

Approved: 4-26-96  
Date

## MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Robin Jennison at 8:20 a.m. on April 19, 1996 in Room 514-S of the Capitol.

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

A Governor's Budget Amendment (GBA) was distributed to the committee on the afternoon of 4-18-96 and is submitted for the record with today's minutes (Attachment 1).

Chairman Jennison called the meeting to order and drew attention to the three handouts that were distributed by staff. The first handout, titled Appropriations Status Report, compares the current appropriations budget compared to the Governor's recommendations (Attachment 2). The second handout, titled SGF Subcommittee Recommendations in FY 1997 Above GBA Levels (Attachment 3). The third handout, titled Subcommittee Recommendations, list all subcommittee recommendations and the FY 1996 fiscal impacts on SGF and All Funds (Attachment 4).

Chairman Jennison pointed out that the committee is \$439,403 over the Governor in FY 1997 in SGF, and \$888,813 over the Governor in FY 1997 in All Funds. Chairman Jennison stated that he would like spending to be under the Governor in both instances. He stated that the committee would recess for one hour so that subcommittees can find areas to revise spending to be under the Governor.

The committee recessed at 8:30 a.m.

Chairman Jennison called the meeting to order at 9:30 a.m.

Staff distributed several more handouts to the committee, an EDIF FY 1997 report (Attachment 5), an updated Appropriations Status Report (Attachment 6), an updated SGF Subcommittee Recommendations in FY 1997 Above GBA Levels (Attachment 7), updated House Subcommittee Recommendations (Attachment 8). Chairman Jennison had staff distribute a briefing on Donated Dental Services that is to be discussed later on during the meeting (Attachment 9).

Chairman Jennison called attention to attachment 8, House subcommittee recommendations, and recognized representatives from the various subcommittees to give the revised report on the different agencies.

A motion was made by Representative Dean, seconded by Representative Lowther, to amend the report by adding \$30,000 to the state fair capital improvement funds for roof repair. The money is to be released by the Finance Committee with final approval by the Building Committee. The motion carried.

Representative Carmody pointed out a technical error on page 16 of attachment 8, under new positions for Medicaid Fraud Control. He stated that in the column "All Funds", the dollar amount should be changed from \$29,082 to \$290,082.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 P.M. on April 19, 1996.

A motion was made by Representative Helgerson, seconded by Representative Gatlin, to amend the report by including a proviso for the raising of 8 KNI buildings be subject to the Building Committee review. The motion carried.

A motion was made by Representative Dean, seconded by Representative Cornfield, to amend the report by increasing teacher salaries at the youth centers by 2% to be consistent with the rest of the state. The motion carried.

Representative Neufeld stated that a provision was left out of the SRS report accidentally, concerning a proviso that allows SRS to negotiate with the CCK if it's in the best interest of the community.

A motion was made by Representative Neufeld, seconded by Representative Helgerson, to add the same language in the report for this year that was included last year concerning the information that was left out. The motion carried.

A motion was made by Representative Gatlin, seconded by Representative Neufeld, to amend attachment 8 by removing \$240,670 from SGF and \$504,518 from All Funds on page 8. The motion failed 9 to 9.

A motion was made by Representative Gatlin, seconded by Representative Edmonds, to zero out the entire budget of the Kansas Corporation Commission. The motion failed 8 to 8.

A motion was made by Representative Helgerson, seconded by Representative Dean, to add a proviso to the report stating that individuals in the KANWORK program currently, be allowed to complete their four year college degree program as long as they are progressing according to their contract. The motion failed 8 to 8.

A motion was made by Representative Nichols, seconded by Representative Helgerson, to add a proviso for this fiscal year to limit the Topeka IMAX facility to women only. The motion carried.

A motion was made by Representative Reinhardt, seconded by Representative Hochhauser, to amend the report by adding the funding for a backhoe for the Department of Wildlife and Parks. The motion carried with a division of 9 to 8.

A motion was made by Representative Hochhauser, seconded by Representative Cornfield, to amend the report by adding funding for blood alcohol equipment listed on page 10. The money is to come from the highway asset forfeiture fund. The motion failed 7 to 8.

Chairman Jennison recognized Revisor Wilson to explain the bills needed for reconciliation (Attachment 10).

Chairman Jennison called a 10 minute recess and reconvened at 1:50 p.m.

Chairman Jennison opened discussion on **SB 475** and **SB 476**, Pooled Money Investment Board. He stated that because of the many different opinions from the committee, the committee would discuss each of the issues individually and vote on them individually instead of working the subcommittee report.

Chairman Jennison recognized Representative Edmonds to explain the different parts of the bills. Representative Edmonds distributed three handouts to the committee. The first being a list of the issues relating to **SB 476** (Attachment 11). The second handout being the subcommittee report on **SB 476** and **SB 475** (Attachment 12). The third being a Summary of Balloon Amendments to **SB 476** (Attachment 13).

A motion was made by Representative Edmonds, seconded by Representative Wilson to adopt language stating the Department of Administration will be the location of the PMIB.

A substitute motion was made by Representative Carmody, seconded by Representative Neufeld, to create a free-standing agency as the location for the PMIB.

To answer questions raised by members of the committee, Representative Edmonds distributed a handout containing a summary of classified and unclassified personnel, charts showing a summary of expenditures, and a budget forecast for a stand-alone agency (Attachment 14).

A vote was taken on the substitute motion by Carmody. The motion carried 9 to 8.

A motion was made by Representative Edmonds, seconded by Representative Carmody, to adopt language stating the investment authority will lie with a Director of Investments. The motion carried 9 to 7.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:30 P.M. on April 19, 1996.

A motion was made by Representative Edmonds, seconded by Representative Wilson, to adopt language stating that the chairman of the PMIB will be appointed by the Governor. The motion carried 10 to 7.

A motion was made by Representative Edmonds, seconded by Representative Carmody, to adopt language stating that the PMIB will be a seven member board: The state Treasurer, four Governor's appointees, Director of Accounts, and a representative of municipalities.

A substitute motion was made by Representative Neufeld, seconded by Representative Wilson, to maintain the current five member board: State Treasurer and four Governor's appointees. The motion carried.

A motion was made by Representative Edmonds, seconded by Representative Carmody, to adopt language stating that qualifications for PMIB members should be "Ten years direct work experience in the areal of finance, accounting, or management of investments, or have at least a baccalaureate degree from an accredited college or university and at least five years of direct work experience in the areas of finance, accounting or management of investments." The motion carried.

A motion was made by Representative Edmonds, seconded by Representative Neufeld, to adopt language stating that the structure of investment pools will be established with separate pools for state moneys and municipal moneys.

A substitute motion was made by Representative Nichols, seconded by Representative Hochhauser, to adopt the Governor's balloon amendments (passage of this would override all previous action taken by the committee). The motion failed 10 to 7.

The discussion moved back to the original motion by Edmonds and Neufeld.

A substitute motion was made by Representative Lowther, seconded by Representative Carmody, to establish a unified pool combining state moneys and municipal moneys as passed by the Senate. The motion failed 7 to 8.

The discussion moved back to the original motion by Edmonds and Neufeld for two separate pools. The motion carried.

A motion was made by Representative Edmonds, seconded by Representative Farmer, to adopt language stating that the administrative fees and "haircut" will be that the state will contribute 0.10%, and the municipalities at 0.25%.

Representative Edmonds and Representative Farmer withdrew the motion.

There was extensive discussion about a having a second vote on having one or two pools.

Without objection, Chairman Jennison recognized a motion by Representative Edmonds, seconded by Representative Gatlin, to add language stating that there would be one pool. No action taken.

Before a vote was taken, Chairman Jennison adjourned the meeting at 4:00 p.m.

The next meeting is on call of the Chair.







STATE OF KANSAS



BILL GRAVES, Governor  
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OFFICE OF THE GOVERNOR

April 18, 1996

The Honorable Robin Jennison, Chairperson  
House Committee on Appropriations  
Room 514-S, Statehouse

and

The Honorable Dave Kerr, Chairperson  
Senate Committee on Ways and Means  
Room 120-S, Statehouse

Dear Representative Jennison:

For FY 1996, I amend my budget to decrease State General Fund expenditures by \$1,268,035. The FY 1997 adjustment is an increase of \$721,580, for a net State General Fund decrease of \$546,455. All funding sources expenditures are decreased by \$44,581,478 in FY 1996 and increased by \$1,420,963 in FY 1997.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ (1,268,035)	\$ 721,580
All Funds	\$ (44,581,478)	\$ 1,420,963

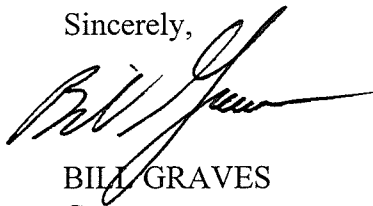
4-19-96

House Appropriations

Attachment  
1

With this memorandum, I submit the attached amendments to my budget recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Graves", with a long horizontal flourish extending to the right.

BILL GRAVES  
Governor

## Department of Corrections

### 1. Reduction of County Jail Payment Expenditures

I amend my budget to decrease FY 1996 recommended expenditures for county jail payments from \$1,100,000 to \$945,000. This \$155,000 State General Fund reduction is based on savings realized in the second and third quarters of the current fiscal year. These payments reimburse counties for the costs of housing parole violators.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ (155,000)	\$ --
All Other Funds	<u>          --</u>	<u>          --</u>
All Funds	\$ (155,000)	\$ --

### 2. Privatization of Food Service Operations

I amend my budget to decrease the systemwide correctional budget by \$1,164,583 in FY 1997, including \$1,142,083 from the State General Fund, as a result of the privatization of food service operations in the nine correctional facilities. The privatization will result in a reduction of 120.0 FTE positions, which is reflected in Item 36 in this memo, the one relating to the Governor's directive on FTE position reductions.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$(1,142,083)
All Other Funds	<u>          --</u>	<u>      (22,500)</u>
All Funds	\$ --	\$(1,164,583)

### 3. Illegal Alien Assistance Grant

I amend my budget to increase federal grant expenditures and reduce State General Fund expenditures in the Department of Corrections by \$317,652. The Department will be receiving a federal illegal alien assistance grant to offset budgeted State General Fund expenditures.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ (317,652)
All Other Funds	<u>          --</u>	<u>      317,652</u>
All Funds	\$ --	\$ --

## 4. Authorization to Construct an Entrance Building at the Hutchinson Correctional Facility

I amend my budget to expend \$63,100 from the Correctional Institutions Building Fund (CIBF) to construct an entrance building at the Hutchinson Correctional Facility. Additional funding is not needed for the project, but the monies should be appropriated as a single line item, with an identical amount lapsed from the Department's rehabilitation and repair account.

### Larned Correctional Mental Health Facility

## 5. Conversion of Kitchen

I amend my budget to add \$275,000 from the State General Fund to the budget of the Larned Correctional Mental Health Facility to convert its kitchen to a full-service, free-standing kitchen. This will be necessary only if privatization of Department of Social and Rehabilitation Services' food service operations results in the correctional facility no longer being able to utilize Larned State Hospital's kitchen.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ 275,000	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 275,000	\$ --

### El Dorado Correctional Facility

## 6. Construction of a Correctional Industries Building

I amend my budget to add \$750,000 from the State General Fund for the construction of a building which will allow for the expansion of industries programs at the facility. The additional industry space is needed to provide work opportunities so that more inmates at the facility will have jobs.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 750,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 750,000

## Winfield State Hospital & Training Center

7. Transfer Power and Sewer Plant *Done*

I amend my budget for FY 1997 to transfer expenditures for operation of the Power and Sewer Plant at the Winfield State Hospital & Training Center to Winfield Correctional Facility. The transfer involves a shift of \$203,636 in State General Fund expenditure authority and 6.0 FTE positions.

Winfield State Hospital:

	FY 1996	FY 1997
State General Fund	\$ --	\$ (203,636)
All Other Funds	--	--
All Funds	\$ --	\$ (203,636)

Winfield Correctional Facility:

	FY 1996	FY 1997
State General Fund	\$ --	\$ 203,636
All Other Funds	--	--
All Funds	\$ --	\$ 203,636

## Hutchinson Correctional Facility

8. Bedspace Reduction

I amend my budget to reduce the budget of the Hutchinson Correctional Facility by \$40,800 from the State General Fund in FY 1997. The monies are associated with a slight bedspace reduction at the facility. With a reduction of 24 inmates from the budgeted amount, operating expenditures associated with those inmates can be reduced.

	FY 1996	FY 1997
State General Fund	\$ --	\$ (40,800)
All Other Funds	--	--
All Funds	\$ --	\$ (40,800)

## Lansing Correctional Facility

### 9. Renovation of A & T Building and Double-Ceiling of Medium Custody Unit

I amend my budget to add \$1,394,400 from the State General Fund for operating expenses and capital improvement costs associated with renovation and occupation of the A & T Building and double-ceiling of the Medium Unit at the Lansing Correctional Facility. The amendment is the net result of deleting the project to expand and provide 23.0 additional FTE positions for the Winfield Correctional Facility and shifting the funds and positions to the Lansing project. A total of \$1,500,000 is for renovation of the A & T Building and \$75,000 is for partial-year funding of 11.00 FTE positions to staff the building. An additional \$253,000 provides funding for 12.0 FTE positions to staff the Medium Custody Unit, which will be double celled. A total of \$343,100 and 23.0 FTE positions will be shifted from the capacity expansion project at Winfield Correctional Facility, as currently contained in my budget, to this project. The project will increase capacity at Lansing by as many as 198 beds.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 1,394,400
All Other Funds	<u>          --</u>	<u>          --</u>
All Funds	\$ --	\$ 1,394,400

## Department of Social and Rehabilitation Services

### 10. Medicaid Management Information System Expenditure Shift

I amend my budget to shift \$8,344,717 in expenditures from FY 1996 to FY 1997, including \$929,852 from the State General Fund, to finance the Medicaid Management Information System. The Department of Social and Rehabilitation Services indicates that it and the Blue Cross/Blue Shield project management staff have agreed to extend the deadline for implementation of the Medicaid Management Information System (MMIS) until November 1, 1996. Both parties have agreed that this extension would ensure the development of a quality system and a smooth transition to a new contractor. The agency indicates that this change is included in a contract amendment that is currently being negotiated. I amend my budget to shift the expenditure necessary to finance this change from FY 1996 to FY 1997.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ (929,852)	\$ 929,852
All Other Funds	<u>(7,414,865)</u>	<u>7,414,865</u>
All Funds	\$(8,344,717)	\$ 8,344,717



11. Additional Expenditures for the Medicaid Management Information System

I amend my budget to provide an additional \$1,250,000 in expenditures, including \$125,000 from the State General Fund for the development of additional capabilities for the Medicaid Management Information System (MMIS) in FY 1997. SRS states that subsequent to the submission of its FY 1997 budget request, it determined that the MMIS system must be changed to facilitate claims processing and delivery of services to individuals who are to participate in three program areas. The initial contract with Blue Cross/Blue Shield for development of MMIS did not include provisions for reimbursement for the development of support systems for the Living Independence for Everyone (LIFE) Program, several late developing Medicaid Managed Care items, and the Children and Family Services Managed Care. I amend my budget to allow the agency to reimburse the provider for the development of the above capabilities.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 125,000
All Other Funds	<u>--</u>	<u>1,125,000</u>
All Funds	\$ --	\$ 1,250,000

12. Federal Urban Enterprise Community Grant Awarded to Kansas City

I amend my budget to include \$788,000 in federal funds in FY 1996 and \$255,294 in federal funds in FY 1997. The Department of Social and Rehabilitation Services indicates that the U.S. Department of Housing and Urban Development (HUD) has designated Kansas City as an "enhanced enterprise community." This designation qualifies Kansas City for economic development initiative funding and loan guarantees from HUD. As part of the federal grant, the Department of Social and Rehabilitation Services is to receive additional federal social services funding in the amounts reflected above. These funds are to "flow through" SRS to the Mid-America Regional Council (MARC), which is to administer the entire program, including the social services.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>788,000</u>	<u>255,294</u>
All Funds	\$ 788,000	\$ 255,294

13. Federal Corporation for National Service (AmeriCorps) Grant

The Department of Social and Rehabilitation Services indicates that it has been awarded a Federal Corporation for National Service (AmeriCorps) Grant, effective June 1, 1996. The grant totals \$183,500, of which \$5,024 will be spent in FY 1996 and \$178,476 would be spent in FY 1997. I recommend these funds be used to finance a special project grant in Wichita. The program will provide welfare recipients with opportunities to act as volunteers in their community, mentoring

7  
1-6

services from AmeriCorps volunteers to help them acquire and improve life skills, and opportunities to assist in the operation of a child care program. The program will have a staff consisting of 2.7 unclassified temporary positions.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>5,024</u>	<u>178,476</u>
All Funds	\$ 5,024	\$ 178,476

14. Federal Funds Head Start Collaboration Grant

I amend my budget to include \$100,000 in FY 1997 to reflect the receipt to SRS of a \$100,000 Federal Head Start Collaboration Grant. The grant would finance a staff of 2.0 unclassified temporary positions and related other operating costs. It requires a 25 percent match that SRS indicates will come from within its currently approved budget. These federal funds will allow the State of Kansas to join Head Start, private agencies, and the business sector in an effort to promote flexibility in the delivery of social services to children and their families. The grant provides the mechanism for the development of shared services between these various jurisdictions.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>100,000</u>
All Funds	\$ --	\$ 100,000

15. Federal Victim of Crime Assistance Grant

I amend my budget to transfer \$862,000 in aid to local governments financed by the Federal Victim of Crime Assistance Grant from the budget of the Department of Social and Rehabilitation Services to the budget of the Office of the Attorney General. I recommend that this program be administered by the Attorney General.

SRS:

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>(862,000)</u>
All Funds	\$ --	\$ (862,000)

Attorney General:

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>862,000</u>
All Funds	\$ --	\$ 862,000

16. Caseload Adjustments

I amend my budget to reflect changes in caseloads and costs of aid and assistance programs administered by the Department of Social and Rehabilitation Services. These SRS caseload adjustments are the result of a consensus caseload estimating meeting that included the staff of the Division of the Budget, SRS, and the Legislative Research Department.

This amendment includes total reductions of \$3,368,220 for FY 1996, of which \$2,054,464 is from the State General Fund. These reductions are the result of several factors. They reflect a continued decline in caseloads for cash assistance programs and lower than anticipated growth in the Medicaid Program. Savings in these areas are offset, in part, by a minor increase in the cost of adult care home payments and an increase in costs related to care of the elderly and disabled through the use of home and community-based services. However, SRS has been able to increase the use of the Federal Home and Community-Based Services Waiver to finance services for the developmentally disabled. Therefore, this amendment includes a reduction of \$500,000 in State General Fund expenditures in FY 1996 to reflect the increased use of federal funds to finance community-based services for the developmentally disabled.

For FY 1997, I amend my budget to include an increase of \$12,633,951 in expenditures from all funds. State General Fund expenditures are reduced by \$4,878,069. These changes reflect a continued decline in caseloads and the cost of medical assistance coupled with costs for adult care homes and community-based services that are higher than originally anticipated. However, there is a net reduction in State General Fund expenditures as a result of the increased use of federal funds to finance home and community-based services for the developmentally disabled. This shift of financing from the State General Fund to federal funds is estimated to total \$9.9 million in FY 1997.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$(2,054,464)	\$(4,878,069)
All Other Funds	<u>(1,313,756)</u>	<u>17,512,020</u>
All Funds	\$(3,368,220)	\$12,633,951

17. Management Information System for the Children and Family Services Programs

I amend my budget to provide funds to SRS in FY 1996 to cover costs incurred in connection with the development of the Kansas Social Service Information System (KSSIS) and to finance the

development of an alternative social service information system. SRS states that some costs were incurred in connection with the development of KSSIS before the program was eliminated in FY 1996, and the balance of the appropriation used to finance the program was lapsed. I amend my budget to provide \$298,056 from the State General Fund, together with federal funds, to finance these final costs.

