

Approved: 4-26-96
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Robin Jennison at 9:00 a.m. on April 18, 1996 in Room 514-S of the Capitol.

All members were present except: Representative Kline, excused
Representative Edlund, excused
Representative Bradley, excused
Representative Helgerson, excused

Committee staff present: Alan Conroy, Russell Mills, Susan Wieggers, Legislative Research Department
Jim Wilson, Revisor of Statutes; Mike Corrigan, Revisor
Tim Kukula, Appropriations Secretary; Todd Fertig, Administrative Aide

Conferees appearing before the committee: none

Others attending: See attached list

Chairman Jennison opened the meeting and made several announcements concerning the day's agenda. He stated that all subcommittee work needs to be completed by the end of the day.

Chairman Jennison recognized Alan Conroy to give a briefing on the order of which the agencies will be discussed and considered today. KLRD distributed a Memorandum titled Items for Omnibus Consideration (Attachment 1).

Conroy then called on Ben Barrett of KLRD to discuss and answer questions on the revised school finance estimates. KLRD distributed a 4 page handout outlining consensus estimates and projections, and school district finance and quality performance act (Attachment 2).

KLRD staff then distributed a handout titled State General Fund Profile. Alan Conroy explained the handout and answered questions concerning it (Attachment 3). Conroy then called on Eric Milstead from KLRD to explain the handout on the Economic Development Initiatives Fund FY 1997. He stated that the ending balance is \$951,370 (Attachment 4).

Russ Mills then explained the expenditures from the resources of the state water plan fund. He stated that there is one House Bill and one Senate Bill still alive that could impact this fund depending on action taken on those bills. The ending balance as of now is \$282, 613 (Attachment 5).

Alan Conroy called attention to attachment 1 and explained its layout and status of bills listed in it. KLRD then distributed a listing of subcommittee room assignments and analyst listings (Attachment 6). Conroy requested that staff be updated on any subcommittee action, and adjournments.

Chairman Jennison stressed again to the committee the importance of keeping staff informed of all committee action and the importance of completing all subcommittee work by the end of the day.

The meeting adjourned at 10:00 a.m.

The next meeting is scheduled for April 19, 1996.



HOUSE APPROPRIATIONS COMMITTEE

GUEST LIST

DATE: 4-18-96

HOUSE OF
REPRESENTATIVES

NAME	ADDRESS	REPRESENTING
Arlan Holmes	Topeka	Division of Budget
Josie Torres	Topeka	Families Together, Inc.
Dwain Wakarath	Topeka	Division of the Budget
Kathie Sperles	Topeka	Division of the Budget
Bill Watts	Topeka	KDOT
Nancy Bogina	Topeka	KDOT
SUE PETERSON	MANHATTAN	K-State
Earl Sexton	Wichita	WSU
CANDIA BYRNE	Topeka	KMHC
Don Ryan	Emmett	S. E. A. K.
Ken Mitchell	Topeka	Board of Education
David Sanchez	"	SOS
Scott B. Rith	"	Bd of Legislative Defense Services
Ellen Pickalheaving	"	Assoc. of CMHCs
JB Scott	"	SIRS
Neil Woorman	"	Atty. General
Marvina Burris	—	Bd. of Regents

MEMORANDUM

Kansas Legislative Research Department

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April 17, 1996

ITEMS FOR OMNIBUS CONSIDERATION

Department of Revenue

A. S.B. 714 (Conference). S.B. 714 as amended by the House Committee of the Whole makes several changes to the current statutes relating to educational institution license plates. The department estimates that with the statutory changes, they could possibly issue 30,000 educational institution license plates in FY 1997. The maximum revenue increase would be \$300,000 (at \$10 per plate) if all plates were issued in one fiscal year. However, the department notes that it is doubtful that all plates would be issued in one fiscal year. If the changes to the statutes are passed, the department estimates expenditures of \$64,118 from the Division of Vehicles Operating Fund to implement the bill in FY 1997. This estimate includes: \$21,525 for approximately 156 days of contracted programming to make modifications to the VIPS system and other department programs, \$671 in additional annual computer fees, and \$41,922 (\$20,961 each) for 2.0 FTE Office Assistant IIIs to process the increased work load.

B. Senate Sub. for H.B. 2603 (Conference). Senate Sub. for H.B. 2603 makes it unlawful for any person under 21 years of age to operate or attempt to operate a motor vehicle with a blood or breath alcohol concentration of .02 or greater. As amended by the Senate Committee on the Judiciary, the bill would not be in effect until July 1, 1998, and would have no fiscal impact. However, if that provision is removed and the bill becomes effective January 1, 1997, the department estimates that expenditures of \$30,637 from the Division of Vehicles Operating Fund in FY 1997 would be required to process an estimated 4,250 suspensions and 2,550 administrative hearings (assuming only 60 percent of the drivers involved will request a hearing). The requested expenditures include \$20,961 (\$10,481 each) for the salaries and wages of 2.0 FTE Office Assistant IIIs for six months, one-time operating expenditures of \$9,400 for office setup, and \$276 in expenditures for two phone lines.

C. S.B. 662 (Conference). S.B. 662 as amended by the House Committee of the Whole makes changes to the amount of title fees collected and the distribution of those title fees. The bill establishes the **VIPS Technology Hardware Fund (VIPS-CAMA Technology Hardware Fund** as passed by the Senate in H.B. 2667) and credits a portion of the title fee to this fund for the upgrading of the system. The estimated amount of revenue and expenditures associated with this fund will be dependent upon the negotiations of the Conference Committee. The bill as passed by the House would credit \$1.50 to the fund in FY 1997 (\$1.2 million) and \$1.00 (\$800,000) thereafter. The bill as passed by the Senate would credit \$.50 to the fund in FY 1997 (\$400,000) and \$1.00 (\$800,000) thereafter.

S.B. 662 also includes sections from H.B. 3076, which was amended into the bill by the House Committee on Transportation. This section of the bill credits all fees collected for the sale of records,

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House Appropriations

Attachment

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transferred by electronic means, to the **Electronic Databases Fee Fund**. Estimates of the revenue credited to the fund will be dependent upon the amount of increase in fees for the purchase of the record information. Currently, the department collects approximately \$1.5 million annually for the sale of electronic records.

Department of Agriculture

A. Sub. For S.B. 704 (Law). Sub. for S.B. 704 makes various amendments to the provisions of the statutes dealing with the measuring and dispensing of motor vehicle fuel by the Weights and Measures Program of the department. The bill increases, from 10 cents to 15 cents, the fee per barrel imposed on the sale, use, or deliverance of gasoline or other motor vehicle fuels. The bill also imposes the fee on exporters and includes government sales in the fee collection. According to Section 6(c) of the bill, 2/3 of the fees collected for these purposes, up to \$250,000, are credited to the State General Fund, with the remainder credited to the newly created **Petroleum Inspection Fee Fund**. In FY 1997, the Governor estimates receipts to the fund and expenditures from the fund of \$628,820.

Youth Centers

A. Teachers' Salary Increases. The Senate Subcommittee recommended that the increases in the youth centers' FY 1997 education contracts for teachers' salaries be revisited in the Omnibus Session. The Youth Centers at Atchison, Beloit, and Topeka requested a 3.0 percent increase in the contracts for a total of \$111,428 from the State General Fund in FY 1997. The requested increases are as follows:

<u>Education Contracts</u>	<u>Youth Center at Atchison</u>	<u>Youth Center at Beloit</u>	<u>Youth Center at Topeka</u>
Requested 3.0% increase (SGF)	\$ 27,842	\$ 28,393	\$ 55,193

B. Chemical Dependency Counselors. The Senate Ways and Means Committee recommended that funding for 5.0 Chemical Dependency Counselors be revisited during the Omnibus Session. In FY 1997, the agency requests \$155,655 from the State General Fund to fund 5.0 FTE Chemical Dependency Counselor positions at the state's four Youth Centers (2.0 positions for YCAT). The funding for the positions, by youth center, including salaries and wages and turnover, is provided below. Currently, these positions provide services to residents in the Youth Centers' addiction recovery programs. During FY 1995, these positions were funded through a federal grant. When the grant expired in August of FY 1996, SRS continued the funding of the positions through the remainder of FY 1996. The Governor recommended no funding for these positions in either the Youth Centers' or SRS's FY 1997 budgets.

Atchison	\$ 31,035
Beloit	31,515
Larned	31,035
Topeka	62,070
TOTAL	\$ 155,655

C. Uniform Dress at Beloit. The Senate Ways and Means Committee recommended the review of funding for uniform dress at the Youth Center at Beloit. The youth center estimates implementa-

tion of uniform dress at \$50,000 in the first year. The operation of the program in future years is estimated at \$250 per resident, or \$25,000 to \$35,000 each year. Currently, the Youth Center at Beloit is the only youth center not to utilize standard dress.

Regents Systemwide

A. Tuition Accountability Language. During consideration of the Regents university budgets, the House Appropriations and Senate Ways and Means Committees were informed that proviso language in the appropriations bill would be necessary to implement the enrollment portion of tuition accountability. Basically, such a proviso would allow the transfer to a new tuition accountability fund amounts representing tuition revenue from enrollment increases over the previous year levels.

B. General Fees Fund (Tuition) Revised Estimates and Implementation of Tuition Accountability. The Consensus Tuition Estimating Committee has agreed on revised estimates of tuition revenues for FY 1996 and FY 1997 based on Spring 1996 enrollments. Also, for schools that will begin participation in tuition accountability (KU, KSU, and WSU), estimates have been made regarding the probable impact on those institutions of tuition accountability in FY 1997 based on current enrollment estimates.

FY 1996

For FY 1996, based on Spring estimates, the consensus estimating committee projects a net increase in revenues totaling \$1.86 million. Based on these revisions, fee fund limitations may be collectively increased by \$1.86 million, with budgeted amounts from the State General Fund reduced by a like amount. Total expenditures at a given institution would not change, only the source of financing for those expenditures. The table below shows the net increase or decrease in available tuition revenue at each Regents institution based on the revised estimates.

FY 1996 Consensus Tuition Estimates

Institution	Net Increase/ (Decrease) in Available Revenue
University of Kansas	\$ 2,036,141
KU Medical Center	0
Kansas State University	(236,724)
KSU - Salina	101,228
KSU Veterinary Medical Center	39,235
Wichita State University	(394,580)
Emporia State University	(14,010)
Fort Hays State University	330,310
Pittsburg State University	0
TOTAL	\$ 1,861,600

FY 1997

For FY 1997, based on Spring tuition estimates, the Consensus Committee estimates a net shortfall of \$404,029 in available tuition revenue to finance the FY 1997 operating budget assuming traditional budgeting methodologies. The table below shows the net increase or decrease in available tuition revenue in FY 1997 at each Regents institution based on the revised estimates. Under traditional budgeting methodologies, additional State General Fund dollars of \$404,029 would be required to maintain institutional operating budgets at the approved levels.

FY 1997 Consensus Tuition Estimates

Institution	Traditional Budgeting Net Increase/ (Decrease) in Available Revenue
University of Kansas	\$ 1,066,635
KU Medical Center	(37,114)
Kansas State University	(260,835)
KSU - Salina	(14,983)
KSU Veterinary Medical Center	30,496
Wichita State University	(930,846)
Emporia State University	0
Fort Hays State University	(257,382)
Pittsburg State University	0
TOTAL	\$ (404,029)

Tuition Accountability Schools. Under tuition accountability, base tuition revenue continues to be budgeted interchangeably with the State General Fund, using FY 1996 to establish a student credit hour and tuition revenue base. **All revenue from enrollment growth** is retained by the institution under tuition accountability; conversely, **all reductions in revenue due to enrollment loss** will be absorbed by the institution. As to tuition rate increases, as recommended by the Legislature, KU and KSU will retain 25 percent of the revenue related to the tuition rate increase to address equity issues with the remainder budgeted interchangeably with the State General Fund as a part of the base budget. Assuming that the enrollment estimates for FY 1997 are accurate, KU and WSU will both experience reductions in tuition revenue due to enrollment loss; KSU will experience an increase in tuition revenue due to enrollment increases. Under the provisions of tuition accountability, the following table shows the amounts likely available for expenditure by the institutions in FY 1997; both KU and WSU would have to make budget reductions to absorb the projected losses in revenue; KSU would experience a small increase:

**Amount Available for Transfer to a
Tuition Accountability Fund
FY 1997**

University of Kansas	\$	(875,993)
Kansas State University		152,305
Wichita State University		(535,751)

If tuition revenues are budgeted at the tuition accountability schools in FY 1997 based on constant enrollment (FY 1996 base credit hours inflated by the tuition rate increase, less any equity funding), the amount of budgeted tuition revenue available at the three schools exceeds current budgeted levels by \$1.5 million. Under traditional budgeting methodologies, the estimates at these three schools fall short of current budgeted levels by \$125,046. The table below compares the amount of tuition revenue available based on the institution's estimates and based on projections of flat enrollment at each of the three tuition accountability schools.

FY 1997 Estimates -- Tuition Accountability Schools

Institution	Traditional Budgeting Net Increase/ (Decrease) in Available Revenue	Flat Enrollment - Tuition Accountability Net Increase/ (Decrease) in Available Revenue
University of Kansas	\$ 1,066,635	\$ 1,942,628
Kansas State University	(260,835)	(413,140)
Wichita State University	(930,846)	(68,258)
TOTAL	\$ (125,046)	\$ 1,461,230

The final table shows the projected changes in tuition revenue available from current budgeted levels for FY 1997 assuming traditional budgeting practices for non-tuition accountability institutions and budgeting of constant enrollment for tuition accountability schools. Based on this methodology, fee fund limitations may be increased by \$1.2 million, with State General Fund dollars reduced by a like amount. Again, as noted above, if university enrollment estimates are accurate, actual revenue collected by KU and WSU will be less than these budgeted amounts due to declining enrollments which will require that the institutions absorb these losses.

**Traditional Budgeting for Non-Tuition Accountability Schools
Constant Enrollment for Tuition Accountability Schools
FY 1997**

Institution	Net Increase/ (Decrease) in Available Revenue
University of Kansas	\$ 1,942,628
KU Medical Center	(37,114)
Kansas State University	(413,140)
KSU - Salina	(14,983)
KSU Veterinary Medical Center	30,496
Wichita State University	(68,258)
Emporia State University	0
Fort Hays State University	(257,382)
Pittsburg State University	0
TOTAL	<u>\$ 1,182,247</u>

C. Wichita State University -- Impact of Removal of 15-Hour Tuition Cap. WSU has estimated that additional revenue of \$326,837 will be generated in FY 1997 through removal of the 15-hour credit hour cap as the institution moves to full linear tuition as a part of tuition accountability. The Senate Ways and Committee recommended that WSU be authorized to retain and expend this additional revenue and that it not be budgeted as an offset to the State General Fund. The House Appropriations Committee recommended that the 1997 Legislature review actual receipts and make a budgetary adjustment based on actual receipts. The Conference Committee did not authorize expenditure of the increased fees, but recommended review during the Omnibus Session after receipt of the consensus tuition estimates. It should be noted that the estimates of flat enrollment under tuition accountability assume receipt of \$326,837 budgeted as an additional revenue contribution to the base budget due to full implementation of linear tuition.

D. Utilities Estimates. Past legislative practice has been to provide a separate line-item appropriation to each institution for utilities and to fully fund utility costs. Typically, budgets are reviewed during the Omnibus Session and necessary adjustments are made to the current and budget year based on the latest utility estimates. During the 1995 interim and the 1996 Session, recommendations have been made to discontinue the practice of separately funding utilities, with a recommendation that utilities be funded as a part of the regular institutional operating budget, with the institution absorbing deficits and retaining savings which result from changes in utility usage, weather or cost. The Senate Ways and Means Committee recommended that the FY 1996 utilities be funded at actual cost based on the latest available estimates, and that these amounts then serve as the base funding level for FY 1997. The following table summarizes the revised utility estimates for FY 1996 and FY 1997. It should be noted that at both KU and KSU the current year surplus results from an excess in utility funding appropriated towards servicing Hoch Auditorium and Farrell Library. As the table below indicates, the institutions expect a net deficit of \$549,845 in FY 1996 and \$893,095 in FY 1997 assuming a flat level of utilities funding from FY 1996 to FY 1997.

Regents Institutions -- Estimated Utility Deficits

Institution	Actual FY 95	Gov. Rec. FY 96	FY 96 Revised Estimate	(Deficit)/ Surplus - FY 96	(Deficit)/ Surplus - FY 97
KU	\$ 6,004,720	\$ 6,308,099	\$ 6,111,423	\$ 196,676	\$ (53,574)
KUMC	5,464,483	5,490,000	6,115,193	(625,193)	(625,193)
KSU*	6,946,342	7,452,993	7,407,469	45,524	(47,476)
KSU - Salina	220,368	220,368	237,499	(17,131)	(17,131)
WSU	3,530,553	3,567,918	3,624,875	(56,957)	(56,957)
ESU	981,363	1,010,583	1,029,632	(19,049)	(19,049)
PSU	1,050,396	1,050,396	1,090,008	(39,612)	(39,612)
FHSU	1,001,946	1,093,929	1,128,032	(34,103)	(34,103)
TOTAL	\$ 25,200,171	\$ 26,194,286	\$ 26,744,131	\$ (549,845)	\$ (893,095)

* Includes funding for the main campus, extension and agricultural research programs, and the Veterinary Medical Center.

Kansas State University

A. S.B. 325 (Law) amends current law concerning waivers of nonresident tuition charges at the state's Regents institutions. The bill authorizes the Board of Regents to charge resident (rather than nonresident) tuition for persons who have graduated from a school accredited by the Kansas State Board of Education within six months of enrollment at a Regents institution, and who, at the time of graduation from high school or while enrolled and in attendance prior to graduation, were dependents of a person in military service in Kansas. Current law grants such resident tuition status to military personnel and their dependents only while the military personnel reside in Kansas. Under the provisions of the bill, if the military person retires from military service but does not establish residence in Kansas, the dependent's eligibility for resident tuition lapses. Except at Kansas State University, the bill would have a negligible fiscal impact. At Kansas State University, the bill would have changed the residency of 30 students, resulting in a loss in tuition revenue estimated to total \$181,900 in FY 1997.

B. Joint Committee on State Building Construction. In April, the Joint Committee approved three new projects and approved modifications to a fourth project at Kansas State University for FY 1997. The projects are:

- 1. Engineering Library Addition to Durland Hall -- Private Funds.** The Joint Committee reviewed the program plan and recommended approval of this project to construct a 20,000 square foot addition to Durland Hall for an engineering library, funded through private gifts at an estimated cost of \$2.5 million.
- 2. Increase Expenditure Limit for Student Union Renovation from \$9.2 million to \$10.5 million.** KSU requests authority to increase the expenditure limitation for the student union renovation from \$9.2 million to \$10.5 million. KSU states that the increased budget can be financed within existing student fees approved for the

project. The University states that the complexity of the project has significantly increased the planning time resulting in the availability of additional student fee revenue, and more favorable revenue bond interest rates.

3. **Stadium Scoreboards -- Private Funds.** KSU requests permission to install three new scoreboards and a free-standing marquee with messaging capabilities at Wagner Football Field. The project will be financed by revenue from the sale of scoreboard advertising; no state funds are required to design, building, operate or maintain the project. The cost for the project is estimated to total \$3.2 million. The Joint Committee approved the project contingent on there being no obligation on the part of the state to support the project.
4. **Equipment/Pesticide Storage Building -- Wichita.** KSU- Extension Systems and Agriculture Research Programs requests authority to expend private funds totaling \$10,000 to construct an equipment/pesticide storage building at the Horticulture Research Center in Wichita.

SRS -- Mental Health and Developmental Disabilities Services

A. **House Sub. for S.B. 388 (Conference)** includes several provisions that would apply to state employees laid off from Topeka State Hospital and Winfield State Hospital and Training Center. The Senate Ways and Means Committee has also recommended certain provisions in Sen. Sub. for H.B. 2724, along with provisions of the Governor's recommended pay plan. On April 5, 1996, the Senate Committee of the Whole failed to adopt the Committee report on Sen. Sub. for H.B. 2724.

The chart below compares the provisions of the House recommendation and the Senate Committee recommendation which have a fiscal impact. In all cases, the impact assumed is the maximum which would occur if all employees remained on the job until their layoff date.

Comparison of All Funds Cost

<u>Items with Fiscal Impact</u>	<u>House Sub. for S.B. 388 (House Recommendation)</u>	<u>Sen. Sub. for H.B. 2724 (Senate Committee Recommendation)</u>
Employee withdrawal of employer contribution from KPERS	\$ 3,157,113	Not in Senate Committee Recommendation
Health Insurance	12 Months of Employer-Paid Coverage Followed by 18-month COBRA: \$3,100,000	Six Months of Employer-Paid Coverage Concurrent with First Six Months of COBRA; Employees Get Balance of Account When Covered by Other Insurance: \$1,454,082
Accumulated Sick Leave	Payment of 50 percent of accumulated sick leave: \$3,431,171	Payment for 20 percent of accumulated sick leave: \$1,372,468 (State Leave Payment Reserve Fund)
Evaluation of Closure	Not in House Recommendation	\$30,000 SGF appropriated to the Legislature (matched with \$30,000 in federal funds through the Planning Council on Developmental Disabilities)
TOTAL COST - ALL FUNDS	\$ 9,688,284	\$ 2,886,550

B. Closure Funding -- Disproportionate Share. A Governor's Budget Amendment issued in February included \$4.0 million from federal disproportionate share funds in FY 1997 for unspecified startup costs associated with hospital closure. Based on preliminary communications from the Health Care Financing Administration (HCFA), the Legislature learned that receipt of this funding was uncertain and the Senate Ways and Means Committee recommended review during the Omnibus Session. SRS has not yet received a final response from HCFA to its proposed amendments to the State Medicaid plan. SRS indicates that it has received a letter from the Health Care Financing Administration (HCFA) asking numerous questions regarding the agency's request to modify the State Medicaid plan. At this time, the agency is just beginning to develop responses to these questions. The agency further indicates that it will find alternative sources to fund startup closure costs if disproportionate share funds are not available in a timely manner.

C. H.B. 3047 (Passed Second House). The Senate added provisions to H.B. 3047 which amend the developmental disabilities reform act. The provisions, as amended by the Senate Committee of the Whole are modifications of S.B. 727. According to SRS, two provisions of the bill would require additional costs on the part of the agency:

- ◆ **Contracting Directly with Community Service Providers.** Under the developmental disability reform act, SRS contracts directly with Community Developmental Disability Organizations (CDDOs) which then contract with affiliate agencies. Under the provisions of H.B. 3047, as amended by the Senate Committee of the Whole, certain types of affiliates (affiliate community service providers) could choose whether to contract with a CDDO or directly with SRS. SRS estimates that these provisions will at least double the number of organizations with which SRS

would negotiate contracts each year, and would also require SRS to be the sole monitor of compliance to all contracts with no assistance from CDDOs. Based on the experiences from its first round of negotiations and the increased complexity, **SRS estimates the need for 4.0 new FTE positions at an annual cost of \$177,773 (\$133,330 from the State General Fund) in FY 1997.**

- ◆ **Quality Assurance.** SRS also estimates a fiscal impact from the provisions of the bill which require it to provide quality assurance independent of community service providers. Currently, the agency uses 12 regional coordinators to work with the CDDOs to assist with quality assurance. The agency indicates that an expanded staff would be required to exercise a more active role with a much larger number of providers. SRS estimates that, to perform this service directly, would require **24.0 new FTE positions (for a total of 36 quality assurance staff) at an annual cost of \$1,066,638 (\$799,979 from the State General Fund) in FY 1997.** The agency estimates that the fiscal note would be approximately the same if the work is contracted out. The number of staff is predicated on site visits every 60 days; if final regulations call for site visits every 30 days, SRS indicates that 36 additional staff would be required, rather than 24.

D. Technical -- Reappropriation Language. Modifications to the reappropriation language for the mental health and retardation services aid and assistance account and state institutions operating account were erroneously omitted from S.B. 95. The language is necessary to allow expenditure in FY 1997 of certain amounts carried forward from FY 1996 which a previous Governor's budget amendment recommended be used for costs associated with closure.

Department of Social and Rehabilitation Services (SRS)

A. Caseload Estimates. Staff of the Kansas Legislative Research Department, the Division of the Budget, and SRS met on April 10 to develop consensus caseload estimates on agency programs. Consensus was reached on expenditure estimates for the AFDC program, General Assistance, regular medical assistance, nursing facilities (including adult care homes, nursing facilities for mental health, and intermediate care facilities for the developmentally disabled), and the Home and Community Based Services (HCBS) program. Expenditure estimates were revised downward for the AFDC program, General Assistance, and regular medical assistance, while increased expenditures are estimated for nursing facilities and HCBS. The estimate for HCBS includes a shift of \$500,000 SGF in the current year and \$9.9 million SGF in FY 1997 associated with the Developmentally Disabled Waiver refinancing project. The following table summarizes adjustments from the budget as approved by the 1996 Legislature.

CONSENSUS CASELOAD ESTIMATE

Program	Fund	96 Approved	96 Revised	Difference
Medical Assistance	All Funds	\$ 454,850,912	\$ 440,000,000	\$ (14,850,912)
	SGF	133,268,496	127,035,315	(6,233,181)
Adult Care Home	All Funds	270,932,564	272,000,000	1,067,436
	SGF	115,566,556	116,008,000	441,444
HCBS Waiver	All Funds	79,695,552	94,000,000	14,304,448
	SGF	32,641,810	38,500,539	5,858,729
AFDC	All Funds	108,643,620	104,800,000	(3,843,620)
	SGF	44,543,884	42,968,000	(1,575,884)
GA	All Funds	8,045,572	8,000,000	(45,572)
	SGF	4,281,003	4,235,431	(45,572)
Shift of DD Waiver Refinancing	SGF	0	(500,000)	(500,000)
TOTAL -- FY 1996	All Funds	\$ 922,168,220	\$ 918,800,000	\$ (3,368,220)
	SGF	\$ 330,301,749	\$ 328,247,285	\$ (2,054,464)

Program	Fund	97 Approved	97 Revised	Difference
Medical Assistance	All Funds	\$ 481,310,795	\$ 472,000,000 *	\$ (9,310,795)
	SGF	168,493,288	164,607,424	(3,885,864)
Adult Care Home	All Funds	257,385,936	260,000,000	2,614,064
	SGF	108,359,479	109,460,000	1,100,521
HCBS Waiver	All Funds	91,975,655	116,000,000	24,024,345
	SGF	37,676,652	47,518,240	9,841,588
AFDC	All Funds	105,507,360	101,000,000	(4,507,360)
	SGF	43,257,871	41,409,860	(1,848,011)
GA	All Funds	7,986,303	7,800,000	(186,303)
	SGF	4,470,211	4,283,908	(186,303)
Shift of DD Waiver Refinancing	SGF	0	(9,900,000)	(9,900,000)
TOTAL -- FY 1997	All Funds	\$ 944,166,049	\$ 956,800,000	\$ 12,633,951
	SGF	\$ 362,257,501	\$ 357,379,432	\$ (4,878,069)

* Includes \$4.7 million for managed care cash flow (excludes Sedgwick County)

B. Senate Sub. for H.B. 2792 (Conference). The Senate version of the bill authorizes the Secretary of SRS to establish a donated dental services program in cooperation with the Kansas Dental Association and the National Foundation of Dentistry for the Handicapped. The bill would provide for the provision of services by volunteer licensed dentists. The agency indicates that the bill would require \$42,575 SGF in FY 1997 to contract for the administration of the program.

Legislature

A. Change in Legislative Subsistence Allowance. The subsistence allowance for members of the Kansas Legislature is changed in accord with revisions in the maximum amount allowable under federal law and regulations for federal executive branch employees while serving away from home in Topeka. Effective April 1, 1996, the per diem rate for these employees was increased from \$73.00 to \$79.00. Accordingly, the subsistence rate for legislators changed from \$73.00 to \$79.00 on April 1.

The Legislature's revised FY 1996 and FY 1997 budgets are based on the \$73.00 rate. It is estimated that the increase to \$79.00 would result in added expenditures (State General Fund) in FY 1996 of \$8,900 and in FY 1997 of \$102,200.

B. H.B. 2536 (Conference). H.B. 2536 creates a seven member Kansas Compensation Commission to study the compensation, expenses allowances and reimbursements of members of the Legislature and state-wide elected officials. The recommendations of the Commission would have the force of law unless rejected by Concurrent Resolution by the 30th day of the Session in which the report is submitted by the Commission. Senate Substitute for H.B. 2536, among other items, provides for a nine member Kansas Salary Commission. The Salary Commission would function the same as the Kansas Compensation Commission, but in addition would review salaries of judges of the Judicial Branch and make a study of the state pay matrix, the state job classification system, and the compensation and expense allowances and reimbursements of all state employees. Members of either commission would receive \$35 a day compensation, state employee subsistence (paid on the basis of \$24 meals and actual cost of lodging up to a maximum of \$51), private car mileage (\$0.30 a mile), and other actual and necessary expenses. The total cost for attendance at either commission meeting would be paid from appropriations to the Legislature. The fiscal impact of either version of H.B. 2536 in FY 1997 is undeterminable until such time as the members of the task force are appointed and a meeting schedule is established.

C. House Substitute for S.B. 383 (As Passed the House). The House version of the KPERs Omnibus bill is contained in House Substitute for S.B. 383, while the Senate version is in H.B. 2699. One of the items that is contained in the House version relates to session-only employees of the Legislature. The bill would close the current legislative session-only employees retirement plan, effective July 1, 1996, and offer any new employees hired after that date participation in the state's 8 percent deferred compensation plan. Current employees would be allowed to elect either to continue under the current plan or to change to the deferred compensation plan. The estimated additional State General Fund cost in FY 1997 if all session employees elected into the new plan is \$96,000. The Senate version of the bill does not contain any change for legislative session-only employees.

D. Senate Substitute for H.B. 2041 (Law) - Senate Substitute for H.B. 2041 amends several provisions of existing law with regard to the regulation of gas gathering systems, operators of those systems, and operators of underground natural gas storage operations. In addition, the bill among other items creates a natural gas gathering task force consisting of 14 members (including 4 legislators). The task force is required to study issues related to deregulation of the natural gas gathering systems in Kansas and is limited to no more than 15 meeting days in total prior to January 13, 1997. The task force must present a final report on or before January 13, 1997. The four legislative members of the task force would receive compensation (\$65 a day), subsistence (\$79 a day), and private vehicle mileage at \$0.29 a mile. In addition, four private individuals appointed to the task force would receive state employee subsistence (paid on the basis of \$24 for meals and actual cost of lodging up to a maximum of \$51), private car mileage (\$0.30 a mile), and other actual and necessary expenses. The bill is silent as to which agency is responsible for paying the expenses of the task force members. The total cost for attendance at the task meetings by these

eight individuals is currently undeterminable until such time as the members of the task force are appointed and a meeting schedule is established.

Legislative Coordinating Council

A. H.B. 2600 (Law). H.B. 2600 creates a retail wheeling task force consisting of 23 members. The bill requires the task force to study issues related to competition in the furnishing of retail electric service in Kansas. The bill requires the task force to report its findings and recommendations to the House and Senate Energy and Natural Resource committees on or before January 11, 1998. A preliminary report of the activities and findings of the task force is required on January 15, 1997. The bill requires the task force to meet at least four times a year. The task force includes six legislators who would receive compensation (\$65 a day), subsistence (\$79 a day), and private vehicle mileage at \$0.29 a mile. In addition, four private individuals appointed by the Legislative Coordinating Council to the task force would receive state employee subsistence (paid on the basis of \$24 for meals and actual cost of lodging up to a maximum of \$51), private car mileage (\$0.30 a mile), and other actual and necessary expenses. The total cost for attendance at the task force meetings by these ten individuals would be paid from appropriations to the Legislative Coordinating Council. The fiscal impact of H.B. 2600 in FY 1997 is currently undeterminable until such time as the members of the task force are appointed and a meeting schedule is established.

Department of Corrections

A. Senate Subcommittee Recommendation -- Community Corrections Funding Allocations. The Governor's FY 1997 community corrections recommendation for adult and juvenile extended services totaled \$650,000, a reduction of \$737,433 from the FY 1996 recommendation. Assuming the same allocation formula, this results in a reduction of \$488,913 for adult extended services, and \$248,520 for juvenile extended services. The Senate Subcommittee recommended that the \$650,000 be reallocated to hold juvenile extended services harmless from any reduction in FY 1997. This necessitated the shift of \$248,520 away from adult extended services, leaving \$160,784 available for adult extended services. Since the recommendation was made, concerns have been raised about the reduction to adult extended services. At the time the budget was reviewed by the House, the House concurred with the Governor's recommendation. While there is no language in any appropriations bill mandating re-allocation of the funding, conflicting direction has been given to the Department regarding the allocation of the funding.

B. Senate Subcommittee Recommendation -- Capacity Expansion. In its Subcommittee report on the Department's budget, the Senate Subcommittee noted the continually increasing inmate population and noted that additional capacity expansion would need to be considered before the end of the session. The Department submitted a request for a Governor's Budget Amendment to provide for the addition of 178-198 beds systemwide during FY 1997. Total funding requested for the project is \$1,828,500, although the Department has submitted a request to reduce State General Fund expenditures in other areas by \$1,814,635, for a total requested increase of \$13,865 over the currently approved amounts. The components of the agency's GBA request for capacity expansion are set out below:

- add \$1,500,000 (SGF) to renovate the closed A&T Building at Lansing Correctional Facility (LCF) for use as general population housing which would add 100-120 beds;
- add \$75,000 (SGF) and 11.0 FTE positions for partial year operating costs at the A & T building at LCF; and

- add \$253,500 (SGF) and 12.0 FTE positions for operating expenditures associated with doublecelling the medium unit at LCF to add 210 beds (renovation costs will come from existing rehabilitation and repair funding).

The requested reductions in other areas of the budget include the following:

- delete \$434,100 (SGF) and 23.0 FTE positions for a previously approved capacity expansion project at Winfield Correctional Facility which would have added 132 beds;
- reduce \$40,800 (SGF) based on a reduction in the budgeted average daily population (ADP) at Hutchinson Correctional Facility from 1,603 to 1,579;
- reduce \$155,000 (SGF) for payments to local jails for the housing of parole violators, based on savings incurred during the second and third quarters of the fiscal year;
- reduce a net \$889,583 (including \$867,083 SGF) to reflect the privatization of food service by the Department. (A current year increase of \$275,000 from the State General Fund is requested in FY 1996 to convert the kitchen at Larned Correctional Mental Health Facility (LCMHF) to a full service, free standing kitchen facility, while reductions of \$1,164,583, including \$1,142,083 from the State General Fund, are included for FY 1997); and
- reduce \$317,652 from the State General Fund (\$158,826 in the budget of Lansing Correctional Facility, and \$158,826 in the budget of Hutchinson Correctional Facility) to reflect the receipt of a federal alien incarceration grant. (The grant award is intended to reimburse the state for some of the costs incurred for the imprisonment of illegal aliens).

C. Senate Subcommittee Recommendation -- Inmate Work and Program Availability. In its Subcommittee reports on El Dorado, Norton, and Hutchinson correctional facilities, the Senate Subcommittee indicated its concerns with the availability of work and program assignments in light of the continually increasing population. The Subcommittee noted that this issue should be addressed again before the end of the Session. As part of a request for a Governor's Budget Amendment on capacity expansion, the Department of Corrections requested that the Governor amend his budget to include \$750,000 from the State General Fund in FY 1997 for the construction of a new industries building at El Dorado Correctional Facility (EDCF). The Department noted in its request that the new building was necessary due to the increase of 367 beds in the operating capacity, which was achieved by doublecelling two cellhouses and converting an industries building into dormitory housing. At the present time, there is no building at EDCF which can be used to house an industries program. The \$750,000 would be utilized to construct a 16,700 square foot metal building that could be used to house traditional and/or private industries programs.

Kansas Sentencing Commission

A. Joint Committee on Computers and Telecommunications Recommendation -- Criminal Justice Information System Funding. At its meeting on April 5, 1996, the Joint Committee on Computers and Telecommunications (JCCT) endorsed the strategic plan submitted by the Criminal Justice Coordinating Council for the continued development of the Criminal Justice Information System (CJIS). The CJIS is intended to provide a uniform criminal justice database for use by the various criminal justice agencies in the state. As part of the plan, the Criminal Justice Coordinating Council has requested \$410,000 from the State General Fund for FY 1997 project funding. The \$410,000 would allow the agency to access \$1,245,000 in federal matching grants. The Joint Committee specifically recommended that the Criminal Justice Coordinating Council and the Kansas Bureau of Investigation, the likely recipient of most of the funding, request a Governor's Budget Amendment for the project funding, and that both agencies write to the chairs of the Senate Ways and Means and House Appropriations committees to request that this item be considered during Omnibus. The Joint Committee further noted that in light of budgetary constraints, it would defer the funding decision to the Ways and Means and Appropriations Committees.

State Treasurer

A. Pooled Money Investment Board (PMIB) Investment Analyst (Conference Committee on S.B. 95). The Conference Committee on S.B. 95 recommended that this position be considered as an Omnibus item in light of the Legislature's decision on 1996 S.B. 476 (which was in the House Appropriations Committee as of April 15, 1996). The State Treasurer requested this position at the request of the PMIB. The Senate recommended the position, at a cost of \$51,603 from the Services Reimbursement Fund in FY 1997. The House did not recommend the position.

B. S.B. 450 (Law). S.B. 450, among other provisions, repeals a law which offers the vault in the Docking State Office Building as an option for the deposit of certain securities. Both the Insurance Department and the State Treasurer would not need the Docking Building vault. The State Treasurer currently has 1.0 FTE position assigned to the vault, at an FY 1997 cost of \$23,695 from the State General Fund, including fringe benefits. The fiscal note on S.B. 450 states that this position could be eliminated; however, the State Treasurer notes that this position could be used to perform similar and expanded duties at the Landon State Office Building vault.

Department of Administration

A. Authority to Issue Bonds for Memorial Hall Renovation (Senate Subcommittee on Capital Improvements). The Senate Subcommittee on Capital Improvements requested that this be considered as an Omnibus item. In a proviso attached to the Department of Administration's capital improvements budget, the 1995 Legislature authorized the Department of Administration to issue bonds in FY 1996 in an amount not more than \$4,094,992, plus the cost of bond issuance, to renovate and equip Memorial Hall. The bond issuance was subject to State Finance Council approval. The State Finance Council did not authorize the bond issue. Without some action by the 1996 Legislature, the proviso authority will expire on June 30, 1996.

During an April 16, 1996, conference call meeting, the Joint Committee on State Building Construction voted to include proviso language authorizing the Department of Administration to issue bonds to renovate and equip Memorial Hall. Bonds would not be issued until the Department of Administration has presented to the Joint Committee on State Building Construction a plan for Memorial Hall renovation

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and until the State Finance Council has authorized issuance of the bonds upon its review of the Joint Committee's recommendation. The recommended proviso language would not include a clause included in the 1995 proviso which required the Department of Administration plan to include which agencies are to occupy the building.

B. Public Broadcasting Council Portable Satellite Radio Uplink (Senate and House Subcommittees). The Public Broadcasting Council requested \$49,500 in FY 1997 for the state match portion for a portable satellite radio uplink and companion receiver equipment that would allow the origination of live or tape programming from virtually anywhere in Kansas. The Governor did not recommend funding for this project. Both the Senate and House Subcommittees reviewing the Department of Administration budget requested that this be reviewed as an Omnibus item and that, if additional one-time funds are available, this item should be considered for funding. Total cost of the project, including the federal match, would be \$99,000.

C. Insurance for State Buildings (Senate and House Subcommittees). The state currently insures those state-owned buildings with a replacement value of \$500,000 or greater that are not otherwise insured. The current policy has a \$2,000,000 deductible and a \$25,000,000 per occurrence loss cap. The current policy expires June 30, 1996, and must be rebid for FY 1997. The Department's approved budget for FY 1997 includes \$300,000 for insurance. The table below notes three options for which the Department has received bids and one additional option the Department thinks could be negotiated:

<u>Option</u>	<u>Deductible</u>	<u>Cap</u>	<u>Premium</u>
Current Coverage	\$2 Million	\$25 Million	\$250,000
Same Deductible/Higher Cap	\$2 Million	\$100 Million	\$285,000
Higher Deductible/Higher Cap	\$5 Million	\$200 Million	\$342,000
Could Possibly Be Negotiated: Same Deductible/Higher Cap	\$2 Million	\$200 Million	\$400,000 (approximate)

D. S.B. 102 (Conference). S.B. 102 would establish the Kansas Performance Review Board. The Board's five members would be appointed by the Governor, subject to Senate confirmation, and would receive compensation, subsistence allowances, mileage, and expenses. The Board would be authorized to hire an executive director and support staff. The Kansas Council on Privatization, which recommended S.B. 102 as introduced, recommended that the Board receive an annual appropriation of \$500,000 from the State General Fund to finance the salaries and wages of the staff and the operating expenses of the agency in FY 1997.

E. S.B. 492 (Conference). Included in S.B. 492 are two provisions in FY 1997 with a fiscal impact to several state agencies. The first provision with a fiscal impact results from a House Committee amendment which would provide that 207(k) partially exempt employees would receive compensation at the regular hourly rate for working between 80 and 86 hours in a biweekly pay period. Currently, employees in those positions are required to work 86 hours in a biweekly pay period with no additional compensation. The following table notes the fiscal impact of this portion of the bill. The columns entitled "Estimated FY 1997 Fiscal Impact -- KLRD" are based on a Kansas Legislative Research Department survey of the agencies impacted and include the total number of positions authorized for each agency. The columns entitled

“Estimated Fiscal Impact -- Personnel Services” are based on an estimate by the Department of Administration, Division of Personnel Services, using positions filled in the agencies impacted. It should be noted that all agencies would have the option of allowing these employees to work only 80 hours per biweekly pay period, which would result in fewer hours worked, but would have no fiscal impact.

Agency	Number of 207 (k) Employees	Estimated FY 1997 Fiscal Impact -- KLRD		Estimated Fiscal Impact -- Personnel Services	
		SGF	All Funds	Number of Employees	All Funds
KBI	71	\$ 197,583	\$ 219,194	62	\$ 179,180
Dept. of Wildlife and Parks	90	26,882	224,019	78	175,110
Department of Revenue	21	46,888	51,972	9	23,409
State Fire Marshal	9	0	27,855	17	34,255
TOTAL	189.5	\$ 271,353	\$ 523,040	166	\$ 411,954

A House Floor amendment would provide that, for essential employees as defined in the bill, each official state holiday counts as time worked for the purpose of calculating overtime hours. Currently, a classified employee is in overtime status only after actually working 40 hours. No type of leave, such as holiday leave, vacation leave, military leave, sick leave, or other leave, counts toward the 40 hours of actual work. The following table shows the cost of this provision to those agencies with the highest overtime cost for holidays, as estimated by the Division of Personnel Services based on the payroll quarter beginning December 17, 1997.

Agency	Annual Cost Estimate All Funds
KBI	\$ 16,816
Fire Marshal	2,640
Highway Patrol	9,276
Department of Revenue	720
Wildlife and Parks	1,720
Department of Corrections	2,144
Department of Transportation	55,192
SRS	4,056
TOTAL	\$ 92,564

A third provision of S.B. 492 that has a potential fiscal impact would provide that 207(k) partially exempt employees would use vacation and sick leave at the same rate as other state employees. Currently, those employees earn vacation and sick leave at the same rate as other employees, but use approximately 8.5 hours of leave for each day of vacation or sick leave they wish to take. According to the agencies surveyed

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by the Kansas Legislative Research Department, this provision would have little or no fiscal impact. The Division of Personnel Services states that this would have a fiscal impact totaling \$22,157 from all funds to the KBI, Fire Marshal, Highway Patrol, Department of Revenue, and the Department of Wildlife and Parks.

Board of Indigents' Defense Services

A. Transfer of Funding Between Line Items (Senate and House Subcommittees). Both the Senate and House Subcommittees recommended that the agency's FY 1996 expenditure status be reviewed as an Omnibus item to see if any amounts could be transferred from the Capital Defense Operations State General Fund account and the Regional Defense Delivery System Expansion State General Fund account to the Operating Expenditures account. Both Subcommittees noted that this would help the agency to make it through FY 1996 without a supplemental appropriation. The agency states that \$619,000 could be transferred from the Capital Defense Operations account and \$323,000 could be transferred from the Regional Defense Delivery System Expansion account to the Operating Expenditures account.

B. H.B. 2331 (Conference). H.B. 2331 would abolish the defense of "not guilty by reason of insanity and would allow a finding of "mental disease or defect excluding criminal responsibility." This finding could be made if a jury returns a verdict of "not guilty" in a case in which the defendant has offered substantial evidence that, "as a result of mental disease or defect," the defendant lacked the mental state required as an element of the offense charged. The jury must then determine whether the defendant was suffering from a mental disease or defect which means the defendant was incapable of possessing the necessary criminal intent. The Office of Judicial Administration states that the bill would permit evidence of mental disease or defect to affect the criminal intent element of any crime, and could result in longer hearings and more hearings in which the element of criminal intent would be a defense issue. The Board of Indigents' Defense Services estimates a fiscal impact of \$40,750 from the State General Fund in FY 1997, of which \$32,000 would be for trial level defense and \$8,750 would be for appellate defense.

Judicial Branch

A. Judicial Center Carpeting (Conference Committee on S.B. 95). The Senate recommended \$60,000 from the State General Fund to replace the carpeting in the second and third floor hallways of the Kansas Judicial Center. The Conference Committee on S.B. 95 recommended that this be considered as an Omnibus item. The Department of Administration requested \$64,000 from the State General Fund in FY 1997 for the first phase of a four-year carpet replacement project, at a total cost over the four years of \$256,000. The Department of Administration notes that most of the existing carpeting was installed in 1975 and 1976.

B. H.B. 3033 (Conference) would establish two new funds in the state treasury: the Access to Justice Fund, which would be used to make grants to persons unable to gain access to the Kansas civil justice system, and the Kansas Endowment for Youth Trust Fund, which would be under the control of the Commissioner of Juvenile Justice. The Access to Justice Fund would finance grants that would be received by programs that provide legal assistance, legal counsel, or other dispute resolution services. Grants would be made based on the number of persons served, as well as any other requirements established by the Kansas Supreme Court. All grants from the Access to Justice Fund would be approved by the Chief Justice of the Kansas Supreme Court. To enable the grants to be distributed in FY 1997, a fund (either no-limit or with a specified expenditure limitation) would have to be appropriated. Receipts to the fund are estimated to be \$999,285 in FY 1997.

FY 1997 receipts to the Kansas Endowment for Youth Trust Fund are estimated to be \$263,880. The position of Commissioner of Juvenile Justice is not anticipated to exist until January 1, 1997, and the Kansas Youth Authority will not exist until July 1, 1997.

Kansas Bureau of Investigation

A. Forensic Laboratory Air Conditioning and Ventilation (Joint Committee on State Building Construction). During its annual review of capital improvement requests, the Joint Committee on State Building Construction asked to review this project as an Omnibus item. At an April 16, 1996, conference call meeting, the Joint Committee recommended FY 1997 funding of \$46,300 from the State General Fund for this project. The project includes installing a separate air conditioning system and providing a fresh air ventilation system for the forensic laboratory area. The agency states that it is requesting this project in lieu of a total HVAC (heating, ventilation, and air conditioning) system overhaul, which would be cost prohibitive.

The KBI states that its personnel working in the laboratory area are exposed to noxious smells, fumes, and other hazards. KBI laboratory personnel work with hazardous chemicals, flammable materials, corrosives, carcinogens, and other toxic substances, and are often required to work in the area for extended periods of time. In the drug chemistry section, three gas chromatographs operate 24 hours a day at an oven temperature ranging from 200 to 550 degrees. This equipment is vented directly into the laboratory. The agency has installed eight fume hoods throughout the crime lab to allow the scientists to work safely with hazardous substances. While the fume hoods allow toxic fumes to escape without harm to the employees, the hoods place a tremendous load on the building's present air conditioning system. The fume hoods exhaust approximately 12,000 cubic feet per minute of air conditioned or heated air to the outside. The agency states that this has the same effect as leaving windows open while an air conditioner is in operation.

Because of concerns about laboratory area ventilation, the Kansas Department of Health and Environment inspected the area in FY 1994 and recommended that the area be ventilated to attain approximately 30 cubic feet per minute of airflow. The agency states that the Division of Architectural Services has surveyed the building and agrees that the laboratory needs to have a heating, air conditioning, and ventilation system that is segregated from the rest of the building.

B. Lease or Purchase of the Great Bend Laboratory and Office Building (Joint Committee on State Building Construction and Senate Ways and Means Subcommittee on Capital Improvements).

The KBI currently leases its Great Bend laboratory and office facility at a rate of \$4.00 per square foot. The current lease is due to expire on June 30, 1996, and the agency has inquired about the possibility of purchasing the building. Negotiations are currently underway for several options, including a "walk-away lease" arrangement in which the state would agree to lease the building for a specified number of years and would receive the building at the end of the lease period for a nominal fee. The FY 1997 KBI budget includes funding for the lease at the current rate and no legislative action would be required to continue a lease arrangement.

C. S.B. 495 (Law) and S.B. 410 (Conference). S.B. 495 allows the KBI to perform background investigations for the State Gaming Agency to determine the suitability of prospective employees of "a tribal gaming agency, gaming employees, key employees, manufacturer-distributors, management contractors, primary management officials, or standard gaming employees." Before the KBI does a background check for a tribal gaming commission, a deposit would be made by the commission to the State Gaming Agency. After the KBI completes the background check, the costs associated with the check would be transferred to the KBI as reimbursement for actual costs. Only the costs necessary to perform the work needed would be

billed to the tribal commissions. S.B. 410 would require the KBI to conduct investigations of criminal violations of the Tribal Gaming Oversight Act and criminal activities related to tribal gaming.

The KBI states that it would need 5.0 FTE in FY 1997 to perform the required background checks and other investigative activities required by the bills. The requested FTE include 2.0 FTE Special Agent II positions (\$37,514 each, including fringe benefits, for a total cost of \$75,028), 2.0 FTE Special Investigator I positions (\$31,312 each, for a total cost of \$62,624), and 1.0 FTE Office Assistant II (\$19,344). The KBI anticipates that two unclassified temporary (special project) Special Investigators that are currently performing background investigations would fill the requested 2.0 FTE Special Investigator positions. These positions, together with related travel, subsistence, and OOE, would be funded from the tribal gaming commission fund transfers to the KBI. The agency would need authority for the FTE positions.

D. Senate Sub. for H.B. 2603 (Conference). Senate Sub. for H.B. 2603 makes it unlawful for any person under 21 years of age to operate or attempt to operate a motor vehicle with a blood or breath alcohol concentration of .02 or greater. As amended by the Senate Committee on the Judiciary, the bill would not be in effect until July 1, 1998, and would have no fiscal impact in FY 1997. However, if that provision is removed and the bill becomes effective January 1, 1997, there would be an FY 1997 fiscal impact. The KBI states that it would need to develop a new testing protocol to test blood accurately for the presence of .02 grams of alcohol per 100 milliliters of blood. The fiscal impact could be \$55,445 from the State General Fund (for lab equipment and supplies for some additional blood tests) if the existing breath instruments can be calibrated to test at this level. If the the breath instruments cannot be calibrated to test at the .02 level, the KBI estimates that its current level of blood testing would be almost doubled. The agency estimates that it would need an additional Forensic Scientist II to do blood analysis (\$39,887), testing equipment (\$49,807), and lab supplies (\$11,277), for a total cost of \$100,971.

Kansas Department of Commerce and Housing

A. H.B. 3040 (Law). The bill amends the statutes concerning vocational education instruction equipment aid (training equipment grant program) by transferring from the Board of the Kansas Technology Enterprise Corporation to the Secretary of Commerce and Housing the responsibility of determining and distributing equipment grants. S.B. 95 appropriated \$250,000 (EDIF) in FY 1997 to KTEC to administer this program.

B. Sub. S.B. 507 (Conference). Sub. S.B. 507 would create the Agriculture Products Development Division within KDOC&H. The bill would transfer most of the powers, duties, and functions of the current Division of Markets of the Department of Agriculture to the Agriculture Products Division. The funding shift necessary for that transfer has been approved by both House and Senate.

The bill also would transfer the powers, duties, and functions of the Agriculture Value Added Center to the new Division. A portion of the funding for that transfer was included in the Governor's budget recommendation and approved by both the House and Senate. A shift of \$295,500 (EDIF) and 2.0 FTE positions from KTEC to KDOC&H in FY 1997 is necessary for the balance of the transfer.

C. Technical (Considered by Conference Committee -- No Recommendation). The Department requests a proviso authorizing for FY 1997 the collection of fees for issuing low-income housing tax credits, mortgage credit certificates and mortgage revenue bonds. The Department has collected fees on these activities in the past and has used those fee revenues to support administration of the programs and also

administrative costs in the Housing Division, and as matching funds for the Housing Division's federal HOME program.

A recent Attorney General Opinion (No. 96-27) indicates that specific statutory authority is required for the fee collections.

Department of Human Resources

A. Recommendation of the Joint Committee on Computers and Telecommunications (JCCT). The JCCT recommends that the House Appropriations and Senate Ways and Means committees authorize for FY 1997 state EDIF funding of \$500,000 for the One-Stop Career Center System. The JCCT also recommended that a proviso be included requiring the Department of Human Resources to report to the JCCT, on a quarterly basis, beginning July 1, 1996, regarding implementation of the project and the status of securing federal funds. This funding was recommended by the Governor but was reduced from the agency budget by the Legislature pending JCCT review.

B. H.B. 2883 (Law). The bill reinstates the Neighborhood Improvement and Youth Employment (NIYE) Act and makes it operational from July 1, 1996 through June 30, 1998. The program had expired on December 31, 1995. The bill requires the Secretary of Human Resources to provide program grants to "eligible entities" (eligible local governmental units, nonprofit organizations, Native American Indian tribes, or private businesses) on a geographically representative basis, with at least one grant recipient to be located in each Congressional district in the state. The program provides that eligible entities use grant proceeds to pay after-school wages or summer wages (or both) to program participants. To be eligible to participate in the program, individuals have to attend secondary school and meet income eligibility guidelines established by the Secretary of Human Resources. Grants to all eligible entities must be used for expenditures associated with the repair, maintenance, and renovation of essential community facilities and for labor and related costs associated with assisting with community services and working with low-income senior citizens. Not more than 10 percent of grant proceeds may be used for administrative purposes or for the acquisition of supplies, tools, and other equipment. Grants to private businesses are subject to a matching requirement. Finally, the bill requires the Secretary of Human Resources to submit to the House Economic Development Committee and the Senate Commerce Committee a report regarding the disposition of the program.

The Department states that it will utilize remaining funding appropriated for the program from FY 1995 (\$35,399 -- EDIF) and FY 1996 (\$71,259 -- SGF) to administer the program for FY 1997. The program was appropriated \$100,000 in FY 1995 and \$90,000 in FY 1996.

(Note: There exists a "timing" problem with this bill. The NIYE Act expired on December 31, 1995. This bill, which reinstates NIYE, is effective after its publication in the statute book, July 1, 1996. Because NIYE is a "summer" program, the effective date of the new bill would preclude the Department from effectively administering the program for the summer of calendar year 1996. The Conference Committee could authorize a proviso to allow the Department to expend funds for the program prior to the effective date of the bill.)

C. Sub. H.B. 2986 (Law). The bill provides that when the Secretary of the Department of Human Resources (DHR) prevails on behalf of the claimant employee while pursuing a wage claim, reasonable attorney fees will be awarded to DHR. Those fees will be placed in the Wage Claims Assignment Fee Fund. Currently, the expenditure limitation on that fund is zero.

The agency states it will use this Fund to help administer the wage claim program. The agency's rough estimation is that awarded attorney fees for FY 1997 will be between \$1,000 and \$2,000. Annual costs to run the program are approximately \$30,000 (SGF), including part-time work from one secretary and three attorneys for court appearances and appeals.

D. S.B. 649 (Law). Passage of S.B. 649 is estimated to reduce expenditures from the Workers Compensation Fee Fund by \$105,803 and eliminate a net of 4.0 FTE positions in FY 1997. The bill eliminates the benefit review program and would consequently reduce salary and wage expenditures by \$244,475 and 8.0 FTE positions. The bill establishes a mediation conference process which will require the addition of 4.0 FTE positions and \$138,672 in salaries and wages. This would include 2.0 Attorney I positions to act as mediators and 2.0 Office Assistant III positions for support staff. No expenditure for office equipment or office space is included on the assumption that the equipment and space utilized by the eliminated benefits review officers would be transferred to the new mediation section. S.B. 95 sets an expenditure limitation of \$7,068,214 on the Workers Compensation Fee Fund.

E. Substitute for H.B. 2660 (Conference). The bill amends certain sections of K.S.A. 44-401 *et seq.*, which regulates private employment agencies in Kansas. The existing statute prohibits the charging of any fee to job seekers, unless the employment agency is licensed by KDHR. The existing statute also sets a maximum fee of \$2 for the services rendered to a job seeker.

The bill amends the existing law to increase the allowable fee to \$100.

The agency states that the bill will lead to an increased number of private employment agencies that wish to provide client-paid services. The Department states it currently does not license any private employment agencies.

The agency states that the number of requests for licenses would result in the Department processing those applications, investigating applicants, issuing licenses, responding to complaints, etc. The agency states the bill will require for FY 1997 an increase in staffing of 0.5 FTE with total estimated costs of \$24,088 (SGF).

Behavioral Sciences Regulatory Board

A. House Subcommittee Recommendation. In its review of the agency's budget, the House Subcommittee recommended upgrading the agency's computer system. The recommendation was made subsequent to an analysis made by DISC. DISC offered a number of upgrade options to the Subcommittee. The Subcommittee then requested the JCCT to review DISC's options. The Subcommittee, prior to the JCCT's review, had tentatively approved the following: installation of wiring and a print/file sharing network; purchase of a microcomputer for that network; and purchase of software licenses. The JCCT concurred with the Subcommittee's recommendation. Total cost of the FY 1997 upgrade: \$4,200 -- to be financed from the Board's fee fund.

Mental Health Hospitals -- Systemwide

A. Teacher Salary Increases. The amounts recommended by the Governor and approved by the 1996 Legislature for the school contracts do not include funding for teacher salary increases in FY 1997. The following table shows the amounts from the State General Fund that would be needed to fund salary increases of various percentages.

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<u>% Increase</u>	<u>Larned</u>	<u>Osawatomie</u>	<u>Rainbow</u>	<u>Topeka</u>
0.5	\$ 6,786	\$ 3,640	\$ 3,813	\$ 2,852
1.0	13,571	7,281	7,626	5,703
1.5	20,357	10,921	11,440	8,555
2.0	27,143	14,562	15,253	11,406
2.5	33,928	18,202	19,066	14,258
3.0	40,714	21,843	22,879	17,109
3.5	47,500	25,483	26,692	19,961
4.0	54,286	29,124	30,506	22,812
4.5	61,071	32,764	34,319	25,664
5.0	67,857	36,405	38,132	28,515

B. Categorical Aid. In FY 1997, the budgeted school contracts for each of the institutions include categorical aid based on a rate of \$19,500 (the amount set by the 1995 Legislature). Currently, the FY 1997 categorical aid rate per eligible teaching unit is estimated to be \$19,360. If this rate is maintained, the school contracts at the hospitals would be under funded. The following State General Fund amounts would be added to each of the hospitals' budgets in FY 1997 to adjust for this difference in rates:

<u>Hospital</u>	<u>SGF Amount</u>
Larned State Hospital	\$ 1,945
Osawatomie State Hospital	1,708
Rainbow Mental Health Facility	2,800
Topeka State Hospital	2,289
TOTAL	<u>\$ 8,742</u>

The categorical aid rate for FY 1996 was budgeted at \$19,500 per qualified teaching unit. The current estimate for the rate is \$19,450. The following State General Fund amounts would be added to each of the hospitals' budgets in FY 1996 to adjust for this difference in rates:

<u>Hospital</u>	<u>SGF Amount</u>
Larned State Hospital	\$ 664
Osawatomie State Hospital	710
Rainbow Mental Health Facility	1,000
Topeka State Hospital	818
TOTAL	<u>\$ 3,192</u>

Kansas Human Rights Commission

A. Technical Item for FY 1996. Make a technical adjustment which reverses the required match on funds allocated for private mediation contract services from \$3 state - \$1 private to \$1 state - \$3 private funds. This proviso reflects the intent of the legislature regarding this match rate.

B. House and Senate Subcommittee Recommendation - Federal Funds Shortfall. The agency requested a Governor's Budget Amendment (GBA) to reverse the recommended lapse of \$70,592 State General Fund in FY 1996 to partially offset an anticipated shortfall in federal fund receipts. The House Subcommittee supported the agency's GBA request and recommended the issue be revisited in the Omnibus session. The Senate Subcommittee restored the funding but recommended the issue be revisited in the Omnibus session. Subsequently, the Conference Committee on S.B. 95 restored to the money to the agency budget.

Board of Cosmetology

A. H.B. 2916 (Law). H.B. 2916 gives the Board of Cosmetology regulatory authority over permanent color technicians, tattoo artists and persons engaged in body piercing. The bill is estimated to increase agency expenditures from the Cosmetology Fee Fund by \$21,078, including 1.0 Office Assistant I FTE position, in FY 1997. The additional employee is required to process applications and examinations and assist in other Board duties. Moneys are also needed to pay for the development of a standardized examination. Revenues from licensure would be split between the State General Fund (20 percent) and the agency fee fund (80 percent). Estimates for FY 1997 are \$3,525 to the State General Fund and \$17,625 to the fee fund.

Office of the State Bank Commissioner

A. S.B. 95 (Governor). S.B. 95 authorizes expenditures for the payment of specific claims against the State of Kansas. The bill includes a payment of \$18,308 from the Bank Commissioner Fee Fund in FY 1996 to reimburse a claimant for attorney fees incurred in a Civil Service Board appeal of an agency employee. According to the agency, there are sufficient balances in the fee fund to cover the payments. However, the agency reports that payment of these claims could cause difficulties for the agency in staying within the expenditure limitation set by the legislature.

Kansas Commission on Veterans Affairs

A. Commission Office -- Technical Item for FY 1997. To correct a posting error in the bill, add \$6,508 State General Fund to the operating expenditures -- veterans affairs account line.

B. Soldiers Home -- Technical Item for FY 1997. To correct a posting error in the bill, add \$150,000 State General Fund to the operating expenditures -- Kansas soldiers' home account line.

Secretary of State

A. Senate Substitute for House Substitute H.B. 2079 (Governor). H.B. 2079 implements the federal National Voter Registration Act (NVRA) in regards to the election laws in the State of Kansas. In

the Senate version, the Chief Election Officer would be defined as the Secretary of State. The bill would authorize the Secretary of State to promulgate rules and regulations to comply with the NVRA. The bill designates certain state agencies as voter registration agencies. These agencies would include the Division of Motor Vehicles, Kansas Department of Revenue, and any other state agency that provides public assistance and services to persons with disabilities. Also included as a voter registration agency would be recruitment offices of the armed forces, and offices of the city clerk in any city of the first or second class. The cost of implementing the Senate version of the bill, according to the Division of Budget, Kansas Department of Administration, is estimated to be \$870,096. This amount includes costs to state agencies that might be designated voter registration agencies (\$120,421), costs of the County Treasurers (\$54,000) and costs to counties to implement the bill (\$695,675). In GBA No.4 dated February 20,1996, the Governor amends the FY 1996 budget of the Secretary of State by \$695,000 in State General Fund expenditures for aid to counties. This FY 1996 funding is recommended to implement the National Voter Registration Act at the county level. The counties require new equipment, including file cabinets, computer hardware, computer programming and computer software. See Table Below.

REVISED ESTIMATE TOTAL IMPLEMENTATION COSTS

	<u>Computers</u>	<u>Software</u>	<u>Computer Programming</u>	<u>PC Support</u>	<u>Cost File Cabinets</u>	<u>Total Cost</u>
County Costs:						
County Treasurers					\$ 54,000	\$ 54,000
Total County Costs	\$ 367,500	\$ 39,619	\$ 80,775	\$ 60,714	147,067	695,675
State Costs:						
State Agencies						
Human Rights Commission (No longer part of NVRA)						\$ --
Department of Human Resources						605
Department of Revenue						0
Secretary of State						76,500
SRS						42,816
Kansas Department on Aging						500
Total State Agency Costs						<u>\$ 120,421</u>
Revised Estimated Total Implementation Costs						<u>\$ 870,096</u>

B. H.B. 3081 (Governor). H.B. 3081 would enact the Kansas Athlete Agent Act which would provide for regulation of athlete agents by the Secretary of State. The bill would require athlete agents of all intercollegiate sports to register annually with the Secretary of State and provide specified information in the registration application. The Secretary would be authorized to conduct investigations necessary to enforce the Act and refer any violations to the Attorney General for prosecution. The bill would also regulate advertising by athlete agents and set out specific advertising practices that would be prohibited. The bill would create the Athlete Agent Registration Fee Fund as the repository for all fees, civil penalties, and other moneys received under the Act. Revenue credited to the Fund could be used only for expenses incurred for the performance of the duties and functions of the Secretary under the Act. The Secretary of

State does not have an estimate of the number of persons who would register under this Act and pay the \$1,000 annual registration fee. It is likely that few agents would be registered, but it is not possible to provide an accurate estimate at this time.

The Secretary of State's office estimates a fiscal impact of \$100,000 in additional expenditures from the State General Fund in FY 1997 is necessary to conduct investigations and review contracts. This would include the cost of additional personnel, including an attorney and an investigator, as well as office equipment and supplies.

C. Senate Substitute for House Substitute for H.B. 3000 (Passed Both Houses, No Conference Committee Appointed). H.B. 3000 would revise current law pertaining to state and local governmental ethics and campaign finance. The Secretary of State estimates that passage of the Senate version of the bill would have no fiscal impact for the agency in FY 1997. Passage of the House version of the bill, however, would incur a minimum of \$2,300 in State General Fund expenses in FY 1997 to cover an additional filing cabinet and copy costs.

Kansas Commission on Governmental Standards and Conduct

A. Auditor Position (Conference Committee). The appropriations Conference Committee agreed to wait until the Omnibus Session to decide whether or not to fund an additional auditor position (1.0 FTE) pending action on the ethics bills before the Legislature. The agency reports that passage of the Senate or House version of H.B. 3000 would give the agency the additional responsibility of auditing all 670 registered lobbyists. Included in the Commission on Governmental Standards and Conduct's budget for FY 1997 was a request for \$33,738 (including fringe benefits) from the State General Fund for this position to assure greater compliance with local campaign finance laws.

Kansas State Dental Board

A. H.B. 2813 (Law). H.B. 2813 changes the license renewal procedures of the Dental Board. The annual renewal of licenses is changed to biennial and the fee for license renewal would be doubled from \$80 to \$160 for dentists and from \$40 to \$80 for dental hygienists. Licenses for dentists would be renewed in even-numbered years, which would begin with FY 1997, and dental hygienists in odd-numbered years, which would begin FY 1998. The Dental Board estimates that the change from annual to biennial license renewal would reduce expenditures by \$2,500 for FY 1997, or one-half, the cost of mailing and other supplies and time used to mail out renewal notices to licensees every year.

Mental Retardation Hospitals -- Systemwide

A. Teacher Salary Increases. The amounts recommended by the Governor and approved by the 1996 Legislature for the school contracts do not include funding for teacher salary increases in FY 1997. The following table shows the amounts from the State General Fund that would be needed to fund salary increases of various percentages.

<u>% Increase</u>	<u>KNI</u>	<u>PSHTC</u>	<u>WSHTC</u>
.5%	\$ 3,525	\$ 2,055	\$ 4,162
1.0	7,050	4,110	8,324
1.5	10,575	6,165	12,486
2.0	14,100	8,220	16,648
2.5	17,625	10,275	20,810
3.0	21,150	12,330	24,972
3.5	24,675	14,385	29,134
4.0	28,200	16,440	33,296
4.5	31,725	18,495	37,458
5.0	38,250	20,550	41,628

B. Categorical Aid. In FY 1997, the budgeted school contracts for the Kansas Neurological Institute, Parsons State Hospital and Training Center and Winfield State Hospital and Training Center include categorical aid based on a rate of \$19,500. Currently, the FY 1996 categorical aid rate per eligible teaching unit is estimated to be \$19,360. If this rate is maintained, the school contracts at the hospitals would be underfunded. The following State General Fund amounts would be added to each of the hospitals' budgets in FY 1997 to adjust for this difference in rates:

<u>Hospital</u>	<u>SGF Amount</u>
Kansas Neurological Institute	\$ 2,020
Parsons State Hospital and Training Center	1,234
Winfield State Hospital and Training Center	2,268
TOTAL	\$ 5,522

The categorical aid rate for FY 1996 was budgeted at \$19,500 per qualified teaching unit (except for KNI which is budgeted at \$19,400). The current estimate for the rate is \$19,450. The following State General Fund adjustments would be made to each of the hospitals' budgets in FY 1996 to adjust for this difference in rates:

<u>Hospital</u>	<u>SGF Amount</u>
Kansas Neurological Institute	\$ (1,127)
Parsons State Hospital and Training Center	559
Winfield State Hospital and Training Center	1,085
TOTAL	\$ 517

Kansas Neurological Institute

A. Building Committee Recommendation. The Kansas Neurological Institute requests authority to raze eight maintenance buildings that are described by the agency as being in poor shape. The agency has recently completed the consolidation of its maintenance operations into two buildings leaving the remaining eight buildings vacant. The agency plans to use funds from the SRS Institutional Rehabilitation and Repair Fund and no additional funding is requested. The Joint Committee on State Building Construction is recommending legislative authorization to raze the eight buildings subject to the Joint Committee's approval.

Department of Education

A. Revised School Finance Estimates. Staff from the State Department of Education, the Division of Budget, and the Legislative Research Department met April 8 to review estimates for school finance that had been made in November. On the basis of more recent information and the enactment of new legislation that affects school finance, revisions have been made for both FY 1996 and FY 1997.

In general, the estimate of local resources decreased slightly -- by \$201,000 in FY 1996 and by \$190,000 in FY 1997. The estimate of expenditures was increased as the result of more students than had been estimated originally. (Staff Note: The enrollment estimate used in this memorandum has been agreed to by the State Department of Education and the Legislative Research Department. It differs from the estimate used by the Division of the Budget in that it includes an additional 450 students that are estimated as a consequence of the enactment of H.B. 2967, which the Governor has signed. H.B. 2967 concerns the downsizing of Fort Riley and is discussed in more detail below.) Off-setting the estimate of increased expenditures in FY 1996 is the expectation that all of the local effort remittance due in the current year will be received in time to distribute before the end of FY 1996. Because more remittance money will be available in the current year, the appropriation from the State General Fund for general state aid that was approved by the 1996 Legislature at the end of the regular session can be reduced by \$976,000. In addition, the appropriation for supplemental general state aid can be reduced by \$475,000. The total reduction for both funds in FY 1996 is \$1,451,000, which either could be lapsed or carried forward to reduce the appropriation for FY 1997. (Whether to lapse or reappropriate the balances is a policy decision. The advantage to lapsing the money is that a lapse places an absolute cap on what can be spent in FY 1996. The advantage of a reappropriation is that, if the estimates are off or if all of the local effort remittance is not received in time to be distributed during the current year, there most likely would be enough money from the State General Fund to fully fund the program in the current year without having to prorate. However, if all of the estimated reappropriation is spent in the current year, FY 1997 would be underfunded based on current estimates.)

The revised estimate for FY 1997, taking into account a greater number of students and the enactment of 1996 legislation that affects school finance, results in demands on the State General Fund that exceed by \$5,214,700 the amount that currently has been appropriated. (Of the increase, \$5.1 million would be for general state aid and \$100,000 would be for supplemental general state aid.) Of the increase estimated for general state aid, \$3,493,000 would have occurred under current law and \$1,631,700 is due to additional students as the result of 1996 H.B. 2967, which pertains to Fort Riley. (See item b that follows.)

In summary, appropriations from the State General Fund for school finance are \$1,451,000 too much in FY 1996 and \$5,214,700 too little in FY 1997, a net shortfall of \$3,763,700 over the two-year period. The information is displayed in the table below:

	FY 1996 Current Approp.	FY 1996 Revised Est.	FY 1996 Difference	FY 1997 Current Approp.	FY 1997 Revised Est.	FY 1997 Difference	Two-Year Difference
General State Aid (SGF)	\$ 1,341,477,000	\$ 1,340,501,000	\$ (976,000)	\$ 1,318,779,000	\$ 1,323,903,700	\$ 5,124,700	\$ 4,148,700
Supp. General State Aid (SGF)	41,600,000	41,125,000	(475,000)	48,672,000	48,762,000	90,000	(385,000)
TOTAL	<u>\$ 1,383,077,000</u>	<u>\$ 1,381,626,000</u>	<u>\$ (1,451,000)</u>	<u>\$ 1,367,451,000</u>	<u>\$ 1,372,665,700</u>	<u>\$ 5,214,700</u>	<u>\$ 3,763,700</u>

B. H.B. 2967 (Law). H.B. 2967 includes two items that have fiscal consequences for FY 1997:

1. **Downsizing of the Fort Riley Military Reservation.** H.B. 2967 continues for another year the policy adopted by the 1995 Legislature relative to the effect on surrounding school districts of the downsizing of Fort Riley. The bill allows 14 surrounding school districts to add 90 percent of the reduction in students from school years 1995-96 to 1996-97 to their September 20 enrollment count for purposes of their general fund budget spending power. The affected school districts are Wamego (USD 320), Pottawatomie West (USD 323), Riley County (USD 378), Clay Center (USD 379), Manhattan (USD 383), Blue Valley (USD 384), Morris County (USD 417), Abilene (USD 435), Chapman (USD 473), Geary County (USD 475), Rural Vista (USD 481), Herington (USD 487), Mill Creek Valley (USD 329), and Wabaunsee East (USD 330).

The State Department of Education estimates that 450 weighted FTE students will be added to the student count for FY 1997, at a cost of \$1,671,700, of which \$1,631,600 would be for general state aid and \$40,000 for supplemental general state aid. **This estimated increase in general and supplemental general state aid has been included in the revised school finance estimates discussed above.**

2. **Juvenile Detention Facilities and the Flint Hills Job Corps Center.** H.B. 2967 makes statutory a policy that has been implemented through provisos added to appropriations bills for several years. The bill adds November 20 and April 20 to the existing September 20 date when school districts may count students in juvenile detention facilities and the Flint Hills Job Corps Center in order to be reimbursed for educational services they provide. Under the bill, a district could use the highest enrollment on either of the dates. Reimbursement is limited to the actual cost of providing the services and cannot exceed what the district would receive if the student were counted as two students for school finance purposes.

The State Department of Education estimates that services currently are being provided for 301 students and the number could increase to 473 during FY 1997. The increase is due both to the expansion of existing facilities and the opening of new facilities. The increased cost in FY 1997 is estimated to be \$271,694. The current amount appropriated for the program is \$2,440,554. The State Department has calculated reimbursement for the program at \$5,734 per pupil, which is less than the limit of two times the base state aid per pupil amount of \$7,252.

C. S.B. 325 (Law). S.B. 325 contains a provision that allows public postsecondary institutions to apply to either the Kansas Board of Regents or the State Board of Education for a waiver of tuition and fees for up to eight semesters of undergraduate instruction for the dependents of public safety officers and firefighters who have been killed in the line of duty. In the case of community colleges, area vocational schools, and technical colleges, the institution would file a claim with the State Board of Education for reimbursement of the amount of tuition and fees waived.

According to the Kansas Bureau of Investigation, 19 law enforcement officers have been killed in the line of duty since 1978, an average of approximately one each year. The State Department of Education makes the assumption that an equal number of firefighters is killed. The fiscal impact calculated by the State Department is based on two dependent children being enrolled in educational institutions that are under the jurisdiction of the State Board, resulting in an estimated annual fiscal impact in FY 1997 of \$2,520 from the State General Fund to reimburse institutions for waived tuition and fees.

Attorney General

A. Omnibus Review Item. Both the House and Senate subcommittees that reviewed the Attorney General's budget requested that the Division of Personnel Services prepare a report describing the duties, responsibilities, and salaries of classified and unclassified attorneys in state government. The purpose of the request was to provide comparative information for the Legislature to use to evaluate the merits of the Attorney General's concern that attorneys in her office, because they are unclassified, are paid less than attorneys in other state agencies. The concern arises from the fact that unclassified attorneys were not included in the upgrading of the salaries of classified attorneys that occurred in FY 1995 as part of the Comprehensive Classification and Job Rate Study, which resulted in the salaries of classified attorneys being increased by two pay ranges. It is estimated that for FY 1997 "parity increases" for 35 attorneys would amount to \$144,270, of which \$130,643 would be from the State General Fund.

Information provided by the Division of Personnel Services on March 29, which was derived from the SHARP database, is not accurate. Therefore, the Attorney General's Office conducted its own survey and compiled a list of attorneys employed by each state agency, categorized by "classified" and "unclassified, with the unclassified category further subdivided to identify attorneys who occupy the position of chief counsel. The list excludes state government employees who are attorneys but whose jobs are not legal in nature. Using Legislative staff as an example, attorneys in the Revisor of Statutes Office are included, but attorneys in the Legislative Research Department, who function as research or fiscal analysts, are not.

Based on the Attorney General's data, there are 305.5 FTE attorney positions in state government, including the Regents institutions, in addition to the 36 attorneys (including the Attorney General) in the Attorney General's Office. All of the attorneys in the Attorney General's Office are unclassified. For all other agencies, 166.0 FTE attorneys are unclassified and 139.5 are classified. Excluding the Attorney General's Office, the average salary for unclassified attorneys (excluding general counsels) is \$41,438 and \$40,903 for classified attorneys. The average salary for attorneys in the Attorney General's Office (excluding deputy attorneys general whose positions are comparable to general counsels in other agencies) is \$37,619, which is \$3,819 (10 percent) less than other unclassified attorneys and \$3,284 (9 percent) less than classified attorneys. The average salary for deputy attorneys general is \$56,244, compared to \$62,663 for general counsels in other agencies, a difference of \$6,419 (11 percent).

B. S.B. 704 (Law), H.B. 2690 (Law), and S.B. 628 (Law). Three bills have become law that could affect the workload of the consumer protection division of the Attorney General's Office. While each bill has only a slight impact, cumulatively the impact is such that the Attorney General believes a new position is necessary for FY 1997. The position being requested is a Special Agent I at a cost of \$37,569 for salary and associated expenses. Of the amount, \$30,469 would be from the State General Fund and \$7,100 would be from the Court Cost Fund. The bills are the following:

1. **S.B. 704 -- Fuel Dispensing Devices.** S.B. 704 is a response to concerns about the Weights and Measures Program of the Department of Agriculture and strengthens the regulation of motor fuel dispensing devices. If violations of the law are discovered, such as miscalibrated pumps or fuels that do not meet the posted octane ratings, the Department of Agriculture could refer the tests to the Attorney General for additional investigation. Because S.B. 704 provides for a more intensive testing program on the part of the Department of Agriculture than currently is in place, the Attorney General expects that the number of cases referred to the Office will grow. According to the Attorney General, the referral rate is approximately 10 percent.
2. **H.B. 2690 -- Kansas "Lemon Law."** H.B. 2690 brings leased new motor vehicles under the provisions of the Lemon Law. According to the Attorney General, expanding the law to include leased new vehicles could result in an increased caseload of as many as 50 complaints per year for the consumer protection division. An increase of that size would correspond to the workload of 0.25 FTE position.
3. **S.B. 628 -- Warranties for "Assistive Devices."** S.B. 628 amends the Kansas Consumer Protection Act to set out the rights of consumers who purchase or lease assistive devices. "Assistive devices" are defined to include such things as wheelchairs, motorized scooters, telephone communication devices, and other aides that enhance a person's ability to communicate, see, hear, or maneuver. According to the Attorney General, although it is not known at this time how many complaints might be referred to the consumer protection division as a result of the bill, additional staff would be necessary if the number of complaints proves to be significant.

C. H.B. 2402 (Governor). H.B. 2402 establishes a statewide system of visitation centers and child exchange centers to allow court-ordered child exchange or visitation in a manner that protects the safety of all family members. The administration of the centers will be handled by the Attorney General, in cooperation with local governmental agencies that will provide the centers. The centers will be used by children who have been removed from their parents due to abuse, neglect, or other risks of harm. The centers also would be used for children whose parents are separated or divorced and the children are at risk due to circumstances that include documented or suspected abuse, domestic violence, an impaired parent, or other circumstances that put a child at risk.

H.B. 2402 creates a new fund named the Child Exchange and Visitation Centers Fund. According to the Attorney General, revenues to the fund would be any federal money that is made available for the purpose of establishing child exchange and visitation centers and any other money the Attorney General may apply for and receive. In addition, the bill raises the marriage license fee from \$40 to \$50 and provides that 20 percent of marriage license fees be credited to the Crime Victims Assistance Fund to be used to match funds for meeting any federal requirement for child exchange and visitation centers. The additional amount generated by the increase would be approximately \$217,500, which would be the amount credited to the

Crime Victims Assistance Fund. If no federal money is made available, the money may be used as otherwise provided in the statutes governing the Crime Victims Assistance Fund.

Legislative action requested by the Attorney General as a consequence of the passage of H.B. 2402 is the appropriation for FY 1997 of the Child Exchange and Visitation Centers Fund. Because it is not known the amount of federal funding that may be available, the Attorney General requests that the fund have a "no limit" expenditure limitation. The only purpose for which funds could be expended would be to establish and maintain child exchange and visitation centers.

D. H.B. 2012 (Conference). A provision of H.B. 2012 would authorize the Attorney General to contract with persons, firms, or agencies that provide collection services for the purpose of collecting debts owed courts or court-ordered restitution owed victims. According to the Attorney General's Office, there presently is no system for collecting debts owed courts other than a court holding someone in contempt for failure to pay. In the case of restitution, a victim could seek payment through civil action or restitution could be obtained as a condition of probation or parole of the perpetrator of the crime.

Under H.B. 2012, the Attorney General's Office would be responsible for negotiating, administering, and monitoring contracts for collection services among all the state judicial districts. Administrative costs to the Attorney General, plus the payment to collectors, would be paid from the amount of debt or restitution owed. The fiscal impact of the bill on the Attorney General's Office for FY 1997 would be a one-time start-up cost of \$30,000 from the State General Fund to pay for the salary and associated other operating costs of 1.0 FTE new position. There also would need to be a new fund called the "Debt Collection Administration Cost Recovery Fund" into which start-up funding and reimbursement for administrative costs would be credited and expenditures made for the program. The Attorney General estimates that total expenditures from the Fund would be \$51,014 in FY 1997. The Attorney General proposes that a proviso be added to the fund stipulating that, when sufficient fees are collected to sustain the operation of the activity, a \$30,000 transfer from the fund be made to reimburse the State General Fund for the start-up costs. According to the Attorney General, Shawnee and Sedgwick county district courts alone have uncollected costs in the tens of millions of dollars.

E. H.B. 2700 (Conference). H.B. 2700 would enact the Kansas Medicaid Fraud Control Act, which would define and prohibit acts that constitute Medicaid fraud. The bill would create the Medicaid Fraud and Abuse Division within the Attorney General's Office and give the Attorney General greater authority to investigate and prosecute Medicaid fraud. In addition, the bill would create two new funds--the Medicaid Fraud Reimbursement Fund and the Medicaid Fraud Prosecution Revolving Fund.

The legislation would implement statutorily a division the Attorney General created on her own initiative July 1, 1996, in response to a federal mandate that states investigate and prosecute fraud and patient abuse involving providers who receive Medicaid reimbursement. Funding for the Medicaid Fraud Control Unit is 90 percent from federal funds and 10 percent from the State General Fund until October, 1998, at which time the match will be 75 percent federal and 25 percent state. Total expenditures are estimated to be \$546,754 in FY 1996 and \$582,626 in FY 1997. The Attorney General included in her FY 1997 budget a request for 4.0 FTE additional positions (two attorneys, one investigator, and one legal assistant) which neither the Governor nor the Legislature approved. The justification for the request was that additional staff would result in more vigorous investigation and prosecution of Medicaid fraud and a corresponding increase in restitution. The cost of the new positions for FY 1997 is \$290,082, of which \$261,000 would be from federal funds and \$29,082 would be from the State General Fund.

The portion of H.B. 2700 that deals with Medicaid fraud is adapted from model legislation promoted by the federal government and would implement in Kansas statutes an act specifically targeted at Medicaid

fraud. Under current law the Attorney General must investigate and prosecute Medicaid fraud under either general laws in Kansas or under federal law, in which case action must be brought in federal court. According to the Attorney General, enactment of H.B. 2700 would give the agency greater authority to investigate Medicaid fraud under Kansas law and could result in more money being recovered in the form of restitution and penalties. Information provided by the Attorney General indicates that, nationwide, 10 percent of Medicaid expenditures are fraudulent. If only 1 percent of the claims in Kansas were successfully prosecuted as fraudulent, the state's Medicaid savings could be as much as \$8.0 million a year. To date, the Medicaid Fraud Control Unit has recovered \$461,268, of which part has been returned to the Department of Social and Rehabilitation Services and part credited to the State General Fund. (Any penalties assessed go to the State General Fund.)

Two new funds would be created by the bill. The Medicaid Fraud Reimbursement Fund would receive payments of restitution and penalties, which would be refunded to whichever state or federal agency had been defrauded. The Attorney General requests that this fund have a "no limit" expenditure limitation so that any money recovered can be refunded to the appropriate agency. The Medicaid Fraud Prosecution Revolving Fund would receive assessments made against persons convicted of Medicaid fraud for the purpose of paying for the costs of the investigation, litigation, and attorney fees. Expenditures would be made from this fund for state agency operations.

Board of Regents

A. S.B. 215 (Governor) -- ROTC Scholarships. S.B. 215 concerns the waiver of tuition for students participating in the Kansas National Guard's Reserve Officers Training Corps (ROTC) program. As amended by the Conference Committee, the bill retains the existing cap of tuition waivers of 40 at each of the Regents institutions; extends the program to Washburn University (also capped at 40 scholarships which will be phased in at ten per year over four years); and establishes a new system of reimbursement whereby participating institutions will file claims with the State Board of Regents for reimbursement of the amount of tuition waived under the bill. At the present time, three of the Regents schools are participating in the ROTC scholarship program: the University of Kansas (38 scholarships awarded), Kansas State University (35 scholarships), and Pittsburg State University (34 scholarships).

The Governor's recommended budget for FY 1997 includes a total of \$184,421 to fund these scholarships at the participating schools: KU (\$59,418), KSU (\$76,003), and PSU (\$49,000). The most recent cost estimate, which assumes that 40 scholarships will be awarded at each of the three participating Regents schools (\$206,400), as well as ten scholarships at Washburn University (\$18,720), indicates the a total of \$225,120 would be needed to fully fund S.B. 215. This would require an additional \$40,699 from the State General Fund in FY 1997 over the Governor's recommended amount of \$184,421. The new method of reimbursement set up by S.B. 215 also requires that the existing funding, which is currently placed in the institutional budgets, be shifted from those budgets to the budget of the State Board of Regents and placed in a new line-item, such as a new fund named the "ROTC Scholarship Reimbursement Fund."

B. S.B. 404 (Law) -- Kansas Distinguished Scholarship Program. S.B. 404 changes the name of the "Kansas-Rhodes Scholarship" program to the "Kansas Distinguished Scholarship" program. The Distinguished Scholarship Program would provide funding for recipients of Rhodes, Marshall, Chevening, Fulbright, Truman, and Brasenose scholarships, as well as Mellon and Madison fellowships who either are Kansas residents or hold an academic degree from a Regents institution. In past years, a provision similar to S.B. 404 has been attached as a proviso to the Board of Regents appropriation for the State Scholarship Program; however, the proviso mentioned only Rhodes, Marshall, and Brasenose scholarships. Recent actual expenditures have been in the range of \$965 to \$4,000. The State Board of Regents estimates that

an appropriate funding level for the Distinguished Scholarship Program would be \$10,000. The Division of the Budget assumes that the funding for the Distinguished Scholarship program would come from amounts already included in the FY 1997 Governor's Budget Report for the State Scholarship Program, resulting in no net fiscal impact. The Governor recommends a total of \$953,955 for the State Scholarship Program in FY 1997. One approach would be to shift \$10,000 of this amount to a new line-item for the Distinguished Scholarship Program in the budget of the Board of Regents.

C. S.B. 325 (Law). S.B. 325 does two main things: (1) provides for tuition and fees waivers for dependents of public safety officers who died in the line of duty; and (2) authorizes the Board of Regents to charge resident tuition for certain military dependents.

1. **Tuition and Fees Waivers for Dependents of Public Safety Officers Who Died in the Line of Duty.** S.B. 325 requires certain Kansas educational institutions to provide for enrollment without charge of tuition or fees for dependents of public safety officers (*i.e.*, law enforcement officers and firefighters) who die from injuries sustained in the line of duty. The educational institutions covered by the bill include area vocational schools, area vocational-technical schools, technical colleges, community colleges, Washburn University, and the Regents institutions. There are no limits on the amount of tuition and fees waived, except that the recipient of the waiver may receive the benefit for no more than eight undergraduate semesters. The State Board of Regents administers the program with respect to its institutions and Washburn, and the State Board of Education administers it with respect to the other institutions. Subject to available appropriations, the Board of Regents or the Board of Education, as the case may be, reimburses the schools for the waived tuition and fees. The most recent cost estimate from the Board of Regents assumes that, if seven students were eligible, the waivers could total \$15,642 in FY 1997. Under current budgetary practice, Regents universities receive State General Fund appropriations as an offset to tuition waivers.

Adjutant General

Iola Armory -- New Addition. The Adjutant General had requested matching funds for a capital improvement project to construct a 16,000 square foot addition to the Iola armory; the new addition would contain administrative, classroom, maintenance, and training areas, as well as a kitchen and locker room. The existing building (10,540 square feet) is used by 60 National Guard personnel two weekends per month, and for rentals. The Joint Committee on State Building Construction had flagged this issue for Omnibus review. At its meeting on April 16, 1996, the Joint Committee recommended that a multi-year State General Fund appropriation of \$100,000 in FY 1997 and \$155,592 in FY 1998 be approved to provide the state match for the project. The revised total project cost is \$1,703,947: funding sources include the 75 percent federal share (\$1,277,960), the 15 percent state match (\$255,592), and the 10 percent match by the city of Iola (\$170,395).

Kansas Highway Patrol

S.B. 662 and H.B. 2667 (Conference). Both bills adjust the amount of money per title that the KHP would received in FY 1997 and subsequent years. Depending upon what version passes, if any, the FY 1997 expenditures would need to be adjusted accordingly. No adjustment in the expenditure limitation for the Highway Patrol Motor Vehicle Fund would be required since a no limit line item for that fund was

<u>Parimutuel</u>	<u>FY 1996</u>	<u>FY 1997</u>
Approved	\$ 3,496,204	\$ 3,022,514
Change	(866,546)	(632,706)
Revised Estimate 3/369 ^a	2,629,658	2,389,808

<u>Lottery</u>	<u>FY 1996</u>	<u>FY 1997</u>
Approved	\$ 56,445,772	\$ 55,748,809
Change	--	--
Revised Estimate	--	--

<u>SGRF/SGF</u>	<u>FY 1996</u>	<u>FY 1997</u>
Approved	\$ 59,941,976	\$ 58,771,323
Change	(866,546)	(632,706)
Revised Estimate	59,075,430	58,138,617

a) Source: Kansas Racing Commission, March 26, 1996.

State Historical Society

S.B. 370 (Conference). The House version of S.B. 370 contains a section that would change current law so that, for FY 1996, moneys from the State Historical Society's Heritage Trust Fund could be used to restore the state-owned John Brown's Cabin in the City of Osawatomie. (The Cabin, also know as the Adair Cabin, sustained significant smoke and water damage from a fire that was intentionally set in the immediate area adjacent to the Cabin.) Under the House bill, up to \$50,000 could be appropriated from the Heritage Trust Fund for FY 1996 for the restoration project. (State law prohibits the moneys in the Heritage Trust Fund from being used for the preservation of state or federally-owned property.)

A Conference Committee Report has been signed that would delete the Heritage Trust Fund appropriation section from the bill. The Conference Committee deleted the section based on the understanding that funding for the project would be addressed in the Omnibus Bill. Further, all six members of the Conference Committee agreed that, instead of the Heritage Trust Fund, funding for the project should come from the Economic Development Initiatives Fund. Also, the Conference Committee wanted consideration given to including in the Omnibus Bill a proviso that would transfer ownership of the Cabin site from the state to the City of Osawatomie.

Based on current estimates, total FY 1997 cost of the restoration project is estimated at \$207,209, of which \$136,654 would come from available federal Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) moneys. The agency also hopes to get \$10,000 from its claim to an insurance company for the loss of artifacts. Further, the agency proposes to use \$10,555 of its current year authorized capital improvement funds. Remaining moneys necessary to cover the cost of the project and to help meet 20 percent match requirements for the available federal moneys total \$45,000 if a recent grant that was provided to the Friends of the Adair Cabin is used to fund the project. The Kansas Department of Commerce and Housing in the early part of March provided a \$5,000 Economic Development Initiatives Fund grant to the local entity, which information sources indicate is to be used to help repair the damaged cabin.

authorized in FY 1997. The 1996 Legislature approved in S.B. 95 revenue estimated at \$879,434 from motor vehicle titles, \$1,537,424 from resale of used vehicles, \$300,194 of carryover funding, and expenditures of \$2,353,200 from the Motor Vehicle Fund for replacement patrol cars. The FY 1997 approved budget assumed that motor vehicle registration fees dedicated for the KHP would drop to \$1 per title after being set at \$3.50 per title from FY 1994 to FY 1996. The two bills have had different amounts dedicated to the KHP, ranging from \$2.00 to \$3.00.

Kansas Racing Commission

S.B. 410 (Conference). The bill would establish operating procedures for the State Gaming Agency in order to implement tribal-state gaming compacts. S.B. 410 would attach the State Gaming Agency to the Kansas Racing Commission for budget and administrative purposes. A supplemental budget request has been submitted for the State Gaming Agency in FY 1996 and FY 1997. An operating budget of \$145,976 in FY 1996 would be financed from the State General Fund, and of \$1,157,130 in FY 1997, \$366,941 would be financed from the State General Fund and \$790,189 from reimbursements. Three staff positions are requested in FY 1996 and five positions in FY 1997. Most of the funding is for salaries (\$239,310), for paying the KBI for background checks (\$820,000), and for repaying the State General Fund, including interest (\$536,417). FY 1997 agency operations would total \$302,130, excluding the latter two amounts.

If the enabling legislation passes to attach the State Gaming Agency to the Racing Commission, then provisions appropriating funds and authorizing FTE positions should be added to the FY 1997 approved budget of the Commission, probably as separate line items to reflect legislative action.

State Gaming Revenues Fund

The House and Senate Subcommittees asked to review any revised FY 1996 and FY 1997 estimates. The Racing Commission submitted new projections on March 26, 1996, reflecting changes in track race schedules. The new estimates anticipate that the Woodlands and Wichita Greyhound Park will continue to operate the remainder of FY 1996 and FY 1997, that the track at Frontenac will reopen in late FY 1996 and also operate in FY 1997, and that two other facilities at Anthony Down and Eureka Downs will operate in FY 1997. It should be noted that Camptown management has until May 9, 1996, to file a reorganization plan with the bankruptcy court concerning the race track at Frontenac.

The Kansas Lottery has not revised the Governor's estimates that were approved by the 1996 Legislature in S.B. 95. However, based on the higher than projected sales through March 1996, it appears that lottery transfers in FY 1996 will be higher than the approved estimate based on sales of \$177.5 million. The projected decrease in parimutuel transfers in FY 1996 will be offset by increased lottery transfers. Total SGRF transfers are capped at \$50 million, and funds in excess of that amount are transferred to the State General Fund on July 15 of the next fiscal year. If lottery sales in April and May match or exceed previous monthly levels, then the approved SGF estimate of \$9.9 million should be realized or exceeded in FY 1997.

Finally, the Senate Ways and Means Committee asked to be reminded during the Omnibus Session that moneys (\$13,740 from the Economic Development Initiatives Fund) already have been approved in the regular appropriations bill to pay FY 1997 cost for staff and other expenses associated with the continued operation of the Cabin as a tourist site. The Committee indicated that the appropriation for the agency should be reduced by the \$13,740 if moneys were not included in the Omnibus Bill for the restoration project.

Department of Health and Environment

A. S.B. 399 (Governor). S.B. 399 makes changes to the Kansas Waste Tire Law, which among other things established a grant program for the abatement and disposal of waste tires. The bill makes several changes to the Waste Tire Management grant program, including requiring the Secretary of Health and Environment to establish a new competitive private sector grant to stimulate the development of in-state waste tire recycling or energy recovery markets. The bill authorizes the Secretary to award one or more grants during FY 1997 to pay up to 75 percent of the cost of constructing a new facility or modifying an existing facility to recycle waste tires or burn them for energy recovery. The Department indicates that it plans to provide one to three of these new grants in FY 1997, requiring an additional \$475,000 from the Waste Tire Management Fund for the new grant expenditures.

B. Senate Substitute for H.B. 2603 (Conference). Senate Substitute for H.B. 2603 amends current law relating to breath or blood alcohol concentrations while driving a motor vehicle. Both the House and Senate versions of the bill reduce the legal limit of breath or blood alcohol concentration levels for those who operate a motor vehicle when they are under the age of 21 years. The Department of Health and Environment indicates that it needs \$8,750 for FY 1996 and \$22,799 for FY 1997 for the salary and operating costs associated with a new 0.5 FTE Laboratory Improvement Specialist position. (The new FTE position would help to offset a 1.0 FTE position that was lost due to the Governor's directive to reduce FTE positions. Before the FTE position reduction, the Department had 4.3 instead of 3.3 FTE positions for its breath alcohol equipment program, which provides for monitoring, training, certifying, and supporting 3,097 breath alcohol concentration instrument operators spread across the state.) The Department indicates that the additional staff is needed to help with on-site calibration of 182 breath alcohol testing instruments located in 135 law enforcement agencies across the state. The 0.5 position also would help produce additional standards necessary to ensure proper defense of the lower breath alcohol level. The Department requests that funding be from either the State General Fund or the Department's Driving Under the Influence Equipment Fund that was established by the 1995 Legislature. However, use of the Equipment Fund for the expenditures proposed by the Department is contrary to statute (K.S.A. 1995 Supp. 75-5660). The Equipment Fund is to be used only for purchasing blood or breath alcohol concentration testing equipment or for drivers' safety programs which the Department has never provided.

C. H.B. 2955 (Governor). H.B. 2955 requires the appropriation of a new fund called the Health and Environmental Publication Fee Fund that is established by the bill. Revenues to the new fund are to come from fees to recover the cost incurred for printing and binding all general policies, guidelines, standards, and other documents that are used by the Department's Division of Environment as part of its regulatory functions. However, fees are capped at \$75.00 for each original publication booklet and \$15 for each annual supplement booklet. The fee moneys credited to the new fund can be used only for paying the expenses of publishing the regulation documents. The Department indicates that the bill will require adding for FY 1997 \$30,000 from the new fee fund for estimated printing costs of the documents.

D. S.B. 536 (Conference). S.B. 536 establishes in statute a state cancer registry program under the control of the Secretary of Health and Environment. The Department currently maintains a cancer

registry, which is established by administrative regulations and already funded in the regular appropriations bill. The proposed legislation would provide for improved reporting requirements and authorize the use of the confidential data for limited purposes. However, the House version of the bill also requires the Department to contract with the University of Kansas Medical Center for a study assessing the cancer risk of having an abortion. The bill specifically says that the costs of the contract is to be paid from the State General Fund. According to a fiscal note provided by the Division of Budget, the Department has indicated that the study will require adding for FY 1997 \$400,000 to \$900,000 from the State General Fund for the cancer risk study contract.

CONSENSUS ESTIMATES AND PROJECTIONS: LEGISLATIVE RESEARCH DEPT., DIVISION OF BUDGET, AND STATE DEPT. OF EDUCATION

APRIL 8, 1996 (Does not include H.B. 2967 - Approved 410196)

(Amounts in Thousands)

	ACTUAL (FY 1995)	ESTIMATED 1995-96 (FY 1996)	INCREASE (DECREASE)	PROJECTED 1996-97 (FY 1997)	INCREASE (DECREASE)	PROJECTED 1997-98 (FY 1998)	INCREASE (DECREASE)	PROJECTED 1998-99 (FY 1999)	INCREASE (DECREASE)
SFA (BASE OPER. BUDGET) @ \$3,626 BEG. IN FY 1996									
Expenditures	1,914,227	1,952,439	38,212	1,970,557	18,118	1,982,336	11,779	1,991,650	9,314
Revenues:									
Local									
Property Tax (a)	523,707	516,922	(6,785)	562,711	45,789	583,500	20,789	601,880	18,380
Motor Vehicle Tax (RV & Lease/Rent Excise)	75,185	78,720	3,535	69,724	(8,996)	50,700	(19,024)	31,040	(19,660)
P.L. 874	7,993	7,500	(493)	7,250	(250)	7,000	(250)	6,750	(250)
Unspent Balance/Prior Year	4,414	4,000	(414)	4,000	0	4,000	0	4,000	0
Other (b)	4,471	4,700	229	4,600	(100)	4,700	100	4,700	0
Less Local Effort Remittance	(33,116)	(34,510)	(1,394)	(34,510)	0	(34,510)	0	(34,510)	0
Subtotal, Local	582,653	577,332	(5,321)	613,775	36,443	615,390	1,615	613,860	(1,530)
State (General State Aid)									
State General Fund (SGF) Amt. Available	1,308,183	1,341,477	33,294	1,318,779	(22,698)	1,318,779	0	1,318,779	0
Local Effort Remittance	33,116	34,510	1,394	34,510	0	34,510	0	34,510	0
Carryover in SSDF/Prior Year	1,459	96	(1,363)	0	(96)	0	0	0	0
Subtotal, Gen. State Aid	1,342,757	1,376,083	33,325	1,353,289	(22,794)	1,353,289	0	1,353,289	0
Total Revenue	1,925,411	1,953,415		1,967,064		1,968,679		1,967,149	
ADD. REVENUE NEEDED	(11,183)	(976)		3,493		13,657		24,501	
Amt. Per FTE	(21.03)	(1.81)		6.43		24.98		44.61	
LOCAL OPTION BUDGET (LOB) (d)									
Expenditures	168,257	185,100	16,843	211,835	26,735	232,924	21,089	253,935	21,011
Revenues									
Local									
Property Tax (a)	111,957	122,914	10,957	133,435	10,521	146,373	12,937	159,027	12,654
Motor Vehicle Tax	16,702	18,955	2,253	19,939	983	20,910	972	21,685	775
Other	1,341	9,739	8,399	9,739	0	9,739	0	9,739	0
State									
Supplemental General State Aid	40,005	41,600	1,595	48,672	7,072	48,672	0	48,672	0
Total LOB Revenue	170,005	193,209	23,204	211,785	18,576	225,694	13,909	239,123	13,429
ADD. REVENUE NEEDED	(1,748)	(8,109)		50		7,230		14,812	
TOTAL: BASE BUDGET PLUS LOB	2,082,484	2,137,539	55,055	2,182,392	44,853	2,215,260	32,868	2,245,585	30,325
TOTAL: GEN. STATE AID NEEDED	1,332,615 (c)	1,375,107	42,492	1,356,782	(18,325)	1,366,946	10,164	1,377,790	10,844
TOTAL: SUPP. GEN. STATE AID NEEDED (e)	40,005	41,125	1,120	48,722	7,597	55,902	7,180	63,484	7,582
TOTAL: GEN. & SUPP. GEN. STATE AID REQ.	1,372,620	1,416,232	43,612	1,405,504	(10,728)	1,422,848	17,344	1,441,274	18,426
FROM STATE GENERAL FUND: GENERAL AND SUPPLEMENTAL GENERAL STATE AID									
General State Aid Required	1,297,194 (c)	1,340,501	43,308	1,322,272	(18,229)	1,332,436	10,164	1,343,280	10,844
General State Aid Available	1,308,183	1,341,477	33,294	1,318,779		NA		NA	
Amt. Req. in Excess of Amt. Available	(10,989) (c)	(976) ←	10,014 →	3,493 ←		1,332,436		1,343,280	
Supplemental General State Aid Required	40,005 (c)	41,125	1,120	48,722	7,597	55,902	7,180	63,484	7,582
Supplemental Gen. State Aid Available	40,005	41,600	1,595	48,672		NA		NA	
Amt. Req. in Excess of Amt. Available	0 →	(475) ←	(475) →	50 ←		55,902		63,484	
Total Gen. & Supp. Gen. State Aid Req.	1,337,198	1,381,626	44,428	1,370,994	(10,632)	1,388,338	17,344	1,406,764	18,426
Total Gen. & Supp. Gen. State Aid Avail.	1,348,188	1,383,077	34,889	1,367,451		0		0	
Amt. Req. in Excess of Amt. Available	(10,989)	(1,451) ←	9,539 →	3,543 ←		1,388,338		1,406,764	
Amount Per Mill	15,502	16,194	692	16,704	510	17,230	526	17,773	543
Property Tax Rate In Mills	35	35	0	35	0	35	0	35	0
Mill Rate for District Portion of LOB	8.30	8.42	0.12	8.25	(0.17)	9.16	0.91	9.34	0.18
Estimated Adjusted Enrollment	531,813.3 (f)	538,455.3	6,642.0	543,452.1	4,996.8	546,700.5	3,248.3	549,269.1	2,568.6

- (a) Includes property tax in the process of collection from prior year, current year property taxes, and delinquent property taxes from prior years.
- (b) Includes mineral production tax, IRBs, student tuition, recreational vehicle tax, and MV lease/rental excise tax.
- (c) These are amounts actually paid.
- (d) Assumes LOB usage at 43% in 1996-97, at 47% in 1997-98, and at 51% in 1998-99.
- (e) Assumes an LOB state aid ratio at 22.2% in 1995-96, at 23% in 1996-97, at 24% in 1997-98, and at 25% in 1998-99.
- (f) Does not compute to total budget at \$3,600 BSAPP.

NOTES:
 Assumed annual assessed valuation growth is 3.15 % in 1996 and thereafter.
 Base percentage growth, incorporating correlation weights, uses 0.928% in 1996-97, 0.598% in 1997-98, and .470% in 1998-99.

Table does not include amounts for capital improvements state aid or special education and other categorical aid programs.

4-18-96

House Appropriations

Attachment
2

	ACTUAL (FY 1995)	ESTIMATED 1995-96 (FY 1996)	INCREASE (DECREASE)	PROJECTED 1996-97 (FY 1997)	INCREASE (DECREASE)	PROJECTED 1997-98 (FY 1998)	INCREASE (DECREASE)	PROJECTED 1998-99 (FY 1999)	INCREASE (DECREASE)
SFA (BASE OPER. BUDGET) @ \$3,626 BEG. IN FY 1996									
Expenditures	1,914,227	1,952,439	38,212	1,972,189	19,750	1,982,336	10,147	1,991,650	9,314
Revenues:									
Local									
Property Tax (a)	523,707	516,922	(6,785)	562,711	45,789	583,500	20,789	601,880	18,380
Motor Vehicle Tax (RV & Lease/Rent Excise)	75,185	78,720	3,535	69,724	(8,996)	50,700	(19,024)	31,040	(19,660)
P.L. 874	7,993	7,500	(493)	7,250	(250)	7,000	(250)	6,750	(250)
Unspent Balance/Prior Year	4,414	4,000	(414)	4,000	0	4,000	0	4,000	0
Other (b)	4,471	4,700	229	4,600	(100)	4,700	100	4,700	0
Less Local Effort Remittance	(33,116)	(34,510)	(1,394)	(34,510)	0	(34,510)	0	(34,510)	0
Subtotal, Local	582,653	577,332	(5,321)	613,775	36,443	615,390	1,615	613,860	(1,530)
State (General State Aid)									
State General Fund (SGF) Amt. Available	1,308,183	1,341,477	33,294	1,318,779	(22,698)	1,318,779	0	1,318,779	0
Local Effort Remittance	33,116	34,510	1,394	34,510	0	34,510	0	34,510	0
Carryover in SSDF/Prior Year	1,459	96	(1,363)	0	(96)	0	0	0	0
Subtotal, Gen. State Aid	1,342,757	1,376,083	33,325	1,353,289	(22,794)	1,353,289	0	1,353,289	0
Total Revenue	1,925,411	1,953,415		1,967,064		1,968,679		1,967,149	

ADD. REVENUE NEEDED	(11,183)	(976)		5,125		13,657		24,501	
Amt. Per FTE	(21.03)	(1.81)		9.42		24.98		44.61	

LOCAL OPTION BUDGET (LOB) (d)

Expenditures	168,257	185,100	16,843	212,010	26,910	232,924	20,914	253,935	21,011
Revenues									
Local									
Property Tax (a)	111,957	122,914	10,957	133,552	10,638	146,373	12,820	159,027	12,654
Motor Vehicle Tax	16,702	18,955	2,253	19,956	1,001	20,910	954	21,685	775
Other	1,341	9,739	8,399	9,739	0	9,739	0	9,739	0
State									
Supplemental General State Aid	40,005	41,600	1,595	48,672	7,072	48,672	0	48,672	0
Total LOB Revenue	170,005	193,209	23,204	211,920	18,711	225,694	13,775	239,123	13,429
ADD. REVENUE NEEDED	(1,748)	(8,109)		90		7,230		14,812	

TOTAL: BASE BUDGET PLUS LOB	2,082,484	2,137,539	55,055	2,184,199	46,660	2,215,260	31,061	2,245,585	30,325
TOTAL: GEN. STATE AID NEEDED	1,332,615 (c)	1,375,107	42,492	1,358,414	(16,893)	1,366,946	8,532	1,377,790	10,844
TOTAL: SUPP. GEN. STATE AID NEEDED (e)	40,005	41,125	1,120	48,762	7,637	55,902	7,139	63,484	7,582
TOTAL: GEN. & SUPP. GEN. STATE AID REQ.	1,372,620	1,416,232	43,612	1,407,176	(9,056)	1,422,848	15,671	1,441,274	18,426
FROM STATE GENERAL FUND: GENERAL AND SUPPLEMENTAL GENERAL STATE AID									
General State Aid Required	1,297,194 (c)	1,340,501	43,308	1,323,904	(16,597)	1,332,436	8,532	1,343,280	10,844
General State Aid Available	1,308,183	1,341,477	33,294	1,318,779		NA		NA	
Amt. Req. in Excess of Amt. Available	(10,989) (c)	(976) ←	10,014 →	5,125 ←		1,332,436		1,343,280	
Supplemental General State Aid Required	40,005 (c)	41,125	1,120	48,762	7,637	55,902	7,139	63,484	7,582
Supplemental Gen. State Aid Available	40,005	41,600	1,595	48,672		NA		NA	
Amt. Req. in Excess of Amt. Available	0	(475) ←	(475) →	90 ←		55,902		63,484	
Total Gen. & Supp. Gen. State Aid Req.	1,337,198	1,381,626	44,428	1,372,666	(8,960)	1,388,338	15,671	1,406,764	18,426
Total Gen. & Supp. Gen. State Aid Avail.	1,348,188	1,383,077	34,889	1,367,451		0		0	
Amt. Req. in Excess of Amt. Available	(10,989) →	(1,451) ←	9,539 →	5,215 ←		1,388,338		1,406,764	

Amount Per Mill	15,502	16,194	692	16,704	510	17,230	526	17,773	543
Property Tax Rate in Mills	35	35	0	35	0	35	0	35	0
Mill Rate for District Portion of LOB	8.30	8.42	0.12	8.26	(0.15)	9.15	0.89	9.34	0.19

Estimated Adjusted Enrollment	531,813.3 (f)	538,455.3	6,642.0	543,902.1	5,446.8	546,700.5	2,798.3	549,269.1	2,568.6
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- (a) Includes property tax in the process of collection from prior year, current year property taxes, and delinquent property taxes from prior years.
- (b) Includes mineral production tax, IRBs, student tuition, recreational vehicle tax, and MV lease/rental excise tax.
- (c) These are amounts actually paid.
- (d) Assumes LOB usage at 43% in 1996-97, at 47% in 1997-98, and at 51% in 1998-99.
- (e) Assumes an LOB state aid ratio at 22.2% in 1995-96, at 23% in 1996-97, at 24% in 1997-98, and at 25% in 1998-99.
- (f) Does not compute to total budget at \$3,600 BSAPP.

NOTES:

Assumed annual assessed valuation growth is 3.15 % in 1996 and thereafter.
 Base percentage growth, incorporating correlation weights, uses 1.012% in 1996-97, 0.514% in 1997-98, and .470% in 1998-99.

Table does not include amounts for capital improvements state aid or special education and other categorical aid programs.

**SCHOOL DISTRICT FINANCE AND QUALITY PERFORMANCE ACT:
COMP. OF APRIL 1996 AND OCT. 1995 CONSENSUS EST.— SELECTED ITEMS**

GENERAL FUND BUDGET	1995-96	1996-97	1997-98
WEIGHTED ENROLLMENT			
Est., October 1995	538,395	542,899	545,320
Est., April 1996	538,455	543,902 (a)	546,701
Difference	60	1,003	1,381
Est. "Savings" @ \$3,626 (Millions)	(0.2)	(3.6)	(5.0)
Cumulative Total:			(8.9)
ASSESSED VALUATION (IN MILLIONS)			
Est., October 1995	16,150.0	16,658.7	17,183.5
Est., April 1996	16,194.1	16,704.2	17,230.4
Difference	44.1	45.5	46.9
Est., "Savings" FY State Aid (Millions)*	0.9	1.5	1.6
Cumulative Total:			4.0
MOTOR VEHICLE VALUATION (IN MILLIONS)			
Est., October 1995	2,457.2	2,451.0	2,393.0
Est., April 1996	2,429.1	2,400.0	2,320.8
Difference	(28.1)	(51.0)	(72.2)
Est., "Savings" FY State Aid (Millions)*	(1.1)	(1.6)	(1.7)
Cumulative Total:			(4.4)
CUMULATIVE IMPACT (IN MILLIONS)			
Reduction: General State Aid Requirement	(0.4)	(3.7)	(5.1)
Cumulative Total:			(9.2)

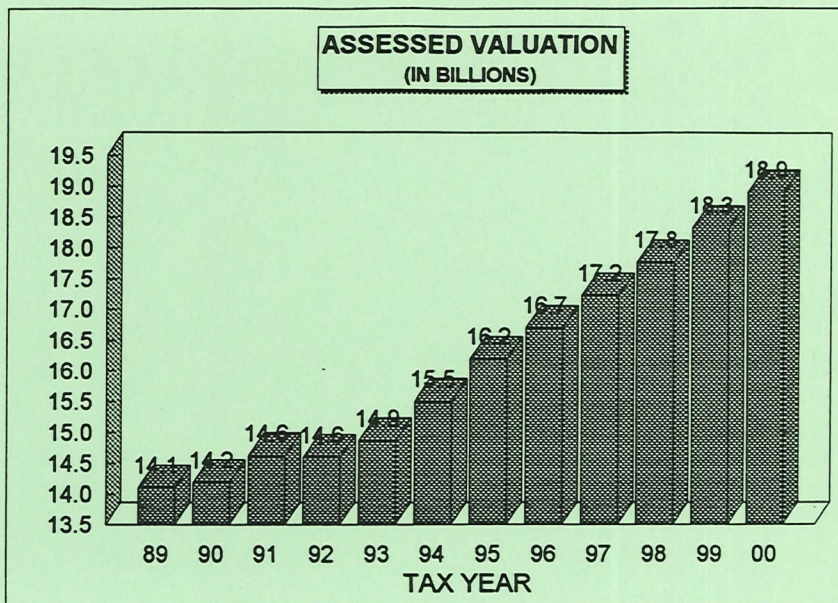
LOCAL OPTION BUDGET	1995-96	1996-97	1997-98
BUDGET (IN MILLIONS)			
Est., October 1995	190.3	211.6	232.3
Est., April 1996	185.1	212.0	232.9
Est. "Savings" (Reduction in April)	5.2	(0.4)	(0.6)
SUPP. GENERAL STATE AID (IN MILLIONS)			
Est., October 1995	41.6	48.7	55.8
Est., April 1995	41.1	48.8	55.9
Est. "Savings" Red. Supp. Gen. State Aid	0.5	(0.1)	(0.1)
Cumulative Total Reduction (April)			0.3

a) Incorporates 1996 H.B. 2967—Ft. Riley declining enroll. provision—450 FTE—\$1.6 mill.

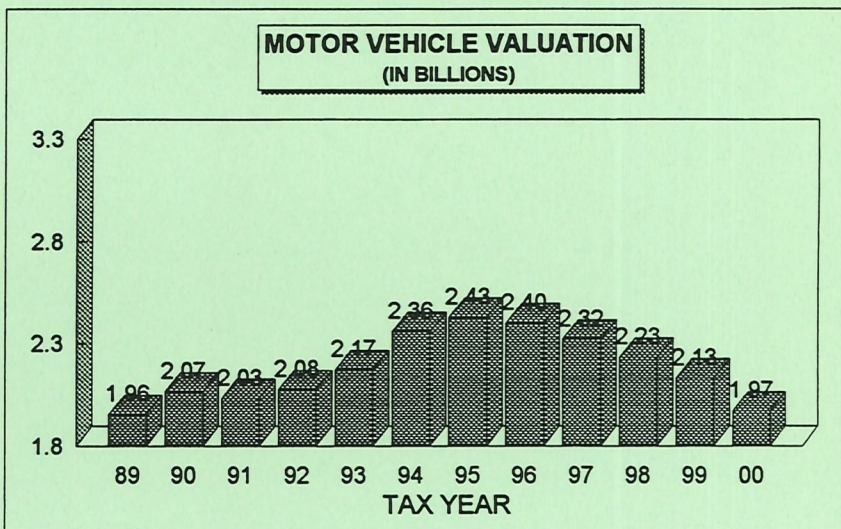
* Takes account of the fact that all of a tax year's levy is not received by school districts in one fiscal year and RESPA rule—1996-97 and 1997-98.

April 18, 1996 KLRD

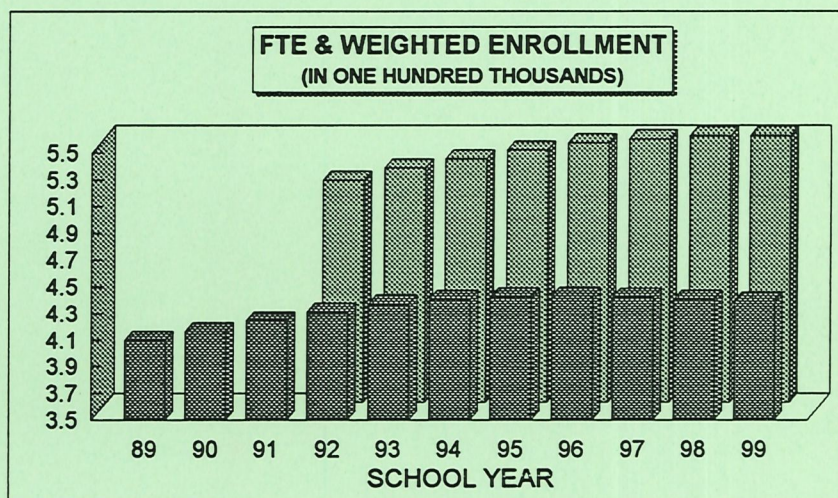
TAX YEAR	ASSESSED VALUATION (IN MILLIONS)
1989	14,104.5
1990	14,194.4
1991	14,630.6
1992	14,600.8
1993	14,870.1
1994	15,502.1
1995	16,194.1
PROJ. 1996	16,704.2
PROJ. 1997	17,230.4
PROJ. 1998	17,773.1
PROJ. 1999	18,333.0
PROJ. 2000	18,910.4



TAX YEAR	MOTOR VEHICLE VALUATION (IN MILLIONS)
1989	1,955.1
1990	2,066.3
1991	2,033.2
1992	2,075.7
1993	2,172.4
1994	2,358.2
1995	2,429.1
PROJ. 1996	2,400.0
PROJ. 1997	2,320.8
PROJ. 1998	2,231.5
PROJ. 1999	2,131.3
PROJ. 2000	1,970.2



SCHOOL YEAR	FTE ENROLLMENT	WEIGHTED ENROLLMENT
1989-90	409,656	
1990-91	416,383	
1991-92	424,737	
1992-93	431,321	516,221
1993-94	437,210	525,348
1994-95	440,684	531,813
1995-96	442,747	538,455
PROJ. 1996-97	443,301	543,902 (a)
PROJ. 1997-98	442,406	546,701
PROJ. 1998-99	440,960	549,269
PROJ. 1999-00	439,518	549,397



a) Includes H.B. 2967 at 450 weighted pupils.

STATE GENERAL FUND PROFILE
 In Millions

Attachment
 3

	FY 1995	Increase	FY 1996	Increase	FY 1997	Increase	FY 1998	Increase	FY 1999	Increase	FY 2000	Increase
Beginning Balance	\$ 454.4		\$ 367.0		\$ 305.9		287.0		276.0		\$ 285.9	
Released Encumbrances	3.6		1.9 ^(a)									
Receipts*	3,218.8	1.4%	3,409.5	5.9%	3,508.4	2.9%	3,668.6	4.6%	3,822.6	4.2%	3,983.2	4.2%
Expenditures												
Gen. and Supp. School Aids**	1,337.2	\$ 31.0	1,381.6	\$ 44.4	1,372.7	\$ (8.9)	1,388.3	\$ 15.6	1,406.8	\$ 18.5	1,414.5	\$ 7.7
Demand Transfer to:												
SDCIF	11.0	3.9	16.0	5.0	20.5	4.5	22.5	2.0	24.5	2.0	25.0	0.5
SHF	81.5	2.4	83.2	1.7	84.4	1.2	97.4	13.0	101.3	3.9	105.4	4.1
LAVTRF	44.6	4.4	46.3	1.7	46.9	0.6	50.6	3.7	52.7	2.1	54.8	2.1
CCRSF	33.4	2.7	34.6	1.2	35.1	0.5	38.6	3.5	40.1	1.5	41.8	1.7
CCHF	10.0	0.3	10.4	0.4	10.6	0.2	16.4	5.8	17.1	0.7	17.8	0.7
WPF	5.9	0.2	6.0	0.1	6.0	--	6.0	--	6.0	--	6.0	--
State Fair	0.1	--	0.2	0.1	0.1	(0.1)	0.1	--	0.1	--	0.1	--
All Other Expend.	1,786.1	153.9	1,894.2	108.1	1,951.0	56.8	2,059.7	108.7	2,164.1	104.4	2,305.9	141.8
Total	3,309.8	198.8	3,472.5	162.7	3,527.3	54.8	3,679.6	152.3	3,812.7	133.1	3,971.3	158.6
Percent Increase		6.4%		4.9%		1.6%		4.3%		3.6%		4.2%
Ending Balance	367.0		305.9		287.0		276.0		285.9		297.8	
% of Expenditures	11.1%		8.8%		8.1%		7.5%		7.5%		7.5%	
Receipts in Excess of Expend.	(91.0)		(63.0)		(18.9)		(11.0)		9.9		11.9	

House Appropriations

Demand Transfers

<p>SDCIF -- School District Capital Improvements Fund. SHF -- State Highway Fund LAVTRF -- Local Ad Valorem Tax Reduction Fund CCRSF -- County-City Revenue Sharing Fund CCHF -- City-County Highway Fund WPF -- Water Plan Fund (For FY 1995, the SHF, CCHF, and WPF transfers were capped at 3 percent over FY 1994 actual.)</p>	<p>Demand transfers for FY 1996 were capped at no greater than a 3.7 percent increase above the FY 1995 levels with the exception of the SDCIF and the State Fair; in addition, a 1.5 percent reduction applied to the SHF transfer. For FY 1997, the demand transfers are capped at 1.4 percent (except SDCIF, WPF, and State Fair). For FYs 1998-2000, the transfers are projected based on current law with no caps.</p>
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4-18-96

FOOTNOTES:

- * Receipts for FYs 1996 and 1997 reflect the April, 1996 consensus estimates with adjustments for various transfers included in 1996 S.B.s 95 and 588 (first conference committee report). The projections for FYs 1998 through 2000 are not consensus estimates of receipts but are based on an annual growth rate of 4.3 percent for total taxes and separate estimates for nontax revenue.
- ** Estimates of general and supplemental school aid payments in FYs 1996 and 1997 were revised on April 8, 1996. For FYs 1998 through 2000, revised projections assume \$3,626 base state aid per pupil, full funding of the correlation weighting factor added by 1995 legislation, and 35 mills levied for the general fund of school districts.
- a) Through March of FY 1996, plus KBI lapse in S.B. 95.

Kansas Legislative Research Department
April 11, 1996

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ECONOMIC DEVELOPMENT INITIATIVES FUND FY 1997

Agency/Program	GOV. REC. FY 1997	HOUSE ADJ. FY 97	SEN. ADJ. FY 97	CONF. ADJ. FY 97	LEG. APPR. FY 97
Department of Commerce and Housing					
Agency Operations	\$ 6,624,521	\$ --	\$ (41,856)	\$ --	\$ 6,624,521
Small Business Development Centers	325,000	--	200,000	200,000	525,000
Certified Development Companies	475,000	--	--	--	475,000
Kansas Industrial Training/Retraining	3,250,000	--	--	--	3,250,000
Trade Show Promotion Grants	270,000	--	--	--	270,000
Strategic Planning/Action Grants	250,000	--	--	--	250,000
Kansas Quality Improvement Network	--	--	--	--	--
Economic Initiative Opportunity Fund	4,000,000	--	--	--	4,000,000
High Performance Incentive Grants	75,000	--	--	--	75,000
Existing Industry Expansion	1,000,000	--	(50,000)	(50,000)	950,000
Tourism Grants	379,600	--	--	--	379,600
Mid-America World Trade Center	--	50,000	50,000	50,000	50,000
Micro Loan Program	1,000,000	(1,000,000)	(200,000)	(600,000)	400,000
Mainstreet Grant and Development Prog.	200,000	--	--	--	200,000
Travel Information Center Repairs	35,000	--	--	--	35,000
Ag. Products Dev. Comm.	--	--	41,491	41,491	41,491
Kansas Rural Dev. Council	--	47,000	--	47,000	47,000
Shift from program of agency choice	--	(97,000)	--	(47,000)	(47,000)
Olathe Travel Center	--	--	--	--	--
Subtotal - KDCH	\$ 17,884,121	\$ (1,000,000)	\$ (365)	\$ (358,509)	\$ 17,525,612
Kansas Technology Enterprise Corporation					
Agency Operations	\$ 1,511,118	\$ --	\$ (102,542)	\$ (80,528)	\$ 1,430,590
Centers of Excellence	4,350,000	--	--	--	4,350,000
Research Matching Grants	1,060,000	--	--	--	1,060,000
Business Innovative Research Grants	86,000	--	--	--	86,000
Training Equipment Grants	250,000	--	--	--	250,000
Industrial Liaison Program	300,000	--	--	--	300,000
Venture Capital	--	--	--	--	--
Special Projects	487,303	--	--	--	487,303
Commercialization	1,300,000	--	--	--	1,300,000
Agricultural Value Added Center	--	--	--	--	--
Mid-America Manufact. Tech. Center	1,000,000	--	--	--	1,000,000
Industrial Ag. Grants	200,000	--	--	--	200,000
EPSCoR	3,400,000	--	--	--	3,400,000
Subtotal - KTEC	\$ 13,944,421	\$ --	\$ (102,542)	\$ (80,528)	\$ 13,863,893
Kansas, Inc.					
Agency Operations	\$ 132,851	\$ --	\$ (1,109)	\$ --	\$ 132,851
Special Studies	--	--	--	--	--
Subtotal - Kansas, Inc.	\$ 132,851	\$ --	\$ (1,109)	\$ --	\$ 132,851
Department of Revenue - Appraisal Aid	\$ --	\$ --	\$ --	\$ --	\$ --
Board of Agriculture					
Market Promotion and Development	\$ 41,491	\$ --	\$ (41,491)	\$ (41,491)	\$ --
Subtotal - Agriculture	\$ 41,491	\$ --	\$ (41,491)	\$ (41,491)	\$ --
State Fair - Agency Operations	\$ --	\$ 115,000	\$ --	\$ 115,000	\$ 115,000
Department of Wildlife and Parks					
Capital Improvements	\$ --	\$ --	\$ --	\$ --	\$ --
Wildscape	--	--	--	--	--
Subtotal - Wild. & Parks	\$ --	\$ --	\$ --	\$ --	\$ --
Department of Education					
At-Risk/Innovative Program Assist.	\$ 1,485,000	\$ --	\$ --	\$ --	\$ 1,485,000
Matching Grants - AVTS	--	--	400,000	200,000	200,000
Postsecondary Aid - AVTS	6,716,110	--	--	--	6,716,110
Capital Outlay Aid - AVTS	1,650,000	--	--	--	1,650,000
Cultural Arts Center	--	--	--	--	--
Foundation for Agriculture	--	--	--	--	--
Less Funds Available From Prior Years	(146,110)	--	--	--	(146,110)
Subtotal - Education	\$ 9,705,000	\$ --	\$ 400,000	\$ 200,000	\$ 9,905,000
School for the Blind - Accessible Arts	\$ --	\$ --	\$ --	\$ --	\$ --
Kansas Arts Commission - Prog. Grants	\$ --	\$ --	\$ 134,000	\$ 134,000	\$ 134,000
Historical Society					
Agency Operations	\$ --	\$ --	\$ --	\$ --	\$ --
Other Projects	--	--	43,648	43,648	43,648
Humanities Council Grant	--	--	25,000	25,000	25,000
Subtotal - Historical	\$ --	\$ --	\$ 68,648	\$ 68,648	\$ 68,648
State Library					
Literacy Grants	\$ --	\$ --	\$ --	\$ --	\$ --
Library Grants	--	--	--	--	--
Local Library Data Base Grants	--	--	--	--	--
Less Funds Available from Prior Years	--	--	--	--	--
Subtotal - State Library	\$ --	\$ --	\$ --	\$ --	\$ --
Public Broadcasting Equipment Grants	\$ --	\$ --	\$ --	\$ 90,611	\$ 90,611
Board of Regents and Regents Institutions					
Council on Economic Education	\$ --	\$ --	\$ --	\$ --	\$ --
Centers of Excellence	--	--	--	--	--
KSU - ESARP	--	--	--	--	--
PSU- School of Tech.	--	1,000,000	--	1,000,000	1,000,000
University General Research	--	--	--	--	--
Ag. Land Use Value Support	--	--	--	--	--
Subtotal - Regents Institutions	\$ --	\$ 1,000,000	\$ --	\$ 1,000,000	\$ 1,000,000
Dept. of Human Res. - One Stop Career Center System	\$ 500,000	\$ (500,000)	\$ --	\$ (500,000)	\$ --
State Water Plan Fund	\$ 2,000,000	\$ --	\$ --	\$ --	\$ 2,000,000
TOTAL TRANSFERS AND EXPENDITURES	\$ 44,207,884	\$ (385,000)	\$ 457,141	\$ 627,731	\$ 44,835,615
EDIF Resource Estimate	GOV. REC. FY 1997	HOUSE ADJ. FY 1997	SEN. ADJ. FY 1997	CONF. ADJ. FY 1997	LEGIS. APPR. FY 1997
Beginning Balance	\$ 2,273,672	\$ 43,313	\$ 520,000	\$ 663,313	\$ 2,936,985
Gaming Revenues	42,500,000	--	--	--	42,500,000
Other Income	350,000	--	--	--	350,000
Total Available	\$ 45,123,672	\$ 43,313	\$ 520,000	\$ 663,313	\$ 45,786,985
Less: Expenditures and Transfers	44,207,884	--	--	--	44,835,615
ENDING BALANCE	\$ 915,788	\$ 244,101	\$ 978,647	\$ 951,370	\$ 951,370

* House figure reflects \$1,100,000 encumbrance stemming from S.B. 459.

4-18-96

House Appropriations

EXPENDITURES FROM THE RESOURCES OF THE STATE WATER PLAN FUND

Agency/Program	Request FY 97	Governor's Rec. FY 97	Senate Rec. FY 97	House Rec. FY 97	Conference Committee	Final Appr. FY 97
State Conservation Commission						
Conservation District Aid	\$ 1,008,892	\$ 1,008,892	\$ 1,008,892	\$ 1,008,892	\$ 1,008,892	
Watershed Dam Construction	1,200,000	1,000,000	1,000,000	1,000,000	1,000,000	
Multipurpose Small Lakes	1,645,395	800,000	800,000	800,000	800,000	
Nonpoint Source Pollution Asst.	2,800,000	2,200,000	2,200,000	2,200,000	2,200,000	
Water Resources Cost Share	5,500,000	5,200,000	5,200,000	5,200,000	5,200,000	
Riparian and Wetland Program	150,000	100,000	100,000	100,000	100,000	
Watershed Planning Assistance	155,000	50,000	50,000	50,000	50,000	
Total - Conservation Commission	\$ 12,459,287	\$ 10,358,892	\$ 10,358,892	\$ 10,358,892	\$ 10,358,892	\$ --
Kansas Water Office						
Neosho Sub-basin	\$ 50,000	\$ --	\$ --	\$ --	\$ --	\$
Republican Sub-basin	70,000	70,000	70,000	70,000	70,000	
Tech. Assist. to Water Users	200,000	200,000	200,000	200,000	200,000	
Basin Assessment	50,000	20,000	20,000	20,000	20,000	
Environmental Education	50,000	50,000	50,000	50,000	50,000	
Water Quality Planning Assist.	50,000	20,000	20,000	20,000	20,000	
Stream Gaging Program	330,300	330,300	330,300	330,300	330,300	
GIS Data Access & Support Ctr.	132,000	132,000	132,000	132,000	132,000	
Public Water Supply Viability	30,000	--	--	--	--	
GIS Data Base/GIS Manager	312,307	313,351	313,351	313,351	313,351	
Public Information	20,000	20,000	20,000	20,000	20,000	
Salt Water Intrusion-Equus Beds	60,000	50,000	50,000	50,000	50,000	
Storage Acquisition/Milford&Perry	1,075,963	--	--	--	--	
Storage -- O&M	286,275	286,275	286,275	286,275	286,275	
Weather Modification	190,000	92,000	92,000	92,000	92,000	
Quality /Declines UARK River	75,000	75,000	75,000	75,000	75,000	
Watershed Dam Hydrological Impact	45,000	45,000	45,000	45,000	45,000	
Total - Kansas Water Office	\$ 3,026,845	\$ 1,703,926	\$ 1,703,926	\$ 1,703,926	\$ 1,703,926	\$ --
Wildlife and Parks						
Cheyenne Bottoms Renovation	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$
Neosho Madtom/Stream Monitor.	50,000	50,000	50,000	50,000	50,000	
Total - Wildlife and Parks	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ --
University of Kansas						
Dakota Aquifer Study	\$ --	\$ --	\$ --	\$ --	\$ --	\$
Board of Agriculture						
Floodplain Management	\$ 60,420	\$ 60,420	\$ 60,420	\$ 60,420	\$ 60,420	\$
Interstate Water Issues	251,544	250,000	250,000	250,000	250,000	
Nonpoint Source--Statistics	44,000	20,000	20,000	20,000	20,000	
Subbasin Management Plan	638,267	637,514	637,514	637,514	637,514	
Water Rights Backlog	--	--	--	--	--	
Total - Board of Agriculture	\$ 994,231	\$ 967,934	\$ 967,934	\$ 967,934	\$ 967,934	\$ --
Health and Environment						
Contamination Remediation	\$ 2,000,900	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$ 1,800,000	\$
Local Environmental Aid	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	
Public Water Supply Outreach	200,000	200,000	200,000	200,000	200,000	
Hazardous Household Waste	150,000	--	--	--	--	
Nonpoint Source Program	635,991	620,000	620,000	620,000	620,000	
Total - Health and Environment	\$ 4,986,891	\$ 4,620,000	\$ 4,620,000	\$ 4,620,000	\$ 4,620,000	\$ --
Kansas State University						
Ogallala Aquifer Study	\$ --	\$ --	\$ 27,507	\$ --	\$ 27,507	\$
State Historical Society						
Floodplain Improvements	\$ --	\$ --	\$ 100,000	\$ --	\$ 100,000	\$
Department of Education						
Environmental Education	\$ --	\$ --	\$ --	\$ --	\$ 25,000	\$
TOTAL EXPENDITURES	\$ 22,017,254	\$ 18,200,752	\$ 18,328,259	\$ 18,200,752	\$ 18,353,259	\$ --
Estimated Receipts/Transfers	16,210,594	16,210,594	16,210,594	16,210,594	16,459,157	
Beginning Balance	491,272	491,272	491,272	491,272	491,272	
Estimated Carryforward/Available	1,677,272	1,685,443	1,685,443	1,685,443	1,685,443	
Balance	\$ (3,638,116)	\$ 186,557	\$ 59,050	\$ 186,557	\$ 282,613	\$ --

Note: Receipts in Conf. Cttee. column reflect \$248,563 increase due to H.B. 2663 and S.B. 597.

ANALYST OMNIBUS LIST BY AGENCY AND SUBCOMMITTEE

Don Cawby (pp. 1-2)

Department of Revenue - Mollenkamp
Department of Agriculture - Kejr/Kline
Youth Centers - Kejr/Kline

Susan Wieggers (pp. 22-24)

Mental Health Hospitals Systemwide - Carmody
Human Rights Commission - Neufeld
Board of Cosmetology - Kejr/Kline
State Bank Commissioner - Kejr/Kline
Commission on Veterans Affairs - Neufeld

Laura Howard (pp.3-10)

Regents Systemwide - Farmer
Kansas State University - Farmer
SRS - Mental Health and Developmental
Disabilities Services - Carmody

Tricia Pierron (pp. 24-28)

Secretary of State - Carmody
Commission on Governmental Standards
and Conduct - Carmody
Kansas Dental Board - Farmer
MR Hospitals Systemwide - Carmody
Kansas Neurological Institute - Carmody

Paul West (pp. 10-11)

Department of Social and Rehabilitation
Services - Neufeld

Carolyn Rampey (pp. 28-33)

Department of Education - Farmer
Attorney General - Carmody

Alan Conroy (pp. 12-13)

Legislature - Farmer
Legislative Coordinating Council - Farmer

Russell Mills (pp. 33-34)

Board of Regents - Farmer
Adjutant General - Kejr/Kline

Leah Robinson (pp. 13-15)

Department of Corrections - Kejr/Kline
Kansas Sentencing Commission - Kejr/Kline

Julian Efird (pp. 34-36)

Kansas Highway Patrol - Kejr/Kline
Kansas Racing Commission - Mollenkamp
Gaming Revenues Fund - Mollenkamp

Kathy Porter (pp. 15-20)

State Treasurer - Carmody
Department of Administration - Carmody
Board of Indigents' Defense Services -
Mollenkamp
Judicial Branch - Mollenkamp
Kansas Bureau of Investigation - Kejr/Kline

Pat Mah (pp. 36-38)

Kansas Historical Society - Farmer
Department of Health and Environment - Neufeld

Eric Milstead (pp. 20-22)

Department of Commerce and Housing -
Mollenkamp
Department of Human Resources - Carmody
Behavioral Sciences Regulatory Board -
Neufeld

SUBCOMMITTEE LIST BY AGENCY AND ANALYST
(in order of appearance in the Omnibus memo)

FARMER (Room 521-S)

Regents Systemwide - Laura
Kansas State University - Laura
Legislature - Alan
Legislative Coordinating Council - Alan
Kansas Dental Board - Tricia
Department of Education - Carolyn
Board of Regents - Russell
Kansas Historical Society - Pat

NEUFELD (Room 514-S)

Department of SRS - Paul
Behavioral Sciences Regulatory Board - Eric
Human Rights Commission - Susan
Comm. on Veterans Affairs - Susan
Health and Environment - Pat

MOLLENKAMP (Room 529-S)

Department of Revenue - Don
Board of Indigents' Defense Services - Kathy
Judicial Branch - Kathy
Dept. of Commerce and Housing - Eric
Racing Commission - Julian
Gaming Revenues Fund - Julian

**KEJR/KLINE (Room 531-N on Thurs., Fri.,
and Mon., and E. Lounge on Tues.)**

Department of Agriculture - Don
Youth Centers - Don
Department of Corrections - Leah
Kansas Sentencing Commission - Leah
Kansas Bureau of Investigation - Kathy
Board of Cosmetology - Susan
State Bank Commissioner - Susan
Adjutant General - Russell
Kansas Highway Patrol - Julian

**CARMODY (Room 519-S on Thurs., Fri., and
Mon., and W. Lounge on Tues.)**

SRS Mental Health and Developmental
Disabilities Services - Laura
State Treasurer - Kathy
Department of Administration - Kathy
Department of Human Resources - Eric
MH Hospitals Systemwide - Susan
Secretary of State - Tricia
Commission on Governmental Standards
and Conduct - Tricia
MR Hospitals Systemwide - Tricia
Kansas Neurological Institute - Tricia
Attorney General - Carolyn