memorial Hall Renovation	104,400	0 (f)	0	(g)
Historic Structure Report -- Statehouse	50,000	0	0	0
Historic Interiors Report -- Statehouse	135,000	0	0	0
Subtotal -- SGF	<u>\$ 2,380,730</u>	<u>\$ 1,535,500</u>	<u>\$ 1,535,500</u>	<u>\$ 1,535,500</u>
State Building Depreciation Fund:				
Special Maintenance -- Docking and Landon State Office Buildings, Forbes, and Heating Plant	\$ 279,500	\$ 279,500	\$ 279,500	\$ 279,500
Convert Two Chillers to HCFC Refrigerants -- Forbes Heating Plant	150,000	150,000	150,000	150,000
Reroof Landon State Office Building	105,000	105,000	105,000	105,000
Subtotal -- SBDF	<u>\$ 534,500</u>	<u>\$ 534,500</u>	<u>\$ 534,500</u>	<u>\$ 534,500</u>
Building and Grounds Fund:				
Parking Lot Rehabilitation and Repair	\$ 44,000	\$ 44,000	\$ 44,000	\$ 44,000
Construct Landon State Office Building Recycling Storage Shelter	17,500	0	0	0
Subtotal -- Building and Grounds Fund	<u>\$ 61,500</u>	<u>\$ 44,000</u>	<u>\$ 44,000</u>	<u>\$ 44,000</u>
State Building Operating Fund:				
Landon State Office Building Debt Service (Purchase and Renovation)	\$ 833,782 (b)	\$ 833,782	\$ 833,782	\$ 833,782
KDFA Bond Funds:				
Debt Service -- Docking State Office Building Renovation Bond	\$ 120,000 (c)	\$ 120,000	\$ 120,000	\$ 120,000
Intergovernmental Printing Service Fund:				
Debt Service -- Construction of Printing Plant	\$ 116,705 (d)	\$ 116,705	\$ 116,705	\$ 116,705
State Budget Stabilization Fund				
Roof Replacement and Scupper Installation -- Judicial Center	\$ 0	\$ 0	\$ 250,000	\$ 250,000
TOTAL -- All Funds	<u>\$ 4,047,217</u>	<u>\$ 3,184,487</u>	<u>\$ 3,434,487</u>	<u>\$ 3,434,487</u>

Agency Request/Governor's Recommendation	House Adjustments		Senate Subcommittee Adjustments	
Project	Agency Request FY 1996	Governor's Rec. FY 1996	House Rec. FY 1996	Senate Subcommittee Rec. FY 1996
Financing:				
State General Fund	\$ 2,380,730	\$ 1,535,500	\$ 1,535,500	\$ 1,535,500
State Building Depreciation Fund	534,500	534,500	534,500	534,500
Building and Grounds Fund	61,500	44,000	44,000	44,000
State Building Operating Fund	833,782	833,782	833,782	833,782
KDFA Bond Funds	120,000	120,000	120,000	120,000
Intergov. Printing Service Fund	116,705	116,705	116,705	116,705
State Budget Stabilization Fund	0	0	250,000	250,000
TOTAL	<u>\$ 4,047,217</u>	<u>\$ 3,184,487</u>	<u>\$ 3,434,487</u>	<u>\$ 3,434,487</u>

- a) In addition to the principal (capital improvement) amount of \$1,165,000 included in the table, the sum of \$434,474 is included in the operating budget for interest, for a total debt service payment of \$1,599,474. State General Fund money appropriated for this purpose would be transferred into the Energy Conservation Improvement Fund, from which expenditures for debt service would be made.
- b) In addition to the principal amount of \$833,782 included in the table, the sum of \$640,298 is included in the operating budget for interest, for a total debt service payment of \$1,474,080.
- c) In addition to the principal amount of \$120,000 included in the table, the sum of \$37,223 is included in the operating budget for interest, for a total debt service payment of \$157,223.
- d) In addition to the principal amount of \$116,705 included in the table, the sum of \$74,094 is included in the operating budget for interest, for a total debt service payment of \$190,799.
- e) Because of balances carried forward from funding approved in prior years, a total of \$535,109 is available for rehabilitation and repair projects for the Statehouse, Judicial Center, and the Governor's Residence in FY 1995.
- f) The Governor recommends \$104,400 from the State General Fund for Memorial Hall renovation in FY 1995. The agency had requested SGF funding in this amount for FY 1996. H.B. 2235 authorizes the issuance of Kansas Development Finance Authority bonds for the Memorial Hall project.
- g) The Senate Subcommittee on capital improvements recommends adding a proviso which states that the agency shall not issue bonds for Memorial Hall renovation until the agency has presented to the Joint Committee on State Building Construction a plan for Memorial Hall renovation, including which agencies are to occupy the building. The State Finance Council may authorize issuance of the bonds upon its review of the Joint Committee's recommendation.

Agency Request/Governor's Recommendation

House Adjustments

Senate Subcommittee Adjustments

Sec. 4 -- Department of Commerce and Housing

The agency requests \$35,000 from EDIF in FY 1996 for rehabilitation and repair to the state's travel information centers. The Governor concurs with the agency's request.

The House concurs with the Governor's recommendation.

The Senate Subcommittee concurs with the recommendation of the House.

Sec. 5 -- Fort Hays State University

The agency is requesting a total of \$786,592 for capital improvement projects in FY 1996. This total is composed of \$175,000 (Parking Fees Fund) for parking lot maintenance, and private funding for Lewis Field Renovation (\$111,592) and Sternberg Museum (\$500,000). The Governor concurs.

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

The Senate Subcommittee concurs with the recommendation of the House.

1. Inclusion of language for FY 1995 and FY 1996 in the capital improvements bill (H.B. 2235) to authorize the razing of McGrath Hall, a resident hall which has been closed for some time. The agency requests no additional funding, and will use available resources. The Joint Committee on State Building Construction has reviewed the project and recommends that the building be razed.

Sec. 6 -- Kansas State University

In addition to expenditures for previously authorized multiyear projects, the agency requests \$2,577,161 in FY 1996 for four projects funded from student fees, federal funds and private gifts. The request includes \$900,000 from student fees for planning funds for a multi-year project to renovate the student union; \$1,170,000 from housing funds for dormitory maintenance and repair; \$190,000 from parking fees for parking lot improvements; and a total of \$317,161 (including \$191,161 in federal funds and \$125,000 in private funds) for development of the Konza Prairie Research Natural Area. The Governor concurs with the agency request.

The House concurs with the recommendations of the Governor.

The Senate Subcommittee concurs with the recommendations of the House.

Agency Request/Governor's Recommendation

House Adjustments

Senate Subcommittee Adjustments

**Sec. 7 -- Kansas State University-Salina,
College of Technology**

In addition to expenditures for previously approved projects, KSU - Salina requests \$189,466 from the State General Fund in FY 1996 for the debt service payment on the Aeronautical Center. The Governor concurs with the agency request.

The House concurs with the recommendations of the Governor.

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

1. Authorize the razing of four buildings pursuant to the long-range plan for the campus.

Sec. 8 -- Emporia State University

Emporia State University requests \$90,000 for the Parking Fees Fund in FY 1996 for parking lot improvements. The Governor concurs.

The House concurs with the Governor's recommendation.

The Senate Subcommittee concurs with the recommendation of the House.

Sec. 9 -- Pittsburg State University

Pittsburg State University requests a total of \$4,997,000 for capital improvement projects in FY 1996. The total is composed of \$4.0 million from the Educational Building Fund for the Kansas Technology Center and \$997,000 from various fee funds for the following projects: parking lot maintenance (\$150,000); student center improvements (\$175,000); hospital and student health improvements (\$40,000); and housing system maintenance (\$632,000). The Governor concurs.

The House concurs with the Governor's recommendation.

The Senate Subcommittee concurs with the recommendation of the House.

Sec. 10 -- University of Kansas

In addition to expenditures for previously approved projects, the University of Kansas requests \$370,000 from housing fees for housing improvement projects in FY 1996. The Governor concurs with the agency request.

The House concurs with the Governor's recommendation.

The Senate Subcommittee concurs with the recommendation of the House.

The Governor also recommends shifting \$3.8 million expenditures previously authorized for FY 1996 for construction of Hoch Auditorium from the State General Fund to the State Budget Stabilization Fund.

Agency Request/Governor's Recommendation

House Adjustments

Senate Subcommittee Adjustments

The Governor recommends that the \$3.8 million State General Fund appropriation previously made be lapsed, and a new appropriation of \$3.8 million is made from the State Budget Stabilization Fund.

Sec. 11 -- University of Kansas Medical Center

In addition to expenditures for previously approved projects, the agency requests expenditures of \$200,000 from parking fees in FY 1996 for ongoing parking facility maintenance and renovation. The Governor concurs.

The House concurs with the recommendations of the Governor.

The Senate Subcommittee concurs with the recommendation of the House.

Sec. 12 -- Wichita State University

In addition to expenditures for previously approved projects, the Board of Regents has authorized Wichita State University to seek Legislative authority to raze the old Communications Building, which will be vacated upon opening of the new Elliott School of Communication. The Governor has not considered this request.

The House concurs with the request for authority to raze the Communications Building.

The Senate Subcommittee concurs with the recommendation of the House.

Sec. 13 -- Department of Human Resources

The agency requests \$91,131 from federal Reed Act funds in FY 1996 to repair the roof on the Kansas City, Kansas Job Service Building. According to the agency leaks have developed in the roof and the Division of Architectural Services inspected the roof and recommended replacement of the entire roof. Federal Reed Act funds will finance the project. The Governor concurs with the agency's request.

The House concurs.

The Senate Subcommittee concurs with the recommendation of the House.

Sec. 14 -- Kansas Soldiers' Home

The agency requests \$250,000 of State Institution Building Funds to be put into the agency's repair and rehabilitation fund for various capital improvement projects. The Governor recommends \$150,000 for purpose.

The House concurs with the Governor's recommendation.

The Senate Subcommittee concurs with the recommendation of the House.

Agency Request/Governor's Recommendation

House Adjustments

Senate Subcommittee Adjustments

Sec. 15 -- Attorney General -- Kansas Bureau of Investigation

The following table lists the agency request and Governor's recommendation for the Kansas Bureau of Investigation.

The following table lists the House recommendation for the Kansas Bureau of Investigation capital improvement projects.

The Senate Subcommittee concurs with the recommendation of the House.

Project	Agency Request FY 1996	Governor's Rec. FY 1996	House Rec. FY 1996	Senate Subcommittee Rec. FY 1996
Debt Service Payment -- Headquarters Building ^a	\$ 135,000	\$ 130,000	\$ 130,000	\$ 130,000
Rehabilitation and Repair	15,000	15,000	60,000	60,000
Headquarters Building Addition ^b	70,000	0	0	0
Forensic Laboratory Ventilation	13,000	0	0	0
Access Control	10,000	0	0	0
Air Conditioner for Forensic Laboratory	25,000	0	0	0
Reroof Headquarters Building	40,000	0	0	0
Replace Carpeting in Headquarters Building	6,000	0	0	0
TOTAL	<u>\$ 314,000</u>	<u>\$ 145,000</u>	<u>\$ 190,000</u>	<u>\$ 190,000</u>
Financing:				
State General Fund	\$ 314,000	\$ 145,000	\$ 190,000	\$ 190,000

a) In addition to the principal (capital improvement) amount of \$135,000 included in the table, the sum of \$166,348 is included in the operating budget for interest, for a total debt service payment of \$301,348.

The Governor recommends \$162,440 for interest in FY 1996, for a total debt service payment of \$292,440.

b) In addition to the principal amount of \$70,000 included in the table, the sum of \$64,107 is requested in the operating budget for interest, for a total debt service payment of \$134,107.

Agency Request/Governor's Recommendation

House Adjustments

Senate Subcommittee Adjustments

Sec. 16 -- Kansas Highway Patrol

The agency requests \$235,000 from the Highway Patrol Training Center Fund for debt service on the Training Center. The Governor concurs.

The House concurs.

The Senate Subcommittee concurs with the recommendations of the House.

Sec. 17 -- Adjutant General

The agency is requesting a total of \$436,265 (\$280,148 from the State General Fund and \$156,117 from federal funds) for rehabilitation and repair projects (including three armory roofs) in FY 1996. The Governor recommends a total of \$352,357 (\$196,240 from the State General Fund and \$156,117 from federal funds) for FY 1996. The Governor essentially concurs with the agency request, with the exception that only one armory roof project (Dodge City) is funded.

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

The Senate Subcommittee concurs with the recommendations of the House.

Secs. 18-19 -- Dept. of Wildlife and Parks

The agency requested \$3.5 million (SGF) for flood repair in FY 1996. The Governor recommends a total of \$750,000 (\$650,000 State General Fund and \$100,000 State Budget Stabilization Fund) for flood damage repair at the state parks and public lands due to the 1993 flooding. Also, the Governor recommends \$1.35 million from the State Highway Fund for maintenance of the access roads in the state parks. The agency had requested \$1.5 million in FY 1996 for access road repair. However, this fund was inadvertently placed in the wrong bill, S.B. 178. The Senate Committee struck this funding from S.B. 178, with the understanding that the House would place the funding in H.B. 2235.

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

The Senate Subcommittee concurs with the recommendations of the House.

1. As a technical adjustment, add the Wildlife and Parks section for FY 1996 to this bill.

1. Concur.

The original bill did not include this section.

2. Lapse \$150,000 (Wildlife Fee Fund) in FY 1995 which had originally been appropriated to rehabilitate the Smokey Hill river channel as the federal government has stated that the needed permits will not be issued. Also, appropriate

2. Concur.

Agency Request/Governor's Recommendation

House Adjustments

Senate Subcommittee Adjustments

\$37,098 (Wildlife Fee Fund) to allow the Department to make the required payment to the Bureau of Reclamation for reservoir maintenance at Cedar Bluff Reservoir. The additional funds are needed due to the increase in the water level of the reservoir as a result of excessive rainfall in 1993.

The original bill did not include this section.

- 3. Add \$650,000 (Wildlife Conservation Fund) in FY 1995 for a capital improvement project to develop a Wolf Creek public fishing facility. The state funding would have to be reimbursed by federal funds, and Coffey County is required to contribute a match of money or in-kind services equal to \$200,000.

- 3. Concur.

Sec. 20 -- KSU-Extension Systems and Agriculture Research Programs

The Governor did not consider these items.

The House did not consider these items.

- 1. Authorize the University to expend restricted fees funds to renovate forestry lath houses.
- 2. Authorize the University to disassemble an 85-year-old barn at the Colby Experiment Station and to rebuild it at the same site using salvage materials.