SRS began to work toward the development of an alternative to KSSIS after system development was discontinued. The alternative is to be less costly than KSSIS but is to be designed to meet all of the information system needs of the Children and Family Services Commission. It is also intended that it meet the information needs identified in the American Civil Liberties Union lawsuit. It will be developed using as a basis much of the data developed during the KSSIS project. I amend my budget to provide \$201,000 from the State General Fund and \$1,045,168 from federal funds to develop that alternative.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ 499,056	\$ --
All Other Funds	<u>1,045,168</u>	<u>--</u>
All Funds	\$ 1,544,224	\$ --

18. Settlement of the Americare Lawsuit

I amend my budget to provide SRS with an additional \$4,303,362 for FY 1996 to pay the cost of the settlement of the Americare lawsuit. Of that amount, \$3,133,048 would be from the State General Fund. SRS was sued in 1987 by a certified class of adult care homes that participate in the Medicaid program. The homes challenged the SRS payment rates from 1982 through 1990, particularly the six-month reduction in rates that occurred in 1987. The court has ruled that SRS must repay the homes for the six-month reduction but for none of the other changes during the time period. This is a one-time payment that reflects the final settlement of the lawsuit.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ 3,133,048	\$ --
All Other Funds	<u>1,170,314</u>	<u>--</u>
All Funds	\$ 4,303,362	\$ --

19. Shift in Federal Funding for Transitional Hospital Closure Costs

SRS has been notified that the federal government will probably not reimburse (federal disproportionate share) states by FY 1997 for the outpatient treatment of indigent patients in state hospitals. SRS had intended to use the funds obtained from those reimbursements to assist in financing one-time costs associated with the closure of Topeka State Hospital and Winfield State Hospital. Even though timely receipt of these funds cannot be assured with confidence, funding

must be made available for transitional closure costs. Therefore, I amend my budget to finance \$4.0 million in transitional closure costs from the Title XIX Fund in FY 1997, rather than from federal disproportionate share monies. Collections to the Title XIX Fund have been higher than originally estimated at several hospitals, and the Department has received audit settlements of \$1.8 million more than estimated for FY 1996, thereby making the funds available from this source.

**Kansas Neurological Institute**

20. Authority to Raze Buildings

*provide that Building committee approve*

I amend my budget for FY 1997 to authorize the Kansas Neurological Institute to raze eight buildings that are in poor condition and no longer in use. No additional expenditures are necessary to raze these buildings.

**Department of Health and Environment**

21. Medicare and Medicaid Funding Shifts

I amend by budget recommendations for FY 1996 and FY 1997 to shift expenditure authority of \$250,000 from the state Medicaid Title XIX Fund to the Medicare Fund to reflect actual federal earnings of the Bureau of Adult and Child Care. The Department is under federal contract to survey the Adult Care Homes in Kansas that are serving both Medicaid and Medicare-funded clients.

22. Insurance Statistical Plans

I am reducing expenditures from the Insurance Statistical Plan Fund by \$236,172 in FY 1996 and \$195,513 in FY 1997. The Department has identified savings in the administration of the Insurance Statistical Plan Program, which will allow it to forego the current year assessment on insurance companies and reduce the FY 1997 assessment.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>(236,172)</u>	<u>(195,513)</u>
All Funds	\$ (236,172)	\$ (195,513)

23. Operation Immunize

I amend my budget by adding \$250,000 from the State General Fund in FY 1997 to ensure continuation of Operation Immunize to help meet the long-term goal of achieving a 90.0 percent immunization rate among Kansas children. The Kansas Department of Health and Environment, in

11  
1-10

cooperation with local health departments, volunteers, and other state agencies, has conducted special intensive immunization clinics throughout the state the past few years. These efforts have resulted in an immunization rate of approximately 82.0 percent among children from birth to three years of age.

In order to finance Operation Immunize in FY 1997, I am utilizing additional federal support and reducing the State General Fund expenditures for vaccines in the current year. The Department is carrying forward federal vaccine monies and credits totaling \$762,313 from FY 1995 to FY 1996, which allows for a State General Fund reduction of \$500,000 in FY 1996. Of the total, I am reappropriating \$250,000 in the FY 1996 State General Fund savings to fund Operation Immunize in FY 1997 and lapsing the remaining \$250,000. My amendment will provide for 503,560 doses of vaccine to be administered in each fiscal year.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ (500,000)	\$ 250,000
All Other Funds	<u>    --</u>	<u>    --</u>
All Funds	\$ (500,000)	\$ 250,000

24. Federal Fund Changes

I amend my budget for the Department of Health and Environment for FY 1996 and FY 1997 to allow the expenditure of additional federal funds. The Department was unaware at the time I was reviewing the budget last fall that these funds would be available. The request would increase expenditures by \$51,000 in FY 1996 and \$505,286 for FY 1997. The table below shows which funds would receive the additional monies. It is noted that the first fund is a new fund.

<u>Fund</u>	<u>FY 1996</u>	<u>FY 1997</u>
Federal Chemical Emergency Preparedness Assistance Fund (New Fund)	\$15,000	\$126,900
Commodity Supplemental Food Program Fund	36,000 <i>Funds to 30 agencies</i>	--
Federal Air Quality Program Fund	--	310,386
Water Supply Fund--Federal	--	68,000

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>51,000</u>	<u>505,286</u>
All Funds	\$ 51,000	\$ 505,286





25. Proviso on Drycleaning Trust Fund Salaries

I amend the budget for the Department of Health and Environment to increase salary expenditures from the Drycleaning Facility Release Trust Fund by \$41,597, from \$55,525 to \$97,122. The Department reports that it plans to allocate 2.5 FTE positions to this program in FY 1997, rather than the 1.4 FTE positions funded in the budget. The shift would replace federal funds, as indicated in the table below, that are being reduced because of the loss of Defense Environmental Restoration Program monies in the Environmental Response Fund. My amendment requires a change in the appropriation bill proviso, which limits the amount of salary expenditures from the fund. The total expenditures from the Drycleaning Facility Release Trust Fund would not be affected.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>    --</u>	<u>(41,597)</u>
All Funds	\$ --	\$ (41,597)

**Regents Institutions**

26. General Fees Fund Adjustments

I amend my budget to adjust the recommended level of expenditure authority from each Regents institution's General Fees Fund for FY 1996 and FY 1997. My original recommendations in *The FY 1997 Governor's Budget Report* have been revised on the basis of the spring semester data on headcount and average receipts and implementation of tuition accountability. The adjustments are detailed by year and by institution in the tables below. Where there is a negative number in the final column for FY 1996, I amend my budget to replace that shortfall with a State General Fund appropriation. The revisions generate State General Fund savings of \$1,531,290 in FY 1996 and \$1,497,557 in FY 1997.

I further recommend the following proviso be added to the General Fees Fund appropriations for the University of Kansas, Kansas State University and Wichita State University:

*Provided*, That the director of accounts and reports shall transfer amounts generated from the summer 1996 session, fall 1996 semester and spring 1997 semester, representing the amount of tuition revenue from enrollment increases over the summer 1995 session, fall 1995 semester and spring 1996 semester, as specified by the chief executive officer of the university and certified by the director of the budget in accordance with procedures developed by the board of regents, from the general fees fund to the tuition accountability fund.

Tuition accountability fund.....No limit

Such language will provide a mechanism for implementation of tuition accountability, as I recommended in my original budget.

FY 1996:	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Surplus (Shortfall)</u>
University of Kansas	\$ 65,453,582	\$ 67,489,723	\$2,036,141
Kansas State	37,716,888	37,480,164	(236,724)
KSU--Vet. Med.	4,063,085	4,102,320	39,235
KSU--Salina	813,191	914,419	101,228
Wichita State	23,283,360	22,888,780	(394,580)
Emporia State	<u>8,003,771</u>	<u>7,989,761</u>	<u>(14,010)</u>
Total	\$139,333,877	\$140,865,167	\$1,531,290
FY 1997:	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Surplus (Shortfall)</u>
University of Kansas	\$ 67,297,334	\$ 69,239,962	\$1,942,628
KU Medical Center	9,387,794	9,350,680	(37,114)
Kansas State	39,019,015	38,605,875	(413,140)
KSU--Vet. Med.	4,257,999	4,288,495	30,496
KSU--Salina	966,263	951,280	(14,983)
Wichita State	24,077,739	24,009,481	(68,258)
Fort Hays State	<u>7,789,057</u>	<u>7,846,985</u>	<u>57,928</u>
Total	\$152,795,201	\$154,292,758	\$1,497,557
	<u>FY 1996</u>	<u>FY 1997</u>	
State General Fund	\$(1,531,290)	\$(1,497,557)	
All Other Funds	<u>1,531,290</u>	<u>1,497,557</u>	
All Funds	\$ --	\$ --	

## 27. Utility Adjustments

I amend my budget to adjust funding for utility costs at the Regents institutions for both FY 1996 and FY 1997. The Board of Regents annually submits revised estimates of utility costs based on the most recent data on actual expenditures and revised projections for the remainder of the fiscal year and new buildings coming on-line in FY 1997. It is my intent that this will be the last year for this budget adjustment, because the universities' State General Fund appropriations have been combined into one line, beginning in FY 1997. Recommended funding adjustments for each institution are as follows:

FY 1996:	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Additions (Savings)</u>
University of Kansas	\$6,308,099	\$6,111,423	\$ (196,676)
KU Medical Center	5,490,000	6,115,193	625,193
Kansas State	7,452,993	7,407,469	(45,524)
KSU--Salina	220,368	237,499	17,131
Wichita State	3,567,918	3,624,875	56,957
Emporia State	1,010,583	1,029,632	19,049
Pittsburg State	1,050,396	1,090,008	39,612
Fort Hays State	<u>1,093,929</u>	<u>1,128,032</u>	<u>34,103</u>
Total	\$26,194,286	\$26,744,131	\$ 549,845

FY 1997:	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Additions (Savings)</u>
University of Kansas	\$ 6,338,593	\$ 6,392,167	\$ 53,574
KU Medical Center	5,618,158	6,243,351	625,193
Kansas State	7,619,055	7,666,531	47,476
KSU--Salina	220,368	237,499	17,131
Wichita State	3,567,918	3,624,875	56,957
Emporia State	1,010,583	1,029,632	19,049
Pittsburg State	1,050,396	1,090,008	39,612
Fort Hays State	<u>1,159,607</u>	<u>1,193,710</u>	<u>34,103</u>
Total	\$26,584,678	\$27,477,773	\$893,095

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ 549,845	\$ 893,095
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 549,845	\$ 893,095

### University of Kansas

#### 28. Other Operating Expenditures

Other operating expenditures funded by general use sources were overstated in FY 1997. To correct this error, the State General Fund appropriation should be reduced by \$44,251.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ (44,251)
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ (44,251)

### University of Kansas Medical Center

#### 29. Group Health Insurance

Reductions were made in the current year consistent with reduced costs to the state for health insurance as the switch to a bi-weekly payroll was made. As the University of Kansas Medical Center was already on a bi-weekly payroll, the reductions made to this agency's budget were overstated. To correct this error, \$212,489 from the State General Fund needs to be restored in FY 1996.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ 212,489	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 212,489	\$ --

### Kansas State University Veterinary Medical Center

#### 30. Hospital and Diagnostic Laboratory Fund

I amend my budget to decrease expenditures from the Hospital and Diagnostic Laboratory Fund by \$68,212 in FY 1997. To replace reduced revenues to this fund and to offset projected inflationary increases in costs, I also recommend the addition of \$298,083 from the State General Fund. These amounts reflect the latest estimates of revenues and expenditures for this fund.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 298,083
All Other Funds	<u>--</u>	<u>(68,212)</u>
All Funds	\$ --	\$ 229,871

## Kansas State University

### 31. Capital Improvement Projects

I amend my budget to add four new capital improvement projects. All projects are funded through restricted use sources and were approved by the Board of Regents after the agency's budget submission.

The first project is an increase in the total project cost for the student union renovation of \$1.3 million, plus all amounts required for the cost of bond issuance, interest on bonds during construction, and required reserves for payment of principal and interest on the bonds. The complexity of the project has significantly increased the planning time required for the project, resulting in the availability of additional student fee revenue. Additionally, revenue bond interest rates are more favorable than earlier anticipated.

The second project is a request to construct an addition to the engineering library. The cost of the project is estimated to be \$2.5 million and will be financed entirely by private funds. The addition is to be constructed between the two buildings referred to as Durland I and II and would add 20,088 gross square feet, with 12,880 of that being assignable space.

The third project is \$3.2 million from private funds to install three new scoreboards for Wagner Football Field and a free-standing marquee with message capabilities. My intent is that the state incur no cost for operation of these items and that advertising revenue from the scoreboards pay for the entire cost.

The fourth includes several small projects: \$225,000 for renovation of the motor pool garage; \$140,000 for overlay of the Vanier parking lot; \$15,000 for asphalt overlay of the access road; and \$10,000 for construction of the housing system storage building.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$       --	\$       --
All Other Funds	<u>          --</u>	<u>7,390,000</u>
All Funds	\$       --	\$ 7,390,000

### KSU--ESARP

### 32. Raze Three Residences and a Shed

I amend my budget to authorize the razing of three residences in Garden City and a shed in Hays. Two are more than 70 years old, while the third is more than 40. The wooden shed located

in Hays was acquired in 1928 and is beyond repair. Materials stored in the shed will be moved to an existing facility at the research center at no additional cost.

### 33. Equipment and Pesticide Storage Building

I amend my budget to include \$10,000 from restricted use funds for FY 1997 for construction of an equipment and pesticide storage building at the Horticulture Research Center in Wichita.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>10,000</u>
All Funds	\$ --	\$ 10,000

## KSU--Salina

### 34. Enrollment Adjustment

Enrollment at the Salina campus of Kansas State University has grown 41.7 percent since FY 1991. In order to accommodate this growth, I amend my budget to add \$31,372 from the State General Fund in FY 1997 as an enrollment adjustment. KSU--Salina is not part of the tuition accountability proposal I recommended in my original budget. This amount is based on estimated student credit hours multiplied by the additional tuition revenue generated by those hours.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 31,372
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 31,372

## Department of Human Resources

### 35. Unemployment Insurance Benefits

The Department of Human Resources has revised its estimate for Unemployment Insurance benefits downward by \$40.0 million and \$41.0 million for FY 1996 and FY 1997, respectively. The original total unemployment rate was estimated at 4.9 percent for each year. The Department of Human Resources has revised this rate to 4.5 percent for each year. Therefore, I amend my budget to reflect the latest estimates.



	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	(40,000,000)	(41,000,000)
All Funds	\$(40,000,000)	\$(41,000,000)

### Selected Agencies

#### 36. Statewide FTE Position Reductions

On September 19, 1995, I announced my plan to reduce the number of FTE positions by 2.0 percent by the end of FY 1996 and another 3.0 percent by the end of FY 1997. In accordance with this plan, I amend my budget for FY 1997 to reflect 243.0 FTE position reductions. These reductions will accurately reflect agencies' position limitation for FY 1997 as a result of reductions that have occurred to date in FY 1996.

I do not recommend additional deletion of funding. As agencies are accomplishing these position eliminations throughout the year, funds were already removed in my original budget submission. In many instances, shrinkage rates are already quite high and in some cases contracts or staff reclassifications were used to continue necessary services.

#### 37. Retirement Reductions

I amend my budget to reduce expenditures in various agency budgets in FY 1996 and FY 1997 to reflect savings resulting from retirement reductions. In FY 1996, savings from retirements in addition to the amount contained in *The FY 1997 Governor's Budget Report* total \$1,469,597, including \$368,988 from the State General Fund. Full-year salary savings in FY 1997 for positions that were eliminated by the Retirement Reduction Committee total \$3,825,359, including \$704,389 from the State General Fund. A total of 144.5 FTE positions will be reduced for FY 1997 as a result of retirement reductions that have occurred to date in FY 1996.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ (368,988)	\$ (704,389)
All Other Funds	(1,100,609)	(3,120,970)
All Funds	\$(1,469,597)	\$(3,825,359)

### Kansas Lottery

#### 38. Revised Revenue Estimates for the State Gaming Revenues Fund

My initial budget included transfers from the Kansas Lottery and State Racing Commission to the State Gaming Revenues Fund of \$59.9 million in FY 1996 and \$58.8 million in FY 1997. Based on revised estimates of lottery ticket sales and gaming activity at the race tracks, I amend my budget to adjust these estimates to \$59.6 million and \$59.0 million, respectively. This is based on stronger than anticipated lottery sales and weaker estimates for transfers from the State Racing Fund. The revised estimate for FY 1996, affecting the initial FY 1997 State General Fund transfer is included in the latest Consensus Revenue Estimate. The second transfer for FY 1997, however, is not included. I have recommended that the transfer resulting from gaming activities in FY 1997 be made in June 1997, and this recommendation is incorporated in SB 556. Under current law, the FY 1997 State Gaming Revenues Fund receipts would not affect FY 1997. The amount I included as State General Fund receipts, previously estimated at \$8.8 million, is now revised to \$9.0 million.

The stronger than estimated lottery sales will also increase the expenditures of the Kansas Lottery for items directly linked to the amount of tickets sold. These expenditures are currently budgeted as "no limit" expenditures but are estimated to be \$1.6 million higher than previously projected. I amend my budget to reflect these revised expenditure estimates.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>1,615,368</u>	<u>1,647,703</u>
All Funds	\$ 1,615,368	\$ 1,647,703

### **Department of Commerce and Housing**

#### 39. Transfer of Training Equipment Grants

HB 3040, which I have signed, transfers administration of the Training Equipment Grant Program currently administered by the Kansas Technology Enterprise Corporation (KTEC) to the Department of Commerce and Housing. I amend by budget to reflect that change. All dollars for the program are from the EDIF.

KTEC:

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>(250,000)</u>
All Funds	\$ --	\$ (250,000)

## Department of Commerce and Housing:

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>250,000</u>
All Funds	\$ --	\$ 250,000

## 40. Transfer of Industrial Agriculture Financing

My initial budget recommendations financed the industrial agriculture component of the Kansas Value Added Center (KVAC) in the Kansas Technology Enterprise Corporation and the remainder of the functions of KVAC in the Department of Commerce and Housing to reflect my recommended restructuring of this program. SB 507, currently in conference committee, reflects my recommendation to eliminate the KVAC Leadership Council and the current KVAC organization, but placed the entire responsibilities to maintain the vital mission of value added agriculture in the Department of Commerce and Housing. I amend my budget to transfer \$306,506 from the Economic Development Initiatives Fund (EDIF) from KTEC to the Department of Commerce and Housing based on the provisions of the bill. As it is envisioned that the Department will contract with KTEC to perform this function, at least in FY 1997, the associated 2.0 FTE positions are not shifted.

## KTEC:

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>(306,506)</u>
All Funds	\$ --	\$ (306,506)

## Department of Commerce and Housing:

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>306,506</u>
All Funds	\$ --	\$ 306,506

## 41. State Gaming Agency

SB 410, currently in conference committee, provides the implementing legislation necessary for on-going regulation of the tribal casinos. The bill would place the State Gaming Agency in the State Racing Commission and rename the new entity as the State Racing and Gaming Commission.

Currently, by executive order, the Department of Commerce and Housing is the location of the State Gaming Agency. My initial budget submission did not include any expenditures for this function until a permanent structure for regulation of tribal casinos was resolved. I amend my budget to include \$145,976 in FY 1996 in the Department of Commerce and Housing and \$1,186,941 in FY 1997 in the State Racing Commission for regulation of tribal gaming. This includes 3.0 unclassified temporary positions in FY 1996 and 5.0 FTE positions in FY 1997. The budget in FY 1997 includes \$820,000 for KBI assistance for the State Gaming Agency in background checks and other investigations.

On the financing side, provisions of SB 410 allow for State General Fund transfers to finance these activities until the tribal commissions begin operation of the casino and can finance the operation of the agency itself. Therefore, I adjust my estimate for State General Fund receipts to include a transfer from the State General Fund of \$145,976 in FY 1996 and a net transfer into the State General Fund of \$169,476 in FY 1997. The transfer into the State General Fund in FY 1997 includes \$23,500 in interest on the initial transfer from the State General Fund.

Department of Commerce and Housing:

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>145,976</u>	<u>--</u>
All Funds	\$ 145,976	\$ --

State Racing Commission:

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>1,186,941</u>
All Funds	\$ --	\$ 1,186,941

### State Racing Commission

#### 42. Director of Racing Position

I amend my budget in FY 1997 for expenditures from the State Racing Fund to allow the Commission to fill the vacant Director of Racing position. The FTE authorization exists in the current budget, and addition of \$53,757 will allow the Commission to fill the position in FY 1997. Recent review of the operations of the agency have determined that this position needs to be filled to regulate the racing industry adequately.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>53,757</u>
All Funds	\$ --	\$ 53,757

### Department of Education

#### 43. Revised School Finance Requirements

I amend my budget to decrease funding for school finance by \$552,000 in FY 1996 and increase funding by \$2,244,000 in FY 1997, all from the State General Fund. Current estimates for the amount of general state aid to school districts in both FY 1996 and FY 1997 are based on the recently released final assessed valuation data and enrollment growth. My recommendation fully funds the state's commitment to base budgets of \$3,626 per pupil in FY 1996 and FY 1997.

	<u>FY 1996</u>	<u>FY 1997</u>
General State Aid	\$ 323,000	\$ 2,194,000
Capital Improvement State Aid	(400,000)	--
Supplemental State Aid	<u>(475,000)</u>	<u>50,000</u>
Total	\$ (552,000)	\$ 2,244,000

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ (552,000)	\$ 2,244,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (552,000)	\$ 2,244,000

#### 44. School Finance Changes in HB 2967

I amend my budget to increase state aid by \$1,943,394 from the State General Fund in FY 1997. The enactment of HB 2967 provides two additional dates, November 20 and April 20, on which an enrollment count could be taken for determining the amount of state aid to be paid to school districts for providing educational services to students residing in juvenile detention facilities. This requires an additional \$271,694 in state aid. In addition, enactment of the bill changes the definition of "adjusted enrollment" for 14 school districts under the School District and Quality Performance Act for the 1996-1997 school year. This requires an additional \$1,671,700 in state aid. This change is designed to reduce the impact of Fort Riley downsizing on the school district budgets.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 1,943,394
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 1,943,394

**Kansas Department of Revenue**

45. Transfer of Balance in Military Retirees Income Tax Refund Fund

According to the Department of Revenue, all income tax refunds owed military retirees will be paid by August 1996. I amend my budget to include a proviso that will transfer the unencumbered cash balance in the Military Retirees Income Tax Refund Fund to the State General Fund on August 15, 1996. The balance in this fund, after satisfying the state's obligation to pensioners, is estimated to be \$150,000.

**Kansas Human Rights Commission**

46. Increased Operating Expenditures

I amend my budget for FY 1996 to provide \$50,000 from the State General Fund for operating expenditures to offset an anticipated shortfall in federal funds.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ 50,000	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 50,000	\$ --

**Insurance Department**

47. New Account for Training Costs

I recommend the following addition to the Insurance Department's appropriations for FY 1997:

"Insurance education and training fund ..... No Limit

*Provided*, that expenditures may be made from the insurance education and training fund for operating expenditures by the insurance department, including training programs and official



hospitality; *Provided further*, That the insurance commissioner is hereby authorized to fix, charge and collect fees for such training programs; *And provided further*, That fees for such training programs shall be fixed in order to recover all or part of the operating expenses incurred for such training programs, including official hospitality: *And provided further*, That all fees received for such training programs shall be credited to this fund."

This addition is recommended to provide a clearly-identified source for training funding. Second, the fund can help reduce agency expenditures for travel, lodging and per diem payments for training services if the Department holds training programs here, rather than sending employees out of state for training. Currently, no mechanism exists to allow other agencies to participate in training sponsored by the Insurance Department.

**Kansas, Inc.**

48. Revised Funding Structure

I amend my budget to remove all private contributions from the state treasury. These dollars total \$140,993 in FY 1997. This is based on the provisions of HB 2825, which I have signed, that will allow Kansas, Inc. to administer the private contribution revenues and expenditures by a separate not-for-profit corporation. This corporation would be responsible for the contracted research of the agency. The bill also requires that state sources provide the operating expenses for Kansas, Inc. Based on the amount included in my additional budget for all other expenditures, I amend my budget to add \$27,525 from the EDIF to maintain the budget I initially presented.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>(113,468)</u>
All Funds	\$ --	\$ (113,468)

**Department of Administration**

49. Correction to Report Expenditures of a Capital Project

A year ago, the Legislature approved a capital project to replace the roof and install a scupper on the Judicial Center. A total of \$250,000 was appropriated from the State Budget Stabilization Fund for FY 1996 to finance this project. Although the project has already been approved, the \$250,000 in expenditures was left out of the expenditures being reported for this agency. I therefore amend my budget to include this amount, so the approved budget for reporting purposes will be accurate and complete.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>250,000</u>	<u>--</u>
All Funds	\$ 250,000	\$ --

50. Energy Conservation Improvements Program

The budget for the Department of Administration contains \$1,785,007 from the State General Fund to make the debt service payment on the outstanding bonds issued under this program for FY 1997. The Kansas Development Finance Authority, in the fall of 1995, certified the amounts that need to be reduced from the budgets of agencies that are obligated to reimburse the State General Fund for their portion of this debt service payment. Some of these reductions were not included in the Governor's budget recommendations. This amendment is a technical correction to capture the remaining reimbursement funds to reimburse the State General Fund properly. These reductions are listed below by agency. In addition, there would be a revenue transfer of \$147,177 from the State Buildings Operating Fund in the Department of Administration to the State General Fund.

	<u>State General Fund</u>
El Dorado Correctional Facility	\$ 4,011
Lansing Correctional Facility	1,563
Norton Correctional Facility	4,089
Kansas Bureau of Investigation	347
Social and Rehabilitation Services	<u>22,842</u>
Total	\$32,852

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ (32,852)
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ (32,852)

51. Positions Related to Regents Capital Improvements Proposal

I amend my budget to add \$128,578 from the Architectural Services Recovery Fund for FY 1997. This item arises in conjunction with my proposal to issue bonds as a means of financing improvements to facilities of the Regents institutions. The Division of Architectural Services will be active in selecting consultants, arranging for contracts, coordinating and reviewing plans, and inspecting projects. As a result, additional staff will be needed if the proposal is adopted.

Specifically, the Department estimates additional salary costs to be \$113,633 for 3.0 positions: an Architectural Project Designer, an Engineering Project Designer, and a Building Construction Inspector. Another \$14,945 is requested for related operating expenses. There are already 3.0 vacant FTE positions in the Division of Architectural Services, so no additional positions are needed. The fees currently charged by the agency for these services would be applied to the Regents improvements as well, thereby generating sufficient receipts to the Architectural Services Recovery Fund to finance these additional expenditures. Because this is an "off-budget" item for the Department, the additional expenditures are not reported in the totals for this budget amendment.

### **Division of the Budget**

#### 52. Consolidation of Wyandotte County and Kansas City, Kansas (SB 464)

I amend my budget to provide funds to finance the provisions of SB 464. Under this legislation, I will appoint a five-member commission to study consolidation of Wyandotte County and Kansas City, Kansas. The commission must be appointed by May 16, 1996, and must file a preliminary plan with the county election officer and the city clerk. The preliminary plan must also be made available to each public library in the county and to any interested citizen of the county. In addition, at least one public hearing must be held concerning the preliminary plan. A final plan must be submitted to the Governor and the Legislature by January 13, 1997. Unless the plan is rejected by the Legislature through passage of a concurrent resolution by February 12, 1997, the voters of the county, at the school district general election of April 1, 1997, will vote on the plan.

In order for the State of Kansas to receive funds from the local units and expend this money for this purpose, a special revenue fund must be created. Therefore, I amend my budget to include a special revenue fund in the Division of the Budget.

### **Banking Department**

#### 53. Transfer of 1.0 FTE Position and Funding to Consumer Credit

To allow the Office of the Consumer Credit Commissioner to extend its examination rotation from once every 12 months, instead of once every 18 to 22 months, I amend my budget to transfer 1.0 FTE position that is currently vacant in the Department of Banking to the Office of the Consumer Credit Commissioner. The Department of Banking states that 1.0 FTE position can be transferred with no loss in services. The State Banking Department's Bank Commissioner Fee Fund will be reduced by \$33,731, and the Consumer Credit Commissioner's Consumer Credit Fee Fund will be increased by \$35,882. The net increase of \$2,151 will allow a Financial Examiner II position to be upgraded to a Financial Examiner III.

## Banking Department:

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>    --</u>	<u>(33,731)</u>
All Funds	\$ --	\$ (33,731)

## Office of the Consumer Credit Commissioner:

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>    --</u>	<u>35,882</u>
All Funds	\$ --	\$ 35,882

**Department of Credit Unions**

## 54. Operating Expenditures Increase

In response to higher communication costs than anticipated by the agency, I amend my budget to increase the Department of Credit Unions' Credit Union Fee Fund expenditure limitation by \$2,000 for FY 1997. The additional amount will fund the increase in communication costs as a result of recent computer technology upgrades at the agency. Included in the expenditure limitation increase is an amount of \$720 for costs associated with replacing laser printer cartridges that were not previously budgeted for FY 1997.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>    --</u>	<u>2,000</u>
All Funds	\$ --	\$ 2,000

**Board of Veterinary Examiners**

## 55. Add 1.0 FTE Position

Because of an inaccurate FY 1997 estimate of licensing and premises inspection workloads, I amend my budget to add 1.0 FTE position to the Board of Veterinary Examiners. This administrative assistant position will allow 2.0 FTE positions to complete veterinary premises inspections and regular office duties at a more efficient rate than the current reliance on temporary

staff. The new position will be financed by the amount already budgeted for temporary help in my FY 1997 budget. No additional funding from the State General Fund or the agency's fee fund will be required.

### Board of Barbering

#### 56. Miscellaneous Unanticipated Operating Expenditures

I amend my budget for FY 1996 to include expenditures of \$3,165 from the Board of Barbering Fee Fund for FY 1996 to cover unanticipated operating costs incurred by the Board of Barbering. These costs include board member travel and subsistence and examination costs. The increased travel expenditures are necessitated by board member meetings associated with an investigation into a Kansas City barber college. In addition, the cost of national barber examinations has doubled.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>3,165</u>	<u>--</u>
All Funds	\$ 3,165	\$ --

#### 57. Salary Increase for the Administrative Officer

I amend my budget for FY 1997 to include expenditures of \$1,105 from the Board of Barbering Fee Fund to provide the Administrative Officer of the Board of Barbering with a 4.5 percent unclassified merit increase. This would result in a total salary of \$31,375, excluding fringe benefits.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>1,105</u>
All Funds	\$ --	\$ 1,105

### Kansas Highway Patrol

#### 58. Patrol Cars

I amend my budget to reflect additional expenditures from the Highway Patrol Motor Vehicle Fund of \$1,161,000 in FY 1997. The amendment is contingent on passage of SB 662, which would result in additional receipts to the fund over the amount contained in my FY 1997 budget. The

additional expenditures represent the current version of the bill. However, it is my hope that the final version of the bill will include additional expenditures of \$1,961,000, which is the amount needed by the Highway Patrol to fund the car program adequately. Because there is no expenditure limitation on the fund, it is not necessary to amend the appropriation bill.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>1,161,000</u>
All Funds	\$ --	\$ 1,161,000

59. Two-Bay Addition to the Fleet Operations Center

I amend my budget to allow the expenditure of \$68,350 from the Motor Carrier Inspection Fund for the construction of a two-bay addition to the Highway Patrol's Fleet Operations Center. To maximize economies of scale, I recommend that the Patrol combine this project with the \$32,973 from the Federal Forfeiture Fund for construction of a Mobile Command Center shed, which is already included in my budget for FY 1997, at the same location. This would result in a single appropriation of \$101,323 in the appropriation bill.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>68,350</u>
All Funds	\$ --	\$ 68,350

60. Construction of a Freight Elevator at the Highway Patrol Training Center in Salina

I amend my budget to expend \$137,160 from the Vehicle Identification Number Fee Fund for the construction of a freight elevator at the Training Center in Salina. The elevator will be part of the move from Topeka of the agency's Warehouse and Supply Distribution Center. Moving warehouse and supply operations from Topeka will result in rent savings of \$63,023 from the Highway Fund beginning in FY 1998. The agency's lease in Topeka expires on June 30, 1997.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>137,160</u>
All Funds	\$ --	\$ 137,160

### State Library

61. Salaries and Wages

The FY 1997 recommendation for the Library Development Program needs to be increased by \$1,452 from the State General Fund. This change will properly reflect the amount I intended to provide in financing classified step movement for this agency.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 1,452
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 1,452

### Board of Indigents' Defense Services

62. Other Operating Expenditures

I amend my budget to transfer \$942,000, \$619,000 from the Capital Defense Operations account of the State General Fund and \$323,000 from the Regional Defense Delivery System Expansion account of the State General Fund, to the Operating Expenditures account of the State General Fund of the State Board of Indigents' Defense Services. The transfer will allow the agency to pay assigned counsel claims during FY 1996.

### Kansas Corporation Commission

63. Creation of Abandoned Oil and Gas Well Fund by SB 755

I amend my budget for the Kansas Corporation Commission for FY 1997 to provide additional expenditure authority of \$1,600,000 from a new fund, the Abandoned Oil and Gas Well Fund. I make this amendment to provide the Kansas Corporation Commission with additional financial resources to plug abandoned oil and gas wells and perform remediation of contaminated oil and gas well sites in the state.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 400,000
All Other Funds	<u>--</u>	<u>1,200,000</u>
All Funds	\$ --	\$ 1,600,000

## Historical Society

### 64. Adair Cabin

The State Historical Society's Adair Cabin was heavily damaged in a fire on December 21, 1995. This state historic site is one of three sites the agency is trying to transfer to a local organization. In response to this emergency, I amend the Historical Society's budget to finance the repair of this site. It is my intention that, upon repair of the building and after a three-year transition period, ongoing operation of this site will become the responsibility of a local organization, rather than the State Historical Society. Funding has been identified by the agency, including a grant from the Department of Transportation through the Intermodal Surface Transportation Efficiency Act (ISTEA) to make repairs. Financing of the project is as follows:

ISTEA monies from KDOT	\$136,654
Heritage Trust Fund	50,000
Insurance claim for lost artifacts	10,000
Agency's rehabilitation and repair appropriation	<u>10,555</u>
Total	\$207,209

I wish to make clear, however, that authorization to use Heritage Trust Fund monies will be a one-time expenditure in response to this emergency. The original intent of the legislation was clear that monies from the Heritage Trust Fund would be used to rehabilitate properties not owned by the state or federal government. I concur with House amendments to 1995 SB 370 to authorize expenditures from the Heritage Trust Fund on this one-time basis. A portion of the funding will be reallocated from within the agency's current approved budget, while the balance, \$146,654, must be added to the agency's authorized budget in the current year.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>146,654</u>	<u>--</u>
All Funds	\$ 146,654	\$ --

## Adjutant General

### 65. Support for Civil Air Patrol Lease Agreement

I amend my budget recommendations to add \$11,585 from the State General Fund in FY 1997 to lease a new headquarters for the Civil Air Patrol. The Civil Air Patrol would move from McConnell Air Force Base in Wichita to the former Kansas Highway Patrol Academy in Salina. The new headquarters will give the Civil Air Patrol more space, which will improve cadet training and permit the agency to hold regional and national conferences.



	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 11,585
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 11,585

## 66. Armory Utilities

I amend my FY 1996 budget to include \$104,121 from the State General Fund for utility expenditures for the Adjutant General. The agency indicates that this amount is needed to continue operation and required maintenance of the state's armories through FY 1996. Higher than anticipated utility costs through the winter have resulted in a shortfall of funds available for financing agency utility expenses. The funds need to be provided to ensure that the Adjutant General's Department will be able to maintain armories in operating condition.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ 104,121	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 104,121	\$ --

### Emergency Medical Services Board

## 67. EMS Communications

I amend my FY 1997 budget to include \$7,000 from the State General Fund for communications expenditures for the Board of Emergency Medical Services. This funding will allow the Board to operate the EMS portion of an 800 MHZ communication system which is being funded and installed by the Kansas Department of Transportation.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 7,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 7,000

### Kansas State Fair

68. Repair of Roofs on the Fair Grounds

I amend my budget to add \$30,000 from the State Fair Capital Improvements Fund for FY 1997 for the repair of roofs that leak on the grounds during inclement weather.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>    --</u>	<u>30,000</u>
All Funds	\$ --	\$ 30,000

### Board of Cosmetology

69. Cosmetology Fee Fund Expenditure Limitation

To allow for the continued testing of all cosmetology candidates and those seeking license renewal, I amend my budget to allow for an \$8,400 increase in the expenditure limitation of the Cosmetology Fee Fund in FY 1997. The agency has been notified that the national testing company, which provides cosmetology tests and scores completed tests, will increase its fee for each test by \$5 in FY 1997. This amendment will provide full funding for 1,680 budgeted tests in FY 1997.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>    --</u>	<u>8,400</u>
All Funds	\$ --	\$ 8,400

### Kansas Department of Agriculture

70. Karnal Bunt Survey

I amend my budget to add \$100,000 from the State General Fund and 2.0 unclassified temporary positions to the Department of Agriculture to conduct a survey relating to the protection of Kansas wheat from karnal bunt fungus. Karnal bunt is a fungus which decreases the production and quality of wheat. It has been found in Arizona, Texas, New Mexico, and California. The funding, in addition to requested federal funds of approximately \$390,000, will help protect Kansas foreign markets and state wheat production. There are 32 counties which do not allow wheat to be imported from areas infested with karnal bunt.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ 100,000
All Other Funds	<u>--</u>	<u>390,000</u>
All Funds	\$ --	\$ 490,000

### Department of Wildlife and Parks

#### 71. Capital Outlay

I amend my FY 1997 budget to include a \$175,000 increase in the expenditure limitation for the Wildlife Fee Fund. The increase will allow the agency to purchase a tracked backhoe to utilize resources better and complete projects in a more efficient manner. Through the purchase of this equipment, the agency will no longer be required to lease or contract this equipment, which is costly and not readily available in some locations.

	<u>FY 1996</u>	<u>FY 1997</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>175,000</u>
All Funds	\$ --	\$ 175,000

**Appropriations Status Report**  
*Reflects Status including Governor's Budget Amendment No. 6*  
*Includes House Subcommittee Omnibus Recommendations*

**FY 1997**

	SGF	All Funds
Governor's Recommendation*	\$3,524,757,207	\$7,816,670,939
<b>First Adjournment</b>	<b>\$3,522,034,197</b>	<b>\$7,815,245,554</b>
<b>Change from Governor</b>	<b>(\$2,723,010)</b>	<b>(\$1,425,385)</b>
House Subcommittee Adjustments	\$3,162,413	\$2,314,198
House Subcommittee Recommendation	\$3,525,196,610	\$7,817,559,752
<b>Change from Governor</b>	<b>\$439,403</b>	<b>\$888,813</b>

**FY 1996**

	SGF	All Funds
Governor's Recommendation*	\$3,472,527,120	\$7,861,019,305
<b>First Adjournment</b>	<b>\$3,473,950,152</b>	<b>\$7,904,593,953</b>
<b>Change from Governor</b>	<b>\$1,423,032</b>	<b>\$43,574,648</b>
House Subcommittee Adjustments	(\$2,003,849)	(\$47,329,314)
House Subcommittee Recommendation	\$3,471,946,303	\$7,857,264,639
<b>Change from Governor</b>	<b>(\$580,817)</b>	<b>(\$3,754,666)</b>

**FY 1996 and FY 1997 Combined**

	SGF	All Funds
<b>Conference Recommendation</b>	<b>\$6,995,984,349</b>	<b>\$15,719,839,507</b>
<b>Change from Governor</b>	<b>(\$1,299,978)</b>	<b>\$42,149,263</b>
House Subcommittee Adjustments	\$1,158,564	(\$45,015,116)
House Subcommittee Recommendation	\$6,997,142,913	\$15,674,824,391
<b>Change from Governor</b>	<b>(\$141,414)</b>	<b>(\$2,865,853)</b>

\* Includes Governor's Budget Amendment No. 6 Submitted on April 18, 1996.

4-19-96

House Appropriations

**SGF SUBCOMMITTEE RECOMMENDATIONS IN FY 1997  
ABOVE GBA LEVELS**

p.2	Youth Center at Beloit	Uniforms	\$50,000	
p.3	Kansas State University	S.B. 325 - Tuition Waiver	181,900	
p.4	Wichita State University	Cessna Stadium Rehab	250,000	
p.5	SRS	H.B. 2792 - Donated Dental Services	42,575	
p.8	Dept. of Administration	S.B. 492 - Overtime Issues	240,670	
p.9	Judicial Branch	Judicial Center Carpeting	64,000	
p.9	KBI	Lab Air Conditioning and Ventilation	46,300	
p.11	Dept. of Human Resources	Neighborhood Jobs Act	71,259	* Savings reapprop. from FY 1996
p.11	MH Hospitals	Teacher Salary Increase - 2.0%	68,364	
p.13	Secretary of State	H.B. 3081 -- Athlete Agent Act	25,000	
p.14	MR Hospitals	Teacher Salary Increase - 2.0%	38,868	
p.15	Education	Revised School Finance Estimates	1,299,000	* But like reduction in FY 1996
p.16	Attorney General	H.B. 2012 - Court Debt Collection	30,000	
p.16		H.B. 2700 - Medicaid Fraud Control	29,082	
p.16	Board of Regents	S.B. 215 - ROTC Scholarships	40,699	
p.17	Adjutant General	Iola Armory	100,000	
		Subtotal	\$2,548,635	

Attachments  
3

House Appropriations



# House Subcommittee Recommendations

## KLRD Memo and Governor's Budget Amendment No. 6

*Attachment 4*

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Department of Revenue (p. 1-2)</b>					
KLRD Memo Item A - S.B. 714 – 2.0 Positions and OOE for Educational Institutions License Plates	If enacted, 1.0 Unclass. Temporary Positions and operating expenditures.	0	0	0	43,157
KLRD Memo Item B - S. Sub. for H.B. 2603 – 2.0 FTE for .02 Blood Alcohol Level for Minors	If enacted, concur.	0	0	0	30,637
KLRD Memo Item C - S.B. 662 – New Funds for VIPS Title Fees and Electronic Records Fees	Concur, no limit.	0	0	0	0
GBA Item 45 (p. 24) - Transfer to SGF from Military Retirees Income Tax Refund Fund	Concur.	0	0	0	0
<b>Department of Agriculture (p. 2)</b>					
KLRD Memo Item A - Sub. for S.B. 704 – New Fund for Weights and Measures Fee Increase	Concur, with lesser amount (\$28,820).	0	0	0	600,000
GBA Item 70 (p. 34) - Karnal Bunt Survey	Concur, switch SGF to EDIF (\$100,000).	0	0	0	490,000
<b>Youth Centers - Systemwide (p. 2-3)</b>					
KLRD Memo Item A - Teacher Salary Increases	Do not fund.	0	0	0	0
KLRD Memo Item B - 5.0 FTE Chemical Dependency Counselors	Do not concur.	0	0	0	0

*House Appropriations*

*4-19-96*



# House Subcommittee Recommendations

## KLRD Memo and Governor's Budget Amendment No. 6

4-2

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Youth Centers - Systemwide (p. 2-3)</b>					
KLRD Memo Item C - Uniform Dress at Beloit	Concur, separate line item with proviso to require payment for uniforms.	0	0	50,000	50,000
<b>Board of Veterinary Examiners</b>					
GBA Item 55 (p. 28) - Temporary Position to 1.0 FTE	Concur.	0	0	0	0
<b>Regents - Systemwide (p. 3-8)</b>					
KLRD Memo Item A and GBA Item 26 (p. 13) - Tuition Accountability Language	Concur.	0	0	0	0
KLRD Memo Item B and GBA Item 26 (p. 13) - Revised General Fees (Tuition)	Concur.	(1,531,290)	0	(1,512,557)	0
KLRD Memo Item C - WSU - Impact of Removing Tuition Cap	Do not recommend.	0	0	0	0
KLRD Memo Item D and GBA Item 27 (p. 14) - Revised Utilities Estimates	Concur.	549,845	549,845	893,095	893,095
Subcommittee - Midwest Student Exchange Program	Proviso authorizing retention of tuition from new students.	0	0	0	0
Subcommittee - Servicing New Buildings - New Staffing	Proviso stating that no new staffing will be provided until university is at new staffing ratio for existing staff (1:12,500).	0	0	0	0



# House Subcommittee Recommendations

## KLRD Memo and Governor's Budget Amendment No. 6

4-3

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGE	All Funds	SGE	All Funds
<b>Kansas State University (p. 7-8)</b>					
KLRD Memo Item A - S.B. 325 – Military Dependent Tuition Waivers	Concur.	0	0	181,900	0
KLRD Memo Item B and GBA Items 31 & 33 (p. 17-18) Private and Fee-Funded Capital Improvement Projects	Concur, except items previously approved in H.B. 2970.	0	0	0	7,400,000
<b>University of Kansas</b>					
GBA Item 28 (p. 18) - Other Operating Expenditures	Concur.	0	0	(44,251)	(44,251)
<b>University of Kansas Medical Center</b>					
GBA Item 29 (p. 18) - Group Health Insurance	Concur.	212,489	212,489	0	0
<b>KSU Veterinary Medical Center</b>					
GBA Item 30 (p. 18) - Hospital and Diagnostic Lab Fund	Concur.	0	0	298,083	229,871
<b>KSU - Extension Systems</b>					
GBA Item 32 (p. 18) - Raze Three Residencies	Already done in H.B. 2970.	0	0	0	0
<b>KSU - Salina</b>					
GBA Item 34 (p. 18) - Enrollment Adjustment	Concur.	0	0	31,372	31,372



# House Subcommittee Recommendations

## KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Wichita State University</b>					
Subcommittee - Cessna Stadium Rehabilitation	\$250,000 EDIF; with letter of intent regarding private support.	0	0	250,000	500,000
<b>SRS - Mental Health and Developmental Disabilities (p. 8-10)</b>					
KLRD Memo Item A - House Sub. for S.B. 388 – Hospital Closure Employee Issues	Defer pending Conference.	0	0	0	0
KLRD Memo Item B and GBA Item 19 (p. 10) - Closure Funding - Replace Disproportionate Share with Institutional Title XIX	Concur.	0	0	0	0
KLRD Memo Item C - H.B. 3047 – Changes to Developmental Disabilities Reform Act	Defer pending Conference.	0	0	0	0
KLRD Memo Item D - Technical - Reappropriation Language	Concur.	0	0	0	0
Subcommittee - Consumer Run Organizations (CROs) and Programs	Proviso to direct SRS to shift \$25,000 each to AMI and KMIAC, and an additional \$50,000 to CROs in FY 1997.	0	0	0	0



## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>SRS - MHDD (p. 8-10)</b>					
Subcommittee - DD Reform Act and Regulations Cost	Proviso directing that any rules and regs adopted to implement DD reform assure highest quality care in most cost-effective manner, including consideration of third party accrediting agencies to assure quality, further stating that implementation costs should not be borne disproportionately by the CDDOs.	0	0	0	0
<b>Social and Rehabilitation Services (p. 10-11)</b>					
KLRD Memo Item A and GBA Item 16 (p. 9) - Consensus Caseload Estimates	Concur.	(2,054,464)	(3,368,220)	(4,878,069)	12,633,951
KLRD Memo Item B - Senate Sub. for H.B. 2792 – Donated Dental Services Program Administration	Concur.	0	0	42,575	42,575
Subcommittee - Agency Request for Modified AFDC Proviso	Concur.	0	0	0	0
Subcommittee - Proviso to Authorize Transfer of Long Term Care Programs	Concur.	0	0	0	0
GBA Item 10 (p. 6) - Medicaid Management Information System Expenditure Shift	Concur.	(929,852)	(8,344,717)	929,852	8,344,717
GBA Item 11 (p. 7) - MMIS Enhancement	Concur.	0	0	125,000	1,250,000
GBA Item 12 (p. 7) - Federal Urban Enterprise Grant	Concur.	0	788,000	0	255,294



# House Subcommittee Recommendations

## KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Social and Rehabilitation Services (p. 10-11)</b>					
GBA Item 13 (p. 7) - AmeriCorps Grant	Concur.	0	5,024	0	178,476
GBA Item 14 (p. 8) - Head Start Collaboration Grant	Concur.	0	0	0	100,000
GBA Item 15 (p. 8) - Shift of Federal Victim of Crime Grants to Attorney General	Concur.	0	0	0	(862,000)
GBA Item 17 (p. 9) - Management Information System for Families and Children Services Program	Concur.	499,056	1,544,224	0	0
GBA Item 18 (p. 10) - Americare Lawsuit	Concur.	3,133,048	4,303,362	0	0
<b>Legislature (p. 12-13)</b>					
KLRD Memo Item A - Change in Legislative Subsistence Allowance	Fund within approved budget.	0	0	0	0
KLRD Memo Item B - H.B. 2536 – Kansas Compensation Commission	Fund within approved budget.	0	0	0	0
KLRD Memo Item C - H. Sub. for S.B. 383 – House Omnibus KPERS Bill	No action, review next year.	0	0	0	0
KLRD Memo Item D - S. Sub. for H.B. 2041 – Natural Gas Gathering Task Force	Proviso to pay from Legislature's budget.	0	0	0	0
<b>Legislative Coordinating Council (p. 13)</b>					
KLRD Memo Item A - H.B. 2600 – Retail Wheeling Task Force	Proviso to pay from Legislature's budget.	0	0	0	0



# House Subcommittee Recommendations

## KLRD Memo and Governor's Budget Amendment No. 6

4-7

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Selected Agencies</b>					
GBA Item 36 (p. 19) - FTE Position Reductions (243.0 FTE)	Concur.	0	0	0	0
GBA Item 37 (p. 19) - Retirement Reductions (144.5 FTE)	Concur.	(368,988)	(1,469,597)	(704,389)	(3,825,359)
<b>Department of Corrections (p. 13-14)</b>					
KLRD Memo Item A - Community Corrections Funding Allocations	Concur with Governor's original recommendation.	0	0	0	0
KLRD Memo Item B and GBA Items 1, 2, 3, 5, 8, and 9 (p. 3-6) Capacity Expansion Plan	Concur.	120,000	120,000	(106,135)	189,017
KLRD Memo Item C - and GBA Item 6 (p. 4) - Construction of Industries Building	Concur.	0	0	750,000	750,000
GBA Item 4 (p. 4) - Authorization to Construct Entrance Building at HCF	Concur.	0	0	0	0
GBA Item 7 (p. 5) - Transfer Power and Sewer Plant	Concur (power plant already done).	0	0	53,990	53,990
<b>Kansas Sentencing Commission (p. 15)</b>					
KLRD Memo Item A - Funding for Criminal Justice Information System	Shift \$410,000 from SGF to Asset Forfeiture Fund - KHP.	0	0	0	1,655,000

10



8-17

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGE	All Funds	SGE	All Funds
<b>State Treasurer</b>					
<b>(p. 15)</b>					
KLRD Memo Item A - PMIB Investment Analyst	Defer.	0	0	0	0
KLRD Memo Item B - S.B. 450 – Docking Vault Closed	Delete 1.0 FTE (OA III) effective Jan. 1, 1997.	0	0	(11,847)	(11,847)
<b>Department of Administration</b>					
<b>(p. 15-18)</b>					
KLRD Memo Item A - Memorial Hall Renovation Bonds	Authorize bonds – defer amount to Building Committee.	0	0	0	0
KLRD Memo Item B - Public Broadcasting Council Portable Satellite Radio Uplink	Do not fund.	0	0	0	0
KLRD Memo Item C - Insurance for State Buildings	Coverage within current funding.	0	0	0	0
KLRD Memo Item D - S.B. 102 – Kansas Performance Review Board	Do not fund.	0	0	0	0
KLRD Memo Item E - S.B. 492 – Overtime Issues	If enacted, provide funding.	0	0	240,670	240,670
GBA Item 49 (p. 25) - Adjust Expenditures to Reflect Approved Project	Already done.	0	0	0	0
GBA Item 50 (p. 26) - Energy Conservation Revenue Transfer (Miscellaneous agencies)	Concur.	0	0	(32,852)	(32,852)
GBA Item 51 (p. 26) - Architectural Services Recovery Fund Expenditure Limit Increase (Nonreportable)	Concur.	0	0	0	0



# House Subcommittee Recommendations

## KLRD Memo and Governor's Budget Amendment No. 6

4-9

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Department of Administration (p. 15-18)</b>					
GBA Item 52 (p. 27) - Wyandotte Co. and K.C., KS Consolidation Study	Concur.	0	0	0	150,000
<b>Board of Indigents' Defense Services (p. 18)</b>					
KLRD Memo Item A - GBA Item 62 (p. 31) - Transfer of Line-Item SGF Funding.	Concur.	0	0	0	0
KLRD Memo Item B - H.B. 2331 - Defense of "Mental Disease or Defect Excluding Criminal Responsibility"	Do not fund.	0	0	0	0
<b>Judicial Branch (p. 18-19)</b>					
KLRD Memo Item A - Judicial Center Carpeting	Replace hallway carpeting.	0	0	64,000	64,000
KLRD Memo Item B - H.B. 3033 - Establishes New Funds	Appropriate no-limit funds.	0	0	0	0
<b>Kansas Bureau of Investigation (p. 19-20)</b>					
KLRD Memo Item A - Laboratory AC and Ventilation	Fund capital improvement project.	0	0	46,300	46,300
KLRD Memo Item B - Lease or Purchase of Great Bend Building	Concur.	0	0	0	0
KLRD Memo Item C - S.B. 495 and S.B. 410 - Tribal Gaming Background Checks	Do not add FTE.	0	0	0	0



10

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Kansas Bureau of Investigation (p.19-20)</b>					
KLRD Memo Item D - S. Sub. for H.B. 2603 – 1.0 FTE (and OOE) for .02 Blood Alcohol Level for Minors	Do not add funding for equipment.	0	0	0	0
<b>Department of Commerce and Housing (p. 20-21)</b>					
KLRD Memo Item A and GBA Item 39 (p. 20) - H.B. 3040 – Transfer of Voc-Ed Instruction Equipment Aid	Adopt GBA.	0	0	0	250,000
KLRD Memo Item B and GBA Item 40 (p. 21) - Sub. S.B. 507 – Creates Agriculture Products Development Div.	Adopt GBA.	0	0	0	306,506
KLRD Memo Item C - Technical Adjustment - Proviso Authorizing Fee Collection	Add proviso.	0	0	0	0
GBA Item 41 (p. 22) - State Gaming Agency	Concur.	0	145,976	0	0
<b>Kansas Technology Enterprise Corporation</b>					
KLRD Memo Item A and GBA Item 39 (p. 20) - H.B. 3040 – Transfer of Voc-Ed Instruction Equipment Aid	Adopt GBA.	0	0	0	(250,000)
KLRD Memo Item B and GBA Item 40 (p. 21) - Sub. S.B. 507 – Transfer of Industrial Agriculture	Adopt GBA.	0	0	0	(306,506)
<b>Department of Human Resources (p. 21-22)</b>					
KLRD Memo Item A - JCCT Recommendation - One-Stop	Adopt JCCT rec. and proviso.	0	0	0	500,000



# House Subcommittee Recommendations

## KLRD Memo and Governor's Budget Amendment No. 6

4-11

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Department of Human Resources (p. 21-22)</b>					
KLRD Memo Item B - H.B. 2883 – Neighborhood Improvement and Youth Employment Act	Proviso for FY 1996 and reappropriate SGF for FY 1997.	(71,259)	(71,259)	71,259	71,259
KLRD Memo Item C - Sub. H.B. 2986 – Collection of Attorney Fees	Change fund to no limit.	0	0	0	0
KLRD Memo Item D - S.B. 649 – Worker's Compensation Mediation Conference	Reduce FTE limit by 4.0 and reduce limit of fee fund.	0	0	0	(105,803)
KLRD Memo Item E - Sub. H.B. 2660 – Private Employment Agencies	Do not concur.	0	0	0	0
GBA Item 35 (p. 18) - Unemployment Insurance Benefits	Adopt GBA.	0	(40,000,000)	0	(41,000,000)
<b>Behavioral Sciences Regulatory Board (p. 22)</b>					
KLRD Memo Item A - Computer System Upgrade	Concur and increase fee fund limit.	0	0	0	4,200
<b>Kansas Inc.</b>					
GBA Item 48 (p. 25) - Revised Funding Structure	Concur. The GBA eliminates all private funding and adds \$27,525 (EDIF) to fund state operations, for a net reduction of \$113,468.	0	0	0	(113,468)



4-12

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Mental Health Hospitals - Systemwide (p. 22-23)</b>					
KLRD Memo Item A - Teacher Salary Increases	2.0% increase.	0	0	68,364	68,364
KLRD Memo Item B - Categorical Aid Adjustment	Do not fund.	0	0	0	0
<b>Kansas Human Rights Commission (p. 24)</b>					
KLRD Memo Item A - Technical Adjustment	Concur.	0	0	0	0
KLRD Memo Item B and GBA Item 46 (p.24) - Federal Funds Shortfall	Make reduction to adopt GBA position.	0	0	(20,592)	(20,592)
<b>Board of Cosmetology (p. 24)</b>					
KLRD Memo Item A - H.B. 2916 – Tattooing and Body Piercing Licensure	Do not concur.	0	0	0	0
GBA Item 69 (p. 34) - Increased Examination Fees	Concur.	0	0	0	8,400
<b>State Bank Commissioner (p. 24)</b>					
KLRD Memo Item A - S.B. 95 – Payment of Claim	Do not concur.	0	0	0	0
GBA Item 53 (p. 27) - Position Transfer to Consumer Credit Commissioner (1.0 FTE)	Concur.	0	0	0	(33,731)



# House Subcommittee Recommendations

## KLRD Memo and Governor's Budget Amendment No. 6

4-13

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Kansas Commission on Veterans Affairs (p. 24)</b>					
KLRD Memo Item A - Technical Item - Commission Office	Concur.	0	0	0	0
KLRD Memo Item B - Technical Item - Soldiers' Home	Concur.	0	0	0	0
<b>Consumer Credit Commissioner</b>					
GBA Item 53 (p. 27) - Transfer Position from Bank Commissioner (1.0 FTE)	Concur.	0	0	0	35,882
<b>Department of Credit Unions</b>					
GBA Item 54 (p. 28) - Increased Communications	Concur.	0	0	0	2,000
<b>Board of Barbering</b>					
GBA Item 56 (p. 29) - Increased Meetings and Examination Fees	Concur.	0	3,165	0	0
GBA Item 57 (p. 29) - Salary Increase for Admin. Officer	Concur.	0	0	0	1,105
<b>Secretary of State (p. 24-26)</b>					
KLRD Memo Item A and GBA #4 - H.B. 2079 - National Voter Registration Act	Adopt GBA.	695,000	695,000	0	0



## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

4-14

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Secretary of State (p. 24-26)</b>					
KLRD Memo Item B - H.B. 3081 – Kansas Athlete Agent Act	Add funding less than agency estimate.	0	0	25,000	25,000
KLRD Memo Item C - Senate Sub. for House Sub. for H.B. 3000 – Ethics and Campaign Finance Reform	Defer.	0	0	0	0
<b>Comm. on Governmental Standards and Conduct (p. 26)</b>					
KLRD Memo Item A - Auditor Position	Defer - \$33,738 SGF.	0	0	0	0
<b>Kansas Dental Board (p. 26)</b>					
KLRD Memo Item A - H.B. 2813 – License Renewal Procedures	Concur.	0	0	0	(21,049)
<b>Mental Retardation Hospitals - Systemwide (p. 26-27)</b>					
KLRD Memo Item A - Teacher Salary Increases	2.0% Increase.	0	0	38,868	38,868
KLRD Memo Item B - Categorical Aid Adjustment	Do not fund.	0	0	0	0
<b>Kansas Neurological Institute (p. 28)</b>					
KLRD Memo Item A and GBA Item 20 (p. 11) - Raze Eight Buildings	Concur.	0	0	0	0



## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

4-15

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGE	All Funds	SGE	All Funds
<b>Winfield State Hospital</b>					
GBA Item 7 (p. 5) - Transfer Power and Sewer Plant	Concur (power plant already done).	0	0	(53,990)	(53,990)
<b>State Library</b>					
GBA Item 61 (p. 31) - Technical Adjustment to Salaries	Concur.	0	0	1,452	1,452
<b>Department of Education (p. 28-30)</b>					
KLRD Memo Item A and GBA Item 43 (p. 23) - Revised School Finance Estimates	Concur with revised estimates for FY 96 and FY 97; adopt GBA.	(1,451,000)	(1,451,000)	3,543,000	3,543,000
GBA Item 43 (p. 23) - Revised School Finance - Capital Improvement State Aid	Concur with GBA.	(400,000)	(400,000)	0	0
KLRD Memo Item B and GBA Item 44 (p. 23) - H.B. 2967 - Fort Riley and Juvenile Detention Facilities	Adopt GBA.	0	0	1,943,394	1,943,394
KLRD Memo Item C - S.B. 325 - Tuition Waivers for Public Safety Dependents	Do not fund, but add proviso to consider as supplemental.	0	0	0	0
<b>Attorney General (p. 30-33)</b>					
KLRD Memo Item A - Parity Increases for Unclassified Attorneys	Do not fund.	0	0	0	0



## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

4-16

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Attorney General (p. 30-33)</b>					
KLRD Memo Item B - S.B. 704, H.B. 2690, and S.B. 628 – New Position for Consumer Protection Division	Do not add.	0	0	0	0
KLRD Memo Item C - H.B. 2402 – New Fund for Child Visitation Centers	Approve new no-limit fund.	0	0	0	0
KLRD Memo Item D - H.B. 2012 – Start Up Costs for Court Debt Collection	Approve for 1.0 FTE and add proviso to reimburse SGF from debts collected.	0	0	30,000	51,014
KLRD Memo Item E - H.B. 2700 – New Positions for Medicaid Fraud Control	Fund 4.0 FTE and add proviso to reimburse SGF from money recovered.	0	0	29,082	29,082
GBA Item 15 (p. 8) - Shift of Federal Victims of Crime Grants from SRS	Concur.	0	0	0	862,000
<b>Kansas Corporation Commission</b>					
GBA Item 63 (p. 31) - S.B. 755 – Well Plugging	Concur with GBA, but only \$1,049,782 from all other funds – \$150,218 less.	0	0	400,000	1,449,782
<b>Board of Regents (p. 33-34)</b>					
KLRD Memo Item A - S.B. 215 – ROTC Scholarships	Fund fully at KU, KSU PSU and Washburn.	0	0	40,699	40,699



## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

4-17

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Board of Regents (p. 33-34)</b>					
KLRD Memo Item B - S.B. 404 – Distinguished Scholarship Program	Shift funding to Board of Regents.	0	0	0	0
KLRD Memo Item C - S.B. 325 – Tuition Waivers - Dependents of Public Safety Officers	Establish new line item with \$0 limit.	0	0	0	0
<b>Adjutant General (p. 34)</b>					
KLRD Memo Item A - Iola Armory - New Addition	Recommend multi-year appropriation.	0	0	100,000	100,000
GBA Item 65 (p. 32) - Civil Air Patrol Lease	Concur.	0	0	11,585	11,585
GBA Item 66 (p. 33) - Armory Utilities	Concur.	104,121	104,121	0	0
<b>State Fair</b>					
GBA Item 68 (p. 34) - Roof Repair	Defer to Building Committee.	0	0	0	0
<b>Department of Wildlife and Parks</b>					
GBA Item 71 (p. 35) - Tracked Backhoe	Do not fund.	0	0	0	0
Subcommittee Recommendation - Proviso on Roads at Cedar Bluff	Include proviso.	0	0	0	0



# House Subcommittee Recommendations

## KLRD Memo and Governor's Budget Amendment No. 6

H-16

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Kansas Highway Patrol (p. 34-35)</b>					
KLRD Memo Item A and GBA Item 58 (p. 29) - S.B. 662; H.B. 2667 – Additional Fee Receipts for Patrol Cars	Adopt GBA.	0	0	0	1,161,000
GBA Item 59 (p. 30) - Two Bay Addition in Topeka	Defer to Building Committee.	0	0	0	0
GBA Item 60 (p. 30) - Freight Elevator in Salina	Defer to Building Committee.	0	0	0	0
<b>Kansas Racing Commission (p. 35)</b>					
KLRD Memo Item A and GBA Item 41 (p. 21)- S.B. 410 – Budget for State Gaming Agency (add 5.0 FTE)	Adopt GBA.	0	0	0	1,186,941
GBA Item 42 (p. 22) - Director of Racing Position	Absorb salary within expenditure limit.	0	0	0	0
<b>State Gaming Revenues Fund (p. 35-36)</b>					
KLRD Memo Item A - Revised Revenue Estimates	No action.	0	0	0	0
<b>Kansas Lottery</b>					
GBA Item 38 (p. 20) - Increased Prize Payments in FY 1996 and FY 1997	No action.	0	0	0	0



# House Subcommittee Recommendations

## KLRD Memo and Governor's Budget Amendment No. 6

4-19

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>State Historical Society (p. 36-37)</b>					
KLRD Memo Item A - S.B. 370 – Capital Improvement Project for Restoration of Adair Cabin	(a) Concur, include proviso to shift site operation to local.	(10,555)	(10,555)	10,555	65,555
	(b) Delete moneys that were approved in S.B. 95 for operating Adair Cabin.	0	0	0	(13,740)
GBA Item 64 (p. 32) - Capital Improvement for Adair Cabin	Do not concur. (See Above)	0	0	0	0
<b>Insurance Department</b>					
GBA Item 47 (p. 24) - Appropriate New Training Fund	Concur, but change proviso.	0	0	0	0
<b>Emergency Medical Services Board</b>					
GBA Item 67 (p. 33) - Telephone Expenses for 800 MHZ Communication System	Concur.	0	0	7,000	7,000
<b>Department of Health and Environment (p. 37-38)</b>					
KLRD Memo Item A - S.B. 399 – New Grants for Waste Tire Management	Concur.	0	0	0	475,000
KLRD Memo Item B - S. Sub. for H.B. 2603 – 0.5 FTE for Breath Alcohol Equipment Monitoring	Do not concur.	0	0	0	0



4-20

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGE	All Funds	SGE	All Funds
<b><i>Department of Health and Environment (p.37-38)</i></b>					
KLRD Memo Item C - H.B. 2955 – New Fund for Environmental Regulatory Publications	Concur.	0	0	0	30,000
KLRD Memo Item D - S.B. 536 – Cancer Risk Study for Abortion	Do not concur.	0	0	0	0
GBA Item 21 (p. 11) - Medicaid and Medicare Funding Shift	Concur.	0	0	0	0
GBA Item 22 (p. 11) - Insurance Statistical Plan Reductions	Concur.	0	(236,172)	0	(195,513)
GBA Item 23 (p. 11) - Operation Immunize	Concur.	(500,000)	(500,000)	250,000	250,000
GBA Item 24 (p. 12) - Federal Fund Changes	Concur.	0	51,000	0	505,286
GBA Item 25 (p. 13) - Proviso on Dry Cleaning Trust Fund Salaries	Concur.	0	0	0	(41,597)
<b>Total Expenditures</b>		<b>(2,003,849)</b>	<b>(47,329,314)</b>	<b>3,162,413</b>	<b>2,314,198</b>

ECONOMIC DEVELOPMENT INITIATIVES FUND FY 1997

Agency/Program	GOV. REC. FY 1997	HOUSE ADJ. FY 97	SEN. ADJ. FY 97	CONF. ADJ. FY 97	H. SUB. REC. FY 97	AMOUNT CHANGE
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. Division	--	--	41,491	41,491	347,997	306,506
Kansas Rural Dev. Council	--	47,000	--	47,000	47,000	
Training Equipment Grants	--	--	--	--	250,000	250,000
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)	\$ 18,082,118	
Kansas Technology Enterprise Corporation						
Agency Operations	\$ 1,511,118	\$ --	\$ (102,542)	\$ (80,528)	\$ 1,324,084	(106,506)
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)	\$ 13,307,387	
Kansas, Inc.						
Agency Operations	\$ 132,851	\$ --	\$ (1,109)	\$ --	\$ 160,376	27,525
Special Studies	--	--	--	--	--	
Subtotal - Kansas, Inc.	\$ 132,851	\$ --	\$ (1,109)	\$ --	\$ 160,376	
Department of Revenue - Appraisal Aid	\$ --	\$ --	\$ --	\$ --	\$ --	
Board of Agriculture						
Market Promotion and Development	\$ 41,491	\$ --	\$ (41,491)	\$ (41,491)	\$ --	
Kamal Bunt Survey	--	--	--	--	100,000	100,000
Subtotal - Agriculture	\$ 41,491	\$ --	\$ (41,491)	\$ (41,491)	\$ 100,000	
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	29,908	(13,740)
Humanities Council Grant	--	--	25,000	25,000	25,000	
Adair Cabin	--	--	--	--	45,000	45,000
Subtotal - Historical	\$ --	\$ --	\$ 68,648	\$ 68,648	\$ 99,908	
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						
WSU-Cessna Stadium	\$ --	\$ --	\$ --	\$ --	\$ 250,000	250,000
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	\$ 1,250,000	
Dept. of Human Res. - One Stop Career Center System	\$ 500,000	\$ (500,000)	\$ --	\$ (500,000)	\$ 500,000	500,000
State Water Plan Fund	\$ 2,000,000	\$ --	\$ --	\$ --	\$ 2,000,000	
<b>TOTAL TRANSFERS AND EXPENDITURES</b>	<b>\$ 44,207,884</b>	<b>\$ (385,000)</b>	<b>\$ 457,141</b>	<b>\$ 627,731</b>	<b>\$ 45,744,400</b>	
<b>EDIF Resource Estimate</b>	<b>GOV. REC. FY 1997</b>	<b>HOUSE ADJ. FY 1997</b>	<b>SEN. ADJ. FY 1997</b>	<b>CONF. ADJ. FY 1997</b>	<b>LEGIS. APPR. FY 1997</b>	
Beginning Balance	\$ 2,273,672	\$ 43,313	\$ 520,000	\$ 663,313	\$ 3,186,985	**250,000
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	\$ 46,036,985	
Less: Expenditures and Transfers	44,207,884	--	--	--	45,744,400	
<b>ENDING BALANCE</b>	<b>\$ 915,788</b>	<b>\$ 244,101</b>	<b>\$ 978,647</b>	<b>\$ 951,370</b>	<b>\$ 292,585</b>	

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

\*\* Includes transfer of \$250,000 in Treasurers of the Czar KEIOF repayment to EDIF.

4-19-96

Attachment  
5 04/19/96



**Appropriations Status Report**  
*Reflects Status including Governor's Budget Amendment No. 6*  
*Includes Revised House Subcommittee Omnibus Recommendations*

**FY 1997**

	SGF	All Funds
Governor's Recommendation*	\$3,524,757,207	\$7,816,670,939
<b>First Adjournment</b>	<b>\$3,522,034,197</b>	<b>\$7,815,245,554</b>
<b>Change from Governor</b>	<b>(\$2,723,010)</b>	<b>(\$1,425,385)</b>
House Subcommittee Adjustments	\$1,631,213	(\$413,557)
House Subcommittee Recommendation	\$3,523,665,410	\$7,814,831,997
<b>Change from Governor</b>	<b>(\$1,091,797)</b>	<b>(\$1,838,942)</b>

**FY 1996**

	SGF	All Funds
Governor's Recommendation*	\$3,472,527,120	\$7,861,019,305
<b>First Adjournment</b>	<b>\$3,473,950,152</b>	<b>\$7,904,593,953</b>
<b>Change from Governor</b>	<b>\$1,423,032</b>	<b>\$43,574,648</b>
House Subcommittee Adjustments	(\$979,849)	(\$44,604,014)
House Subcommittee Recommendation	\$3,472,970,303	\$7,859,989,939
<b>Change from Governor</b>	<b>\$443,183</b>	<b>(\$1,029,366)</b>

**FY 1996 and FY 1997 Combined**

	SGF	All Funds
<b>Conference Recommendation</b>	<b>\$6,995,984,349</b>	<b>\$15,719,839,507</b>
<b>Change from Governor</b>	<b>(\$1,299,978)</b>	<b>\$42,149,263</b>
House Subcommittee Adjustments	\$651,364	(\$45,017,571)
House Subcommittee Recommendation	\$6,996,635,713	\$15,674,821,936
<b>Change from Governor</b>	<b>(\$648,614)</b>	<b>(\$2,868,308)</b>

\* Includes Governor's Budget Amendment No. 6 Submitted on April 18, 1996.



**SGF SUBCOMMITTEE RECOMMENDATIONS IN FY 1997  
ABOVE GBA LEVELS**

p.2	Youth Center at Beloit	Uniforms	\$50,000	
p.4	Wichita State University	Cessna Stadium Rehab	250,000	
p.5	SRS	H.B. 2792 - Donated Dental Services	42,575	
p.8	Dept. of Administration	S.B. 492 - Overtime Issues	240,670	
p.9	Judicial Branch	Judicial Center Carpeting	60,000	
p.11	Dept. of Human Resources	Neighborhood Jobs Act	71,259	* Savings reapprop. from FY 1996
p.11	MH Hospitals	Teacher Salary Increase - 2.0%	68,364	
p.13	Secretary of State	H.B. 3081 -- Athlete Agent Act	25,000	
p.14	MR Hospitals	Teacher Salary Increase - 2.0%	38,868	
p.16	Attorney General	H.B. 2012 - Court Debt Collection	30,000	
p.16		H.B. 2700 - Medicaid Fraud Control	29,082	
p.16	Board of Regents	S.B. 215 - ROTC Scholarships	40,699	
p.17	Adjutant General	Iola Armory	100,000	
		Subtotal	\$1,017,435	

*Attachment  
7*

*House Appropriations*

*4-19-96*

**House Subcommittee Recommendations**  
**KLRD Memo and Governor's Budget Amendment No. 6**

*Attachment 8*

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Department of Revenue</b> (p. 1-2)					
KLRD Memo Item A - S.B. 714 – 2.0 Positions and OOE for Educational Institutions License Plates	If enacted, concur, and make 2.0 FTE Unclass. Temporary Positions; savings of \$8,264.	0	0	0	55,854
KLRD Memo Item B - S. Sub. for H.B. 2603 – 2.0 FTE for .02 Blood Alcohol Level for Minors	If enacted, concur.	0	0	0	30,637
KLRD Memo Item C - S.B. 662 – New Funds for VIPS Title Fees and Electronic Records Fees	Concur, no limit.	0	0	0	0
GBA Item 45 (p. 24) - Transfer to SGF from Military Retirees Income Tax Refund Fund	Concur.	0	0	0	0
<b>Department of Agriculture</b> (p. 2)					
KLRD Memo Item A - Sub. for S.B. 704 – New Fund for Weights and Measures Fee Increase	Concur, with lesser amount (\$28,820).	0	0	0	600,000
GBA Item 70 (p. 34) - Karnal Bunt Survey	Concur, switch SGF to EDIF (\$100,000).	0	0	0	490,000
<b>Youth Centers - Systemwide</b> (p. 2-3)					
KLRD Memo Item A - Teacher Salary Increases	Do not fund.	0	0	0	0
KLRD Memo Item B - 5.0 FTE Chemical Dependency Counselors	Do not concur.	0	0	0	0

*House Appropriations*  
  
*4-19-96*

2-8

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Youth Centers - Systemwide (p. 2-3)</b>					
KLRD Memo Item C - Uniform Dress at Beloit	Concur, separate line item with proviso to require payment for uniforms.	0	0	50,000	50,000
<b>Board of Veterinary Examiners</b>					
GBA Item 55 (p. 28) - Temporary Position to 1.0 FTE	Concur.	0	0	0	0
<b>Regents - Systemwide (p. 3-8)</b>					
KLRD Memo Item A and GBA Item 26 (p. 13) - Tuition Accountability Language	Concur.	0	0	0	0
KLRD Memo Item B and GBA Item 26 (p. 13) - Revised General Fees (Tuition)	Concur.	(1,531,290)	0	(1,512,557)	0
KLRD Memo Item C - WSU - Impact of Removing Tuition Cap	Do not recommend.	0	0	0	0
KLRD Memo Item D and GBA Item 27 (p. 14) - Revised Utilities Estimates	Concur.	549,845	549,845	893,095	893,095
Subcommittee - Midwest Student Exchange Program	Proviso authorizing retention of tuition from new students.	0	0	0	0
Subcommittee - Servicing New Buildings - New Staffing	Proviso stating that no new staffing will be provided until university is at new staffing ratio for existing staff (1:12,500).	0	0	0	0

# House Subcommittee Recommendations

## KLRD Memo and Governor's Budget Amendment No. 6

8-3

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Kansas State University</b> (p. 7-8)					
KLRD Memo Item A - S.B. 325 – Military Dependent Tuition Waivers	Defer pending actual experience.	0	0	0	0
KLRD Memo Item B and GBA Items 31 & 33 (p. 17-18) Private and Fee-Funded Capital Improvement Projects	Concur, except items previously approved in H.B. 2970.	0	0	0	7,400,000
<b>University of Kansas</b>					
GBA Item 28 (p. 18) - Other Operating Expenditures	Concur.	0	0	(44,251)	(44,251)
<b>University of Kansas Medical Center</b>					
GBA Item 29 (p. 18) - Group Health Insurance	Concur.	212,489	212,489	0	0
<b>KSU Veterinary Medical Center</b>					
GBA Item 30 (p. 18) - Hospital and Diagnostic Lab Fund	Concur.	0	0	298,083	229,871
<b>KSU - Extension Systems</b>					
GBA Item 32 (p. 18) - Raze Three Residencies	Already done in H.B. 2970.	0	0	0	0
<b>KSU - Salina</b>					
GBA Item 34 (p. 18) - Enrollment Adjustment	Concur.	0	0	31,372	31,372

# House Subcommittee Recommendations

## KLRD Memo and Governor's Budget Amendment No. 6

7-8

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGE	All Funds	SGE	All Funds
<b>Wichita State University</b>					
Subcommittee - Cessna Stadium Rehabilitation	\$250,000 EDIF; with letter of intent regarding private support.	0	0	250,000	500,000
<b>SRS - Mental Health and Developmental Disabilities (p. 8-10)</b>					
KLRD Memo Item A - House Sub. for S.B. 388 – Hospital Closure Employee Issues	Defer pending Conference.	0	0	0	0
KLRD Memo Item B and GBA Item 19 (p. 10) - Closure Funding - Replace Disproportionate Share with Institutional Title XIX	Concur.	0	0	0	0
KLRD Memo Item C - H.B. 3047 – Changes to Developmental Disabilities Reform Act	Defer pending Conference.	0	0	0	0
KLRD Memo Item D - Technical - Reappropriation Language	Concur.	0	0	0	0
Subcommittee - Consumer Run Organizations (CROs) and Programs	Proviso to direct SRS to shift \$25,000 each to AMI and KMIAC, and an additional \$50,000 to CROs in FY 1997.	0	0	0	0



## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

5-8

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>SRS - MHDD (p. 8-10)</b>					
Subcommittee - DD Reform Act and Regulations Cost	Proviso directing that any rules and regs adopted to implement DD reform assure highest quality care in most cost-effective manner, including consideration of third party accrediting agencies to assure quality, further stating that implementation costs should not be borne disproportionately by the CDDOs.	0	0	0	0
<b>Social and Rehabilitation Services (p. 10-11)</b>					
KLRD Memo Item A and GBA Item 16 (p. 9) - Consensus Caseload Estimates	Concur.	(2,054,464)	(3,368,220)	(4,878,069)	12,633,951
KLRD Memo Item B - Senate Sub. for H.B. 2792 - Donated Dental Services Program Administration	Concur.	0	0	42,575	42,575
Subcommittee - Agency Request for Modified AFDC Proviso	Concur.	0	0	0	0
Subcommittee - Proviso to Authorize Transfer of Long Term Care Programs	Concur.	0	0	0	0
GBA Item 10 (p. 6) - Medicaid Management Information System Expenditure Shift	Concur.	(929,852)	(8,344,717)	929,852	8,344,717
GBA Item 11 (p. 7) - MMIS Enhancement	Concur.	0	0	125,000	1,250,000
GBA Item 12 (p. 7) - Federal Urban Enterprise Grant	Concur.	0	788,000	0	255,294

8-6

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGE	All Funds	SGE	All Funds
<b>Social and Rehabilitation Services (p. 10-11)</b>					
GBA Item 13 (p. 7) - AmeriCorps Grant	Concur.	0	5,024	0	178,476
GBA Item 14 (p. 8) - Head Start Collaboration Grant	Concur.	0	0	0	100,000
GBA Item 15 (p. 8) - Shift of Federal Victim of Crime Grants to Attorney General	Concur.	0	0	0	(862,000)
GBA Item 17 (p. 9) - Management Information System for Families and Children Services Program	Concur.	499,056	1,544,224	0	0
GBA Item 18 (p. 10) - Americare Lawsuit	Concur.	3,133,048	4,303,362	0	0
<b>Legislature (p. 12-13)</b>					
KLRD Memo Item A - Change in Legislative Subsistence Allowance	Fund within approved budget.	0	0	0	0
KLRD Memo Item B - H.B. 2536 – Kansas Compensation Commission	Fund within approved budget.	0	0	0	0
KLRD Memo Item C - H. Sub. for S.B. 383 – House Omnibus KPERS Bill	No action, review next year.	0	0	0	0
KLRD Memo Item D - S. Sub. for H.B. 2041 – Natural Gas Gathering Task Force	Proviso to pay from Legislature's budget.	0	0	0	0
<b>Legislative Coordinating Council (p. 13)</b>					
KLRD Memo Item A - H.B. 2600 – Retail Wheeling Task Force	Proviso to pay from Legislature's budget.	0	0	0	0

8-7

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Selected Agencies</b>					
GBA Item 36 (p. 19) - FTE Position Reductions (243.0 FTE)	Concur.	0	0	0	0
GBA Item 37 (p. 19) - Retirement Reductions (144.5 FTE)	Concur.	(368,988)	(1,469,597)	(704,389)	(3,825,359)
<b>Department of Corrections (p. 13-14)</b>					
KLRD Memo Item A - Community Corrections Funding Allocations	Concur with Governor's original recommendation.	0	0	0	0
KLRD Memo Item B and GBA Items 1, 2, 3, 8, and 9 (p. 3-6) Capacity Expansion Plan	Concur.	(155,000)	(155,000)	(106,135)	189,017
KLRD Memo Item C - and GBA Item 6 (p. 4) - Construction of Industries Building	Concur.	0	0	750,000	750,000
GBA Item 4 (p. 4) - Authorization to Construct Entrance Building at HCF	Concur.	0	0	0	0
GBA Item 5 (p. 4) - Conversion of Kitchen	Do not concur.	0	0	0	0
GBA Item 7 (p. 5) - Transfer Power and Sewer Plant	Concur (power plant already done).	0	0	53,990	53,990
<b>Kansas Sentencing Commission (p. 15)</b>					
KLRD Memo Item A - Funding for Criminal Justice Information System	Shift \$410,000 from SGF to Asset Forfeiture Fund - KHP; shift all to FY 1996.	0	1,655,000	0	0



8-8

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>State Treasurer</b> (p. 15)					
KLRD Memo Item A - PMIB Investment Analyst	Defer.	0	0	0	0
KLRD Memo Item B - S.B. 450 – Docking Vault Closed	Delete 1.0 FTE (OA III) effective Jan. 1, 1997.	0	0	(11,847)	(11,847)
<b>Department of Administration</b> (p. 15-18)					
KLRD Memo Item A - Memorial Hall Renovation Bonds	Authorize bonds – defer amount to Building Committee.	0	0	0	0
KLRD Memo Item B - Public Broadcasting Council Portable Satellite Radio Uplink	Do not fund.	0	0	0	0
KLRD Memo Item C - Insurance for State Buildings	Coverage within current funding.	0	0	0	0
KLRD Memo Item D - S.B. 102 – Kansas Performance Review Board	Do not fund.	0	0	0	0
KLRD Memo Item E - S.B. 492 – Overtime Issues	If enacted, provide funding.	0	0	240,670	504,518
GBA Item 49 (p. 25) - Adjust Expenditures to Reflect Approved Project	Already done.	0	0	0	0
GBA Item 50 (p. 26) - Energy Conservation Revenue Transfer (Miscellaneous agencies)	Concur.	0	0	(32,852)	(32,852)
GBA Item 51 (p. 26) - Architectural Services Recovery Fund Expenditure Limit Increase (Nonreportable)	Concur.	0	0	0	0

6-8

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Department of Administration (p. 15-18)</b>					
GBA Item 52 (p. 27) - Wyandotte Co. and K.C., KS Consolidation Study	Concur.	0	0	0	150,000
<b>Board of Indigents' Defense Services (p. 18)</b>					
KLRD Memo Item A - GBA Item 62 (p. 31) - Transfer of Line-Item SGF Funding.	Concur.	0	0	0	0
KLRD Memo Item B - H.B. 2331 - Defense of "Mental Disease or Defect Excluding Criminal Responsibility"	Do not fund.	0	0	0	0
<b>Judicial Branch (p. 18-19)</b>					
KLRD Memo Item A - Judicial Center Carpeting	Replace hallway carpeting.	0	0	60,000	60,000
KLRD Memo Item B - H.B. 3033 - Establishes New Funds	Appropriate no-limit funds.	0	0	0	0
<b>Kansas Bureau of Investigation (p. 19-20)</b>					
KLRD Memo Item A - Laboratory AC and Ventilation	Fund capital improv. project from the Asset Forfeiture Fund - KHP; shift to FY 96.	0	46,300	0	0
KLRD Memo Item B - Lease or Purchase of Great Bend Building	Concur.	0	0	0	0

8-10

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGE	All Funds	SGE	All Funds
<b>Kansas Bureau of Investigation (p.19-20)</b>					
KLRD Memo Item C - S.B. 495 and S.B. 410 – Tribal Gaming Background Checks	Do not add FTE.	0	0	0	0
KLRD Memo Item D - S. Sub. for H.B. 2603 – 1.0 FTE (and OOE) for .02 Blood Alcohol Level for Minors	Do not add funding for equipment.	0	0	0	0
<b>Department of Commerce and Housing (p. 20-21)</b>					
KLRD Memo Item A and GBA Item 39 (p. 20) - H.B. 3040 – Transfer of Voc-Ed Instruction Equipment Aid	Adopt GBA.	0	0	0	250,000
KLRD Memo Item B and GBA Item 40 (p. 21) - Sub. S.B. 507 – Creates Agriculture Products Development Div.	Adopt GBA.	0	0	0	306,506
KLRD Memo Item C - Technical Adjustment - Proviso Authorizing Fee Collection	Add proviso.	0	0	0	0
GBA Item 41 (p. 22) - State Gaming Agency	Concur.	0	145,976	0	0
Subcommittee - Treasures of the Czar Repayment - Shift \$250,000 KEIOF to EDIF.	Concur.	0	0	0	0
<b>Kansas Technology Enterprise Corporation</b>					
KLRD Memo Item A and GBA Item 39 (p. 20) - H.B. 3040 – Transfer of Voc-Ed Instruction Equipment Aid	Adopt GBA.	0	0	0	(250,000)
KLRD Memo Item B and GBA Item 40 (p. 21) - Sub. S.B. 507 – Transfer of Industrial Agriculture	Adopt GBA.	0	0	0	(306,506)



8-11

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Department of Human Resources (p. 21-22)</b>					
KLRD Memo Item A - JCCT Recommendation - One-Stop	Adopt JCCT rec. and proviso.	0	0	0	500,000
KLRD Memo Item B - H.B. 2883 – Neighborhood Improvement and Youth Employment Act	Proviso for FY 1996 and reappropriate SGF for FY 1997.	(71,259)	(71,259)	71,259	71,259
KLRD Memo Item C - Sub. H.B. 2986 – Collection of Attorney Fees	Change fund to no limit.	0	0	0	0
KLRD Memo Item D - S.B. 649 – Worker's Compensation Mediation Conference	Reduce FTE limit by 4.0 and reduce limit of fee fund.	0	0	0	(105,803)
KLRD Memo Item E - Sub. H.B. 2660 – Private Employment Agencies	Do not concur.	0	0	0	0
GBA Item 35 (p. 18) - Unemployment Insurance Benefits	Adopt GBA.	0	(40,000,000)	0	(41,000,000)
<b>Behavioral Sciences Regulatory Board (p. 22)</b>					
KLRD Memo Item A - Computer System Upgrade	Concur and increase fee fund limit.	0	0	0	4,200

21-8

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGE	All Funds	SGE	All Funds
<b>Kansas Inc.</b>					
GBA Item 48 (p. 25) - Revised Funding Structure	Concur. The GBA eliminates all private funding and adds \$27,525 (EDIF) to fund state operations, for a net reduction of \$113,468.	0	0	0	(113,468)
<b>Mental Health Hospitals - Systemwide (p. 22-23)</b>					
KLRD Memo Item A - Teacher Salary Increases	2.0% increase.	0	0	68,364	68,364
KLRD Memo Item B - Categorical Aid Adjustment	Do not fund.	0	0	0	0
<b>Kansas Human Rights Commission (p. 24)</b>					
KLRD Memo Item A - Technical Adjustment	Concur.	0	0	0	0
KLRD Memo Item B and GBA Item 46 (p.24) - Federal Funds Shortfall	Make reduction to adopt GBA position.	0	0	(20,592)	(20,592)
<b>Board of Cosmetology (p. 24)</b>					
KLRD Memo Item A - H.B. 2916.- Tattooing and Body Piercing Licensure	Do not concur.	0	0	0	0
GBA Item 69 (p. 34) - Increased Examination Fees	Concur.	0	0	0	8,400

8-13

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>State Bank Commissioner</b> (p. 24)					
KLRD Memo Item A - S.B. 95 – Payment of Claim	Do not concur.	0	0	0	0
GBA Item 53 (p. 27) - Position Transfer to Consumer Credit Commissioner (1.0 FTE)	Concur.	0	0	0	(33,731)
<b>Kansas Commission on Veterans Affairs</b> (p. 24)					
KLRD Memo Item A - Technical Item - Commission Office	Concur.	0	0	0	0
KLRD Memo Item B - Technical Item - Soldiers' Home	Concur.	0	0	0	0
<b>Consumer Credit Commissioner</b>					
GBA Item 53 (p. 27) - Transfer Position from Bank Commissioner (1.0 FTE)	Concur.	0	0	0	35,882
<b>Department of Credit Unions</b>					
GBA Item 54 (p. 28) - Increased Communications	Concur.	0	0	0	2,000
<b>Board of Barbering</b>					
GBA Item 56 (p. 29) - Increased Meetings and Examination Fees	Concur.	0	3,165	0	0
GBA Item 57 (p. 29) - Salary Increase for Admin. Officer	Concur.	0	0	0	1,105



## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

8-14  
8

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Secretary of State (p. 24-26)</b>					
KLRD Memo Item A and GBA #4 - H.B. 2079 – National Voter Registration Act	Adopt GBA.	695,000	695,000	0	0
KLRD Memo Item B - H.B. 3081 – Kansas Athlete Agent Act	Add funding less than agency estimate.	0	0	25,000	25,000
KLRD Memo Item C - Senate Sub. for House Sub. for H.B. 3000 – Ethics and Campaign Finance Reform	Defer.	0	0	0	0
<b>Comm. on Governmental Standards and Conduct (p. 26)</b>					
KLRD Memo Item A - Auditor Position	Defer - \$33,738 SGF.	0	0	0	0
<b>Kansas Dental Board (p. 26)</b>					
KLRD Memo Item A - H.B. 2813 – License Renewal Procedures	Concur.	0	0	0	(21,049)
<b>Mental Retardation Hospitals - Systemwide (p. 26-27)</b>					
KLRD Memo Item A - Teacher Salary Increases	2.0% Increase.	0	0	38,868	38,868
KLRD Memo Item B - Categorical Aid Adjustment	Do not fund.	0	0	0	0

# House Subcommittee Recommendations

## KLRD Memo and Governor's Budget Amendment No. 6

8-15

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Kansas Neurological Institute (p. 28)</b>					
KLRD Memo Item A and GBA Item 20 (p. 11) - Raze Eight Buildings	Concur.	0	0	0	0
<b>Winfield State Hospital</b>					
GBA Item 7 (p. 5) - Transfer Power and Sewer Plant	Concur (power plant already done).	0	0	(53,990)	(53,990)
<b>State Library</b>					
GBA Item 61 (p. 31) - Technical Adjustment to Salaries	Concur.	0	0	1,452	1,452
<b>Department of Education (p. 28-30)</b>					
KLRD Memo Item A and GBA Item 43 (p. 23) - Revised School Finance Estimates	Shift \$1.3 million of Gov. Rec. to FY 96 from FY 97. Reappropriate savings to FY 97.	(152,000)	(152,000)	2,244,000	2,244,000
GBA Item 43 (p. 23) - Revised School Finance - Capital Improvement State Aid	Concur with GBA.	(400,000)	(400,000)	0	0
KLRD Memo Item B and GBA Item 44 (p. 23) - H.B. 2967 - Fort Riley and Juvenile Detention Facilities	Adopt GBA.	0	0	1,943,394	1,943,394
KLRD Memo Item C - S.B. 325 - Tuition Waivers for Public Safety Dependents	Do not fund, but add proviso to consider as supplemental.	0	0	0	0

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Attorney General (p. 30-33)</b>					
KLRD Memo Item A - Parity Increases for Unclassified Attorneys	Do not fund.	0	0	0	0
KLRD Memo Item B - S.B. 704, H.B. 2690, and S.B. 628 – New Position for Consumer Protection Division	Do not add.	0	0	0	0
KLRD Memo Item C - H.B. 2402 – New Fund for Child Visitation Centers	Approve new no-limit fund.	0	0	0	0
KLRD Memo Item D - H.B. 2012 – Start Up Costs for Court Debt Collection	Approve for 1.0 FTE and add proviso to reimburse SGF from debts collected.	0	0	30,000	51,014
KLRD Memo Item E - H.B. 2700 – New Positions for Medicaid Fraud Control	Fund 4.0 FTE and add proviso to reimburse SGF from money recovered.	0	0	29,082	29,082
GBA Item 15 (p. 8) - Shift of Federal Victims of Crime Grants from SRS	Concur.	0	0	0	862,000
<b>Kansas Corporation Commission</b>					
GBA Item 63 (p. 31) - S.B. 755 – Well Plugging	Concur with GBA, but only \$1,049,782 from all other funds – \$150,218 less.	0	0	400,000	1,449,782



# House Subcommittee Recommendations

## KLRD Memo and Governor's Budget Amendment No. 6

8-17

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Board of Regents (p. 33-34)</b>					
KLRD Memo Item A - S.B. 215 – ROTC Scholarships	Fund fully at KU, KSU PSU and Washburn.	0	0	40,699	40,699
KLRD Memo Item B - S.B. 404 – Distinguished Scholarship Program	Shift funding to Board of Regents.	0	0	0	0
KLRD Memo Item C - S.B. 325 – Tuition Waivers - Dependents of Public Safety Officers	Establish new line item with \$0 limit.	0	0	0	0
<b>Adjutant General (p. 34)</b>					
KLRD Memo Item A - Iola Armory - New Addition	Recommend multi-year appropriation.	0	0	100,000	100,000
GBA Item 65 (p. 32) - Civil Air Patrol Lease	Concur.	0	0	11,585	11,585
GBA Item 66 (p. 33) - Armory Utilities	Concur.	104,121	104,121	0	0
<b>State Fair</b>					
GBA Item 68 (p. 34) - Roof Repair	Defer to Building Committee.	0	0	0	0
<b>Department of Wildlife and Parks</b>					
GBA Item 71 (p. 35) - Tracked Backhoe	Do not fund.	0	0	0	0
Subcommittee - Proviso on Roads at Cedar Bluff	Include proviso.	0	0	0	0

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGE	All Funds	SGE	All Funds
<b>Department of Wildlife and Parks</b>					
Subcommittee - Proviso Regarding Controlled Shooting Areas	Include proviso.				
<b>Kansas Highway Patrol (p. 34-35)</b>					
KLRD Memo Item A and GBA Item 58 (p. 29) - S.B. 662; H.B. 2667 – Additional Fee Receipts for Patrol Cars	Adopt GBA.	0	0	0	1,161,000
GBA Item 59 (p. 30) - Two Bay Addition in Topeka	Defer to Building Committee.	0	0	0	0
GBA Item 60 (p. 30) - Freight Elevator in Salina	Defer to Building Committee.	0	0	0	0
<b>Kansas Racing Commission (p. 35)</b>					
KLRD Memo Item A and GBA Item 41 (p. 21)- S.B. 410 – Budget for State Gaming Agency (add 5.0 FTE)	Adopt GBA.	0	0	0	1,186,941
GBA Item 42 (p. 22) - Director of Racing Position	Absorb salary within expenditure limit.	0	0	0	0
<b>State Gaming Revenues Fund (p. 35-36)</b>					
KLRD Memo Item A - Revised Revenue Estimates	No action.	0	0	0	0

61-8-19

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGE	All Funds	SGE	All Funds
<b>Kansas Lottery</b>					
GBA Item 38 (p. 20) - Increased Prize Payments in FY 1996 and FY 1997	No action.	0	0	0	0
<b>State Historical Society (p. 36-37)</b>					
KLRD Memo Item A - S.B. 370 – Capital Improvement Project for Restoration of Adair Cabin	(a) Concur, include proviso to shift site operation to local.	(10,555)	(10,555)	10,555	65,555
	(b) Delete moneys that were approved in S.B. 95 for operating Adair Cabin.	0	0	0	(13,740)
GBA Item 64 (p. 32) - Capital Improvement for Adair Cabin	Do not concur. (See Above)	0	0	0	0
<b>Insurance Department</b>					
GBA Item 47 (p. 24) - Appropriate New Training Fund	Concur, but change proviso.	0	0	0	0
<b>Emergency Medical Services Board</b>					
GBA Item 67 (p. 33) - Telephone Expenses for 800 MHZ Communication System	Concur.	0	0	7,000	7,000



8-20

## House Subcommittee Recommendations

### KLRD Memo and Governor's Budget Amendment No. 6

Item	Subcommittee Recommendation	FY 1996		FY 1997	
		SGF	All Funds	SGF	All Funds
<b>Department of Health and Environment (p. 37-38)</b>					
KLRD Memo Item A - S.B. 399 – New Grants for Waste Tire Management	Concur.	0	0	0	475,000
KLRD Memo Item B - S. Sub. for H.B. 2603 – 0.5 FTE for Breath Alcohol Equipment Monitoring	Do not concur.	0	0	0	0
KLRD Memo Item C - H.B. 2955 – New Fund for Environmental Regulatory Publications	Concur.	0	0	0	30,000
KLRD Memo Item D - S.B. 536 – Cancer Risk Study for Abortion	Do not concur.	0	0	0	0
GBA Item 21 (p. 11) - Medicaid and Medicare Funding Shift	Concur.	0	0	0	0
GBA Item 22 (p. 11) - Insurance Statistical Plan Reductions	Concur.	0	(236,172)	0	(195,513)
GBA Item 23 (p. 11) - Operation Immunize	Concur.	(500,000)	(500,000)	250,000	250,000
GBA Item 24 (p. 12) - Federal Fund Changes	Concur.	0	51,000	0	505,286
GBA Item 25 (p. 13) - Proviso on Dry Cleaning Trust Fund Salaries	Concur.	0	0	0	(41,597)
<b>Total Expenditures</b>		<b>(979,849)</b>	<b>(44,604,014)</b>	<b>1,631,213</b>	<b>(413,557)</b>

may be Omnibus.

### **Donated Dental Services (DDS)**

*A humanitarian dental care program proposed by the Kansas Dental Association*

**Many disabled, elderly, and medically-compromised people in Kansas cannot afford essential dental care.**

- Medicare provides no dental benefits.
- The State Medicaid program includes dental care for children; however, coverage is not extended to adults.
- Most public health clinics do not have dental departments, and those that do generally have exceedingly long waiting lists.

**The Kansas Dental Association (KDA), in association with the National Foundation of Dentistry for the Handicapped, proposes to ameliorate the problem by organizing a Donated Dental Services (DDS) program.**

- Approximately 140 dentists (12% of the 1,170 KDA members) and 25 dental laboratories are expected to volunteer, initially.
- They will provide needy disabled, aged, and medically-compromised individuals comprehensive dental care, free. The average case will involve treatment worth more than \$1,200. Approximately 80 people will complete treatment during the first year. As the project grows and matures, more than 150 individuals will be helped annually.
- The volunteer dentists will treat DDS patients in their respective offices. The program avoids the overhead of establishing and operating special clinics, the dentists can be more efficient, and most patients can be referred to local volunteers.
- A half-time referral coordinator will be needed to staff the program. S/he will determine eligibility of applicants, match patients with dentists, and track cases through completion of treatment.

**\$42,575 is requested from the State of Kansas for program operating costs.**

- A budget detailing operating costs is provided on the reverse side.
- *The proposed \$42,575 "investment" will return about \$100,000 in free dental care during the first year. That \$2.35-to-\$1.00 ratio will improve in subsequent years to \$5-to-\$1, or more.*
- The service projections are realistic, not speculative, as they are based on DDS project statistics from fifteen states; AK, CA (central valley), CO, IL, IN, LA, MD, MI, MS, NJ, OH (Cincinnati), OR, PA (Philadelphia), RI, and WY. Among the states, the average treatment value to operating cost ratio is \$5 / \$1, and in the most productive projects it exceeds \$7 / \$1.
- More than 5,000 dentists and 750 dental laboratories have provided \$14 million of treatment to 18,000 people.

4-19-96

House Appropriations

Attachment  
9

**OPERATING COSTS, First Year**

<u>Amount</u>	<u>Line Item</u>	<u>Detail</u>
\$17,000	Personnel	12,500 salary for a half-time referral coordinator 2,800 benefits (health and disability insurance) 1,700 taxes (social security, unemployment, workers comp)
5,000	Laboratory Services	More than 1/3rd of the DDS patients are expected to need fixed or removable prostheses. The fabrication of many will be donated by participating dental laboratories; however, the need for laboratory support will exceed what volunteer labs can reasonably provide. Funds are therefore budgeted to reimburse dentists, as necessary, for laboratory bills.
5,000	Technical Support	DDS is a licensed program of the National Foundation of Dentistry for the Handicapped (NFDH). The Foundation provides technical and administrative support to the projects. Initial training and ongoing guidance is provided for the referral coordinator. The Foundation also advises and assists with all aspects of establishing and operating the program. First year costs are higher than expected for subsequent years because of the initial start-up and training.
3,000	Equipment	1,700 Computer and printer 1,000 Desk, chair, file cabinet, and bookcase for coordinator 300 Telephone equipment
2,400	Rent	\$200/month for a referral coordinator's office
2,000	Telephone	Local service, an intra-state WATS line, and some out-state long distance charges.
2,000	Travel	The referral coordinator will be trained for 3 days at the NFDH office in Denver. Several months later, a trainer from the Foundation will travel to Kansas for 3 days of follow-up training. Each trip is budgeted at \$800. Another \$400 is included for the coordinator's local travel.
2,000	Volunteer Recognition	Each volunteer dentist and laboratory will be given a plaque, pictured in the brochure, acknowledging their involvement. Annual participation tabs, which can be affixed to the plaques, will also be distributed. The unit cost of the plaques is \$16. Approximately 125 will be distributed the first year.
1,200	Printing/Copying	Letters and postcards to recruit volunteers, DDS brochures to inform potential referral agencies about the project, project stationery and envelopes, application forms, etc.
1,200	Postage	Money to distribute above materials
800	Office Supplies	Computer, filing, and other general supplies
500	Software	The NFDH will donate the DDS software; however, upgrades on related programs will be needed.
300	Insurance	Share of general liability insurance
<u>175</u>	Audit	Cost to audit annual financial report.
\$42,575		



## Residents of Kansas Referred to Volunteer Dentists

### Ms. Bonnie Bastson

Ms. Bastson is a 56 year-old widow living in El Dorado. Her husband died in '84, and she had laryngeal cancer in '91 that was treated with radiation therapy. She is disabled by carpal-tunnel syndrome affecting both hands. Surgery to correct the problem was unsuccessful, and she has been unable to work since '93. She was previously employed by the Kansas Department of Corrections, and Pioneer Balloon. She receives Social Security Disability Income, and Supplemental Security Income payments totaling \$450 monthly. She owns her mobile home and a '74 GMC pickup truck but pays \$100/month rent on the trailer space. Her utilities average about \$125/month.

According to her physician, Dr. Diane Nightengale, Ms. Bastson has "terrible dental problems, and urgently needs care." She apparently has 7 upper and 4 lower teeth, all of which are severely decayed. Several are chronically painful. Dr. Jess Plummer of El Dorado has agreed to treat Ms. Bastson, free, since she cannot personally afford extensive care. While covered by Medicaid, that program in Kansas doesn't extend dental benefits to adult recipients.

### Kevin Burr

Kevin is nine years old. He lives with his parents in Arkansas City. Kevin has neurofibromatosis, a condition characterized by multiple tumors involving the skin, bone and nervous system. It is generally a benign but disfiguring disease. Some of the tumors in Kevin's mouth have created the need for oral surgical procedures followed by orthodontic care.

Kevin's father works as a janitor in a local high school. He had been employed at a packing plant; however, it closed about three years ago. His annual salary is about \$15,000. The family doesn't have any savings or investments. Their major monthly expenses include \$176 mortgage payment, \$325 for utilities, and \$100 on a loan for an '86 Plymouth Colt. The family has health insurance, but it doesn't cover dental care. They expect to pay for much of Kevin's extensive dental treatment; however, they know they won't have enough to pay for orthodontic care. A volunteer orthodontist will be sought to provide free treatment for Kevin after he heals from the prerequisite oral surgical procedures.

Mr. J. Ed Brown

Mr. Brown is a 47 year-old gentleman living in Pittsburg. He is being treated for schizophrenia and about a year ago he suffered a stroke. His wife is also mentally ill. They are being helped by Supported Employment Service, a component of Southeast Kansas Mental Health, and Community Mental Health of Crawford County. They receive \$705 monthly from Social Security (SSI). Their major monthly expenses include \$229 for rent, \$105 payment on a bank loan, and \$99.21 payment for furniture.

Mr. Brown has extensive periodontal disease that has created extreme mobility of many teeth. He has personally extracted about six teeth when they become sufficiently loose. He is covered by Medicaid but, as noted above, dental benefits are not extended to adult recipients in Kansas. Mr. Dan Hallacy, his counsellor with Supported Employment Service, is hopeful that if Mr. Brown obtains long-needed and extensive dental treatment, prospects for employment could improve significantly. Dr. Marvin Clothier of Pittsburg has agreed to provide necessary treatment for Mr. Brown, free, following compliance with necessary preventive dental health care.

Tabitha Lasiter

Tabitha is a 13 year-old child. She lives in Wichita with her mother and younger brother. Mrs. Lasiter is a widow, and she is raising her family on monthly Social Security Survivors' Benefits of \$1,419. Tabitha attends a class for trainable mentally handicapped children at Wilber Middle School since she is developmentally disabled and visually impaired. She has petit-mal seizures and symptoms of cerebral palsy.

She is prone to falling, and fractured two upper front teeth during such an incident. She also had several decayed teeth. Tabitha was referred to Dr. Stephen Moore, a pediatric dentist in Wichita, and Dr. Hoanh Le. They donated needed treatment since the family could not afford the veneer crowns to restore her front teeth. Mrs. Lasiter had an operation a few years ago and has a related \$20,000 debt. She also has a \$550 monthly mortgage payment and average monthly utility expenses of about \$250. The family owns a 1981 Camero.

Neither the family, nor Tabitha, qualify for Medicaid. The amount of their Survivors Benefit, and the value of other assets, including their car and the equity in their home, place them over the financial ceiling for eligibility. Realistically, Tabitha's only chance to get the involved treatment that was needed was for it to be donated.

Information About Donated Dental Services (DDS)  
From  
Ted Strickland, NCSL President, 1987-88



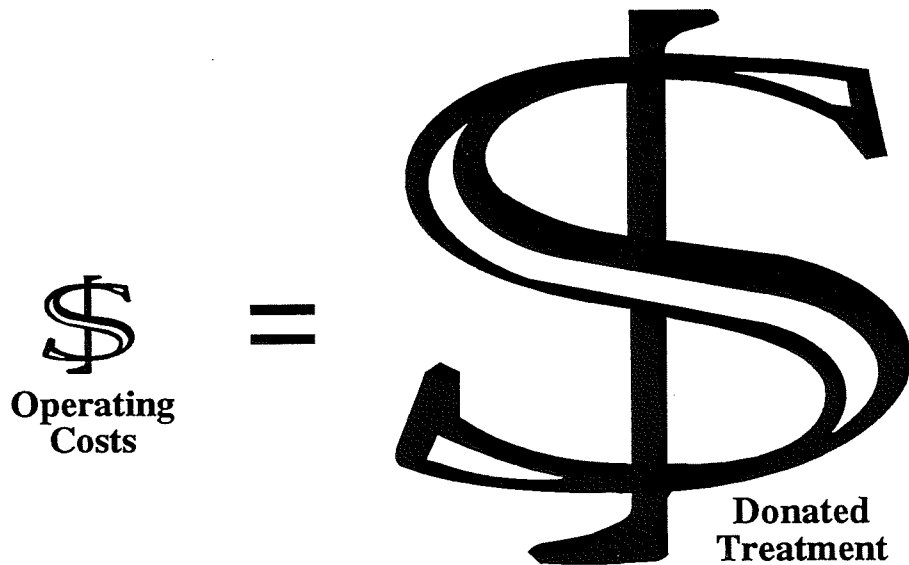
Seriously decayed teeth, abscesses, and other dental infections are a source of chronic pain, illness, and dysfunction for frail elderly individuals, and people disabled by mental, physical, and medical limitations. Through no fault of their own, they are unable to afford care, and the government health care financing programs on which many depend have limited, if any, dental coverage. Medicare, for example, doesn't pay for any dental procedures, and most state Medicaid programs limit reasonably comprehensive care to children. In my state of Colorado, for example, only emergency extractions are covered through Medicaid for adults.

Like other difficult issues challenging legislators, this one defies an easy answer. However, the National Foundation of Dentistry for the Handicapped, a charitable affiliate of the American Dental Association, has developed the Donated Dental Services (DDS) program as a way to help ameliorate the problem. Through DDS, volunteer dentists provide comprehensive dental care, free, for needy disabled, aged, and medically-compromised individuals. DDS has been organized in fourteen states. More than 5,000 volunteer dentists and 600 dental laboratories are involved. Referring again to my state, the 750 participating Colorado dentists have provided 5,000 people with more than \$5 million of dental care.

DDS functions without costly and complex bureaucracy. Simplicity is one of its strengths. The program avoids the overhead of operating special clinics and personnel. Patients are treated in the volunteers' offices and are generally referred to geographically convenient dentists. Each state DDS project is staffed by a referral coordinator, contracted by the state through the Foundation, who links qualifying patients with the volunteer dentists. The projects DO NOT add new state programs or employees.

(over)

Operating costs range from \$65,000 to \$75,000 in moderately populated states, and the value of donated treatment generally exceeds \$350,000. Among the 14 DDS projects, each \$1 in operating costs yields an average of \$5.65 in donated treatment. The ratio is even greater considering that the dental treatment has prevented many costly Medicaid-reimbursable emergency medical procedures.



Because public funds are only used to defray program coordination costs, DDS offers government an affordable option for providing essential dental care to particularly deserving and challenged people.

Please feel free to contact me at 303/426-7676, or Dr. Larry Coffee at the NFDH office (1-800-366-3331) if you would like to discuss the possible development of a DDS project in your state.



# Memorandum

**TO:** House Committee on Appropriations  
**FROM:** James A. Wilson, First Assistant Revisor  
**DATE:** April 19, 1996  
**SUBJECT:** Bills Resolving Conflicting Amendments to Statutes

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The following bills have been prepared by the Revisor's staff to reconcile conflicting amendments to Kansas statutes enacted by different bills during the 1994, 1995 or 1996 sessions or are recommended as technical or "cleanup" bills that correct matters or are required technically to effectuate other bills enacted by the legislature this session. The circumstances of each are set forth below.

The practice has been to introduce these bills and to refer them directly to the Committee of the Whole for action.

- 5 RS 2578      Engineering and land surveying services. This bill reconciles the amendments to K.S.A. 75-5804, relating to negotiating committees to procure such services, enacted by 1996 HB 2680 and 1996 HB 2727.  
Drafter: Bruce Kinzie
- 5 RS 2579      Behavioral sciences regulatory board. This bill corrects four internal cross-references to subsections in three statutes amended in 1996 HB 2692.  
Drafter: Norman Furse
- 5 RS 2582      Kansas automobile injury reparations act. This bill reconciles the amendments to K.S.A. 1995 Supp. 40-3104 enacted by 1996 HB 2691, enhanced penalties for violation of financial security requirements, and 1996 Substitute for HB 2652, which concerned self-insurers.  
Drafter: Fred Carman
- 5 RS 2583      Dispute resolution act. This bill reconciles the amendments to K.S.A. 1995 Supp. 5-512, relating to confidentiality of mediation procedures by repealing the version enacted by 1996 SB 584, relating to confidentiality of mediation procedures, because the policy change was included in the amendment enacted by 1996 HB 3034, which made amendments to the dispute resolution act.  
Drafter: Jill Wolters

- 5 RS 2584 Transfer of powers from SRS to the Juvenile Justice Authority. This bill repeals an identical amendment to K.S.A. 1995 Supp. 5-512, enacted in 1996 HB 2900. The same amendment was enacted in 1996 HB 2754.  
Drafter: Jill Wolters
- 5 RS 2786 Kansas civil service act. This bill repeals K.S.A. 1995 Supp. 75-2935e, enacted by 1995 HB 2458, relating to developmental disabilities. This statute was made unnecessary by the amendment to K.S.A. 1995 Supp. 75-2935 enacted by 1995 SB 176, relating to statutory changes for purposes of SHaRP.  
Drafter: Jim Wilson
- 5 RS 2787 SRS, references to the division of mental health and developmental disabilities. This bill reconciles the amendments to K.S.A. 1995 Supp. 76-12a08 enacted by 1995 SB 343, appropriations for SRS, and 1995 HB 2458, relating to developmental disabilities. The version published as K.S.A. 1995 Supp. 76-12a08a is being repealed by this bill.  
Drafter: Jim Wilson
- 5 RS 2589 Neighborhood and youth employment act. This act expired on December 31, 1995. This session, HB 2883 was enacted and approved by the governor to continue this act with some modifications. HB 2883 amended only three of the nine sections of this act as of July 1, 1996. This leaves a six-month gap in the law, including authority to make the grants from existing appropriations. This bill revives the other six statutes and moves the effective date to continue the act, in accordance with the HB 2883 policies, up to publication Kansas Register.  
Drafter: Bob Nugent
- 5 RS 2585 Criminal procedure. Reconciles amendments to K.S.A. 22-3428 by 1996 SB 469 and 1996 HB 2774. The amendments relate to supervision of persons found not guilty by reason of mental state who are conditionally released and terminology changes consistent with the enactment of the care and treatment act for mentally ill persons.  
Drafter: Gordon Self
- 5 RS 2590 Criminal procedure. Reconciles amendments to K.S.A. 22-2512 by 1994 SB 551, which resolved other conflicts, and 1994 HB 2411, which concerned civil forfeiture of property seized by authorities. The bill also repeals K.S.A. 22-2512a.  
Drafter: Gordon Self

04/19/96

Issues Relating to Senate Bill 476

- A. Structure of Pooled Money Investment Board
1. Options for Location of PMIB
    - a. Treasurer's office (status quo)
    - b. Department of Administration (subcommittee report)
    - c. Free standing agency
    - d. Other
  2. Options for investment authority
    - a. State Treasurer (status quo)
    - b. Director of Investments (subcommittee report)
    - c. Pooled Money Investment Board
    - d. Other
  3. Options for Chairperson of PMIB
    - a. State Treasurer (status quo)
    - b. Elected by PMIB (subcommittee report)
    - c. Appointed by Governor
    - d. Other
  4. Options for Membership of PMIB
    - a. Five members, Treasurer and four Governor's appointees (status quo)
    - b. Seven members, Treasurer, four Governor's appointees, Director of Accounts, representative of municipalities (subcommittee report)
    - c. Other
  5. Options for Qualifications of PMIB members
    - a. "Ten years of direct work experience in the management of fixed income securities as an investment or trust officer for a financial institution, association or corporation."  
(status quo)
    - b. "Ten years direct work experience in the areas of finance, accounting, or management of investments, or have at least a baccalaureate degree from an accredited college or university and at least five years of direct work experience in the areas of finance, accounting or management of investments."  
(subcommittee report)
    - c. "Ten years experience or a college degree and five years experience in the areas of finance, accounting or management of investments."
    - d. Other
  6. Continuance of Municipal Investment Pool Advisory Committee

4-19-96

House Appropriations

Attachment  
11

B. Structure of Investment Pools

1. Unified or Separate Investment Pools
  - a. Unified pool combining state moneys and municipal moneys (SB 476 as passed by Senate)
  - b. Separate pools for state moneys and municipal moneys (subcommittee report)
  - c. Other
2. Administrative fees and "haircut"
  - a. State and municipal 0.25% (SB 476 as passed by Senate)
  - b. State at 0.10%, municipal at 0.25% (subcommittee report)
  - c. Other
3. MIP liquidity provision, \$20 million

C. Investment Issues (per subcommittee report)

1. Limitation of mortgage-backed securities.
2. Health Care Stabilization Fund excluded from MIP
3. Pool investment in commercial paper up to 270 days.
4. Banks allowed to pledge commercial paper as collateral for public deposits.

D. Other Issues

1. Supermajority for hiring/firing by PMIB?
2. Technical amendment regarding IRS arbitrage rules.
3. PMIB approval of rules and regulations
4. Limitation of length of investment terms
5. Sunset on MIP?
6. Sunset on PMIB?



## Subcommittee Report on S.B. 476 and S.B. 475

Your subcommittee on S.B. 476 met several times to consider the bill as passed by the Senate and various suggested amendments thereto. We heard from anyone who wanted to discuss the bill, including the State Treasurer and her staff, two other members of the Pooled Money Investment Board (PMIB), the Chief Attorney of the Department of Administration, and the Executive Director of the League of Kansas Municipalities.

### Proposed Changes to the Bill

A majority of the Subcommittee recommends the following changes to S.B. 476:

1. The provision of a combined investment of state moneys and municipal moneys is rejected in favor of maintaining two separate investment funds: one consisting only of state idle funds and a municipal investment pool which includes only moneys from municipalities as that term is defined in current law.
2. The provision assessing an administrative fee applied as a fixed annual percentage of the book value of the assets in the funds as set by the Board is retained, but the fee is apportioned at different rates: .10 percent to the state fund and .25 percent to the municipal investment pool. The fee covers administrative expenses with amounts not needed for expenses credited to the Municipal Investment Pool Fund to recoup the amount of losses known to the pool on July 1, 1996. After recoupment, fees in excess of expenses will be credited to the State General Fund.
3. To address potential liquidity needs of the municipal investment pool, \$20 million could be deposited in the pool with the prior approval of the State Finance Council. Deposits could be approved for not more than 90 days, subject to extension by additional votes of the Council.
4. Concerning investment issues,

investments in mortgage-backed securities would be prohibited in the future for both state and municipal funds, but current investments could be held to maturity;

investments in mortgaged-backed securities would be allowed for the Health Care Stabilization Fund investing under its own authority as provided in the bill; however, authority is removed for the Fund to invest in the municipal investment pool;

state moneys and municipal funds could be invested in commercial paper that does not exceed 270 days to maturity and which has received one of the two highest ratings by nationally recognized investment rating firms (not addressed by the subcommittee but a part of S.B. 476 as amended by the Senate Committee is the issue of a percentage limitation on investments in commercial paper); and

banks could pledge commercial paper as collateral for public deposits.

4-19-96

House Appropriations

Attachment  
12

Finally, on the subject of structure,

the PMIB would be moved to a Division of Investments created within the Department of Administration, headed by a director appointed by the PMIB, and staffed by current employees of the Board who would be transferred to the Division;

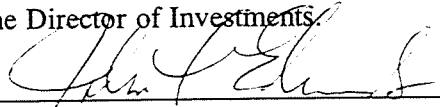
the authority to invest and reinvest moneys would be transferred from the State Treasurer to the Director of Investments, subject to policies adopted by the PMIB;

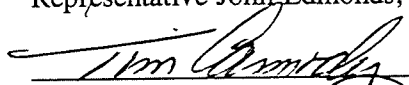
the Treasurer would continue as a member of the Board, but the chairperson would be elected annually;


the membership of the Board would be increased from 5 to 7 -- the current members would continue to the end of their terms and the Director of Accounts and Reports and a person appointed by the Governor from nominations submitted one each by the League of Kansas Municipalities, the Association of Counties, and the Kansas Association of School Boards would be added;

the qualifications of the appointed members would be changed to at least ten years direct work experience in the areas of finance, accounting, or management of investments, or have at least a baccalaureate degree from an accredited college or university and at least five years of direct work experience in the areas of finance, accounting or management of investments; and

the Municipal Investment Pool Advisory Committee would be continued but made advisory to the Director of Investments.

  
\_\_\_\_\_  
Representative John Edmonds, Chairperson

  
\_\_\_\_\_  
Representative Tim Carmody

  
\_\_\_\_\_  
Representative Dennis Wilson

\_\_\_\_\_  
Representative Sheila Hochhauser

\_\_\_\_\_  
Representative Rocky Nichols

## Summary of Balloon Amendments to SB 476

- Page 1: Provides a mechanism to amortize the \$20 million of MIP losses by an annual fee of up to .1% on state funds and .25% on MIP funds.
- Page 2: Technical amendment to assure that IRS arbitrage rules are not violated. Precludes state agencies from investing in the MIP's shortest term investment option.
- Page 5: Requires PMIB approval of (1) regulations regarding administration and operations of the MIP; and (2) agreements governing MIP accounts.
- Page 22: Allows Health Care Stabilization Fund moneys to be invested in (1) government securities including mortgage-backed securities; (2) repurchase agreements; (3) short-term, high grade commercial paper; or (4) the MIP.
- Page 29: Allows financial institutions to offer high grade commercial paper as collateral for state deposits in excess of FDIC limits.
- Page 31: (1) Prohibits the PMIB from investing in mortgage-backed securities, but provides for presently held mortgage-backed securities to be held to maturity; (2) provides the PMIB with the authority to invest in high grade short-term commercial paper to improve yields while minimizing market risk.
- Page 33: Provides statutory authority of the PMIB to include operating procedures in investment policies that will be carried out by the State Treasurer.
- Page 36: Broadens qualifications for appointments to PMIB.
- Page 37: Continues the PMIB's authority over the hiring and termination of unclassified investment officers and analysts rather than requiring the action of 4 of the 5 members.
- Page 43: Repeals the statute passed last year that provided for a MIP Advisory Committee.

SENATE BILL No. 476

By Committee on Financial Institutions and Insurance

1-17

12 AN ACT relating to public funds; amending K.S.A. 12-3724, 40-3406,  
13 44-712, 68-2321, 68-2324, 75-622, 75-4204, 75-4210a, 75-4253, 75-  
14 4254 and 76-818 and K.S.A. 1995 Supp. 12-1677a, ~~12-1677e~~; 40-3403,  
15 75-4201, 75-4202, 75-4209, 75-4212a, 75-4218, 75-4220, 75-4221a,  
16 75-4222, 75-4228, 75-4232, 75-4262, 75-4263 and 79-4804 and re-  
17 pealing the existing sections; also repealing K.S.A. 1995 Supp. 12-  
18 1677c and 75-4213.

12-1677e

19  
20 *Be it enacted by the Legislature of the State of Kansas:*

21 New Section 1. (a) Except as provided in subsection (d), all moneys  
22 in the state treasury shall be invested as a single portfolio which is hereby  
23 designated as the pooled money investment portfolio. The portfolio shall  
24 be invested in accordance with article 42 of chapter 75 of the Kansas  
25 Statutes Annotated, and amendments thereto. The pooled money invest-  
26 ment board *state treasurer* shall compute daily the earnings of the port-  
27 folio, including realized gains and losses. The *pooled money investment*  
28 board by written policy may provide for allocation of unrealized gains or  
29 losses. The board *state treasurer* shall deduct from earnings an admin-  
30 istrative fee which shall be set by the board and applied as a fixed ~~annual~~  
31 ~~percentage of the book value of the assets in the portfolio, calculated on~~  
32 ~~a daily basis. The annual administrative fee shall not exceed .25%.~~ The  
33 board *state treasurer* shall deposit the administrative fee in accordance  
34 with section 2. The gross earnings, after deduction of the administrative  
35 fee, shall be designated as the net earnings of the pooled money invest-  
36 ment portfolio.

calculate on a daily basis and shall

37 (b) A comparative investment performance review of the pooled  
38 money investment portfolio shall be contracted for periodically by the  
39 pooled money investment board. The costs of such review shall be paid  
40 from moneys appropriated to the state treasurer.

41 (c) The pooled money investment board shall contract for the services  
42 of an external investment advisor to provide advisory services concerning  
43 the investment policies and practices of the pooled money investment

percentage of moneys in the pooled money investment portfolio. The administrative fee shall not exceed .25% annually on moneys deposit in the municipal investment pool and .10% annually on other moneys in the pooled money investment portfolio.

13-2



1 portfolio. Such investment advisor shall not be the person or firm con-  
2 tracted with under subsection (b).

3 (d) The following moneys shall not be invested in the pooled money  
4 investment portfolio:

5 (1) Moneys in the employment security fund established by K.S.A.  
6 44-712, and amendments thereto, *shall not be invested in the pooled*  
7 *money investment portfolio* except as may be authorized by the sec-  
8 retary of human resources pursuant to subsection (e) of K.S.A. 44-712,  
9 and amendments thereto;

10 (2) moneys in the state highway fund; except that such moneys may  
11 be invested in the municipal investment pool if authorized by the secre-  
12 tary of transportation;

13 (3) moneys in the Kansas public employees retirement fund created  
14 by ~~K.S.A. 74-1091~~, and amendments thereto; except that such moneys  
15 may be invested in the municipal investment pool if authorized by the  
16 board of trustees; and

17 (4) moneys relating to bonds and bond funds of state agencies and  
18 authorities; except that such moneys may be invested in the municipal  
19 investment pool if authorized by the bond documents or bond covenants.

20 (e) *For moneys in funds designated in this subsection which are*  
21 *not invested in the municipal investment pool fund, the pooled*  
22 *money investment board shall prescribe by written policy for the*  
23 *crediting of interest to be paid on balances of such funds that are*  
24 *in the pooled money investment portfolio. At a minimum, the inter-*  
25 *est rate credited shall be equal to the lowest rate paid on investment*  
26 *options in the municipal investment pool fund. This subsection shall*  
27 *apply to the state highway fund and bond funds of state agencies*  
28 *and authorities.*

29 ~~New Sec. 2.~~ (a) The administrative fee authorized by section 1 shall  
30 be credited to the municipal investment pool fund.

31 (b) When amounts credited to the municipal investment pool fund  
32 pursuant to subsection (a) total an amount equal to the net losses in the  
33 municipal investment pool as of July 1, 1996, the entire administrative  
34 fee assessed thereafter shall be credited to the state general fund.

35 ~~New Sec. 2.~~ (a) *The administrative fee authorized by section 1*  
36 *shall be credited to the pooled money investment portfolio fee fund,*  
37 *which is hereby created.*

38 (b) *The state treasurer may deduct from the pooled money in-*  
39 *vestment portfolio fee fund amounts to pay expenses incurred in the*  
40 *administration of the pooled money investment portfolio. All ex-*  
41 *penditures from such fee fund for reimbursement of administrative*  
42 *expenses shall be made in accordance with appropriation acts pur-*  
43 *suant to vouchers of the state treasurer. The state treasurer shall*

(e) For moneys in funds designated in this subsection that are in the pooled money investment portfolio and which are not invested in the municipal investment pool, interest is to be paid on such moneys based on the average daily balance in the fund for each month and the net earnings rate of the pooled money investment portfolio for such month. This subsection shall apply to the state highway fund and funds for bonds and other debt instruments of state agencies and authorities.

(f) Moneys in funds designated in this subsection shall not be invested in investment options of the municipal investment pool fund for which the minimum term of such investment is less than 21 days. This subsection shall apply to state moneys, other than moneys of municipalities as described in subsection (a) of K.S.A. 1995 Supp. 12-1675 and amendments thereto.

B-4

1 (d) The state treasurer may assess reasonable charges not to exceed  
 2 1% of the interest earned against the fund for reimbursement of expenses  
 3 incurred in administering the fund. The state treasurer shall certify, pe-  
 4 riodically; the amount of the assessment and the director of accounts and  
 5 reports shall transfer the amount certified from the municipal investment  
 6 pool fund to the municipal investment pool fund fee fund; which is hereby  
 7 created. All expenditures from the municipal investment pool fund fee  
 8 fund shall be made in accordance with appropriation acts upon warrants  
 9 of the director of accounts and reports issued pursuant to vouchers ap-  
 10 proved by the state treasurer or a person or persons designated by the  
 11 state treasurer. Amounts of gains realized on disposition of investments  
 12 of the municipal investment pool fund shall be periodically certified by  
 13 the state treasurer; and the director of accounts and reports shall transfer  
 14 the amount certified from the municipal investment pool fund to the  
 15 municipal investment pool reserve fund which is hereby created in the  
 16 state treasury. The state treasurer shall make a determination of the  
 17 amount needed for a reserve for possible losses to the municipal invest-  
 18 ment pool fund and shall certify periodically such amount; and the direc-  
 19 tor of accounts and reports shall transfer the amount so certified from  
 20 the municipal investment pool fund fee fund to the municipal investment  
 21 pool reserve fund. If the state treasurer makes a determination that sig-  
 22 nificant losses or gains have occurred to the municipal investment pool  
 23 fund; the state treasurer shall certify the amount thereof to the director  
 24 of accounts and reports; and the director of accounts and reports shall  
 25 transfer the amount so certified from the municipal investment pool re-  
 26 serve fund to the municipal investment pool fund. *The municipal invest-*  
 27 *ment pool reserve fund is abolished effective July 1, 1996, and any unen-*  
 28 *cumbered balance remaining therein shall be applied to net losses in the*  
 29 *municipal investment pool fund. The municipal investment pool fund fee*  
 30 *fund is abolished on July 1, 1997, and any unencumbered balance re-*  
 31 *maining therein shall be transferred to the pooled money investment*  
 32 *portfolio fee fund and such amounts shall be applied to net losses, as*  
 33 *of July 1, 1996, in the municipal investment pool fund.*

34 (e) ~~The~~ state treasurer *pooled money investment board* state treas-  
 35 urer may adopt rules and regulations necessary for the administration  
 36 and operation of the municipal investment pool fund and may enter into  
 37 agreements with any municipality as to methods of deposits, withdrawals  
 38 and investments.

39 (f) Investments under subsection (b) shall be for a period of not to  
 40 exceed four years; except for mortgage-backed securities.

41 (g) A comparative investment performance review shall be contracted  
 42 for periodically by the pooled money investment board. The cost of such  
 43 review shall be paid by the municipal investment pool fund from moneys

Subject to the prior approval of the pooled money  
 investment board, the

1 ment securities dealer which reports to the market reports division of the  
 2 federal reserve bank of New York for direct obligations of, or obligations  
 3 that are insured as to principal and interest by, the United States govern-  
 4 ment or any agency thereof. Any income or interest earned by such in-  
 5 vestments shall be credited to the fund *the pooled money investment*  
 6 *portfolio accordance with investment policies established by the*  
 7 *pooled money investment board under K.S.A. 75-4232, and amend-*  
 8 *ments thereto, in the following:*

9 ~~[(a) Those investments under subparagraphs (A), (B), (E),~~  
 10 ~~(F) or (G) of paragraph (2) of subsection (a) of K.S.A. 75-420B, and~~  
 11 ~~amendments thereto.]~~

12 [(b)] *The municipal investment pool fund, under K.S.A. 12-1677a,*  
 13 *and amendments thereto.*

14 Sec. 7, 8. K.S.A. 44-712 is hereby amended to read as follows: 44-  
 15 712. (a) *Establishment and control.* There is hereby established as a spe-  
 16 cial fund in the state treasury, separate and apart from all public moneys  
 17 or funds of this state, an employment security fund, which shall be ad-  
 18 ministered by the secretary as provided in this act. This fund shall consist  
 19 of: (1) All contributions collected under this act; (2) interest earned upon  
 20 any moneys in the fund; (3) all moneys credited to this state's account in  
 21 the federal unemployment trust fund, pursuant to section 903 of the social  
 22 security act, 42 U.S.C.A. § 1103, as amended; (4) any property or secu-  
 23 rities acquired through the use of moneys belonging to the fund, and all  
 24 other moneys received for the fund from any other source; (5) all earnings  
 25 of such property or securities. All moneys in this fund shall be mingled  
 26 and undivided.

27 (b) *Accounts and deposits.* The state treasurer shall be ex officio cus-  
 28 todian of the fund. Payments from the fund, and for the purposes of this  
 29 act deposits with the secretary of the treasury of the United States shall  
 30 not be deemed to be payments from the fund, shall be made upon war-  
 31 rants drawn upon the state treasurer by the director of accounts and  
 32 reports upon vouchers approved by the secretary. There shall be main-  
 33 tained within the fund three separate accounts: (1) A clearing account;  
 34 (2) an unemployment trust fund account, and (3) a benefit account. All  
 35 money payable to the fund upon receipt thereof by the secretary, shall  
 36 be forwarded to the state treasurer, who shall immediately deposit them  
 37 in the state treasury to the credit of the clearing account of the fund.  
 38 Refunds payable pursuant to K.S.A. 44-717 and amendments thereto may  
 39 be paid from the clearing account of the fund by warrants drawn by the  
 40 director of accounts and reports upon the state treasurer upon vouchers  
 41 approved by the secretary. After clearance thereof, all other moneys in  
 42 the clearing account of the fund shall be immediately deposited with the  
 43 secretary of the treasury of the United States of America to the credit of

(a) Direct obligations of, or obligations that are insured as to principal and interest by, the United States of America or any agency thereof and obligations and securities of the United States sponsored enterprises which under federal law may be accepted as security for public funds, except that not more than 10% of the moneys available for investment under this subsection may be invested in mortgage-backed securities of such enterprises and of the government national mortgage association;

(b) repurchase agreements with a Kansas bank or primary government securities dealer which reports to the market reports division of the federal reserve bank of New York for direct obligations of, or obligations that are insured as to principal and interest by, the United States government or any agency thereof and obligations and securities of United States government sponsored enterprises which under federal law may be accepted as security for public funds;

(c) commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm;  
 or

13-6

1 (5) Temporary notes of any municipal corporation or quasi-municipal  
2 corporation within the state of Kansas which are general obligations of  
3 the municipal corporation or quasi-municipal corporation issuing the  
4 same.

5 (6) Warrants of any municipal corporation or quasi-municipal cor-  
6 poration within the state of Kansas the issuance of which is authorized  
7 by the state board of tax appeals and which are payable from the proceeds  
8 of a mandatory tax levy.

9 (7) Bonds of any municipal or quasi-municipal corporation of the  
10 state of Kansas which have been refunded in advance of their maturity  
11 and are fully secured as to payment of principal and interest thereon by  
12 deposit in trust, under escrow agreement with a bank, of direct obligations  
13 of, or obligations the principal of and the interest on which are uncon-  
14 ditionally guaranteed by, the United States of America. A copy of such  
15 escrow agreement shall be furnished to the treasurer.

16 (8) Securities listed in paragraph (13) of subsection (d) of K.S.A. 9-  
17 1402 and amendments thereto within limitations of K.S.A. 9-1402 and  
18 amendments thereto.

19 (9) A corporate surety bond guaranteeing deposits in a bank, savings  
20 or savings and loan association in excess of federal deposit insurance cor-  
21 poration insurance, underwritten by an insurance company authorized to  
22 do business in the state of Kansas.

23 ~~(10)~~ All of such securities shall be current as to interest according to  
24 the terms thereof.

25 ~~(11)~~ Whenever a bond is authorized to be pledged as a security under  
26 this section, such bond shall be accepted as a security if: (i) In the case  
27 of a certificated bond, it is assigned, delivered or pledged to the holder  
28 of the deposit for security; (ii) in the case of an uncertificated bond,  
29 registration of a pledge of the bond is authorized by the system and the  
30 pledge of the uncertificated bond is registered; or (iii) in a form approved  
31 by the attorney general, which assures the availability of the bond pro-  
32 ceeds pledged as a security for public deposits.

33 (q) (n) "Savings bank" means a federally chartered savings bank in-  
34 sured by the federal deposit insurance corporation and doing business  
35 within the state of Kansas.

36 (r) (o) "Savings and loan association" means a state or federally char-  
37 tered savings and loan association insured by the federal deposit insurance  
38 corporation and doing business within the state of Kansas.

39 (s) (p) "Custodial bank" means a bank designated to keep safely col-  
40 lateral pledged as security for state bank accounts.

41 (t) (q) "Centralized securities depository" means a clearing agency  
42 registered with the securities and exchange commission which provides  
43 safekeeping and book-entry settlement services to its participants.

(10) Commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm.

(11)

(12)



13-7

1 eligible for investment which are not invested in accordance with para-  
2 graph (1), in the following investments:

3 (A) Direct obligations of, or obligations that are insured as to principal  
4 and interest by, the United States of America or any agency thereof  
5 and obligations and securities of the United States sponsored enterprises  
6 which under federal law may be accepted as security for public funds,  
7 except that ~~not more than 10% of the~~ moneys available for investment  
8 under this subsection ~~may~~ be invested in mortgage-backed securities of  
9 such enterprises and of the government national mortgage association;

10 (B) repurchase agreements with a Kansas bank or a primary govern-  
11 ment securities dealer which reports to the market reports division of the  
12 federal reserve bank of New York for direct obligations of, or obligations  
13 that are insured as to principal and interest by, the United States govern-  
14 ment or any agency thereof and obligations and securities of United States  
15 government sponsored enterprises which under federal law may be ac-  
16 cepted as security for public funds;

17 (C) investments in SKILL act projects and bonds pursuant to K.S.A.  
18 1995 Supp. 74-8920, and amendments thereto, and investments in any  
19 state agency bonds or bond project; or

20 (D) until July 1, 1996, in the municipal investment pool fund, created  
21 under K.S.A. 1995 Supp. 12-1677a, and amendments thereto, in accor-  
22 dance with the policies adopted by the board on January 30, 1995. Any  
23 investment of such state moneys in such fund prior to the effective date  
24 of this act are hereby authorized, confirmed and validated. On July 1,  
25 1996, all state moneys invested in the municipal investment pool fund  
26 under this paragraph shall be removed from such fund; [.]

27 ~~(E) bankers' acceptances eligible for discounting with the federal re-~~  
28 ~~serve system which do not exceed 270 days to maturity and which are~~  
29 ~~issued by commercial banks or trust companies which have a short-term~~  
30 ~~rating in one of the two highest rating categories by a nationally recog-~~  
31 ~~nized investment rating firm; so long as such issuing bank or trust com-~~  
32 ~~pany is either a bank or trust company organized and operating in the~~  
33 ~~United States or a foreign branch thereof or a United States branch of a~~  
34 ~~foreign bank;~~

35 ~~(F) commercial paper that does not exceed 270 days to maturity and~~  
36 ~~which has received one of the two highest commercial paper credit ratings~~  
37 ~~by a nationally recognized investment rating firm; or~~

38 ~~(G) negotiable certificates of deposit issued by commercial banks~~  
39 ~~which have a short-term deposit rating in one of the two highest rating~~  
40 ~~categories by a nationally recognized investment rating firm; so long as~~  
41 ~~such issuing bank or trust company is either a bank or trust company~~  
42 ~~organized and operating in the United States or a foreign branch thereof~~  
43 ~~or a United States branch of a foreign bank domiciled in the United States~~

shall not

but any mortgage-backed securities of such enterprises and of the government national mortgage association held for investment on the date this act becomes law may be held to maturity.

; or

(E) commercial paper that does not exceed 270 days to maturity and which has received one of the two highest commercial paper credit ratings by a nationally recognized investment rating firm.

1 the board. Such investment policies shall include at a minimum guidelines  
 2 which identify credit standards, eligible instruments, allowable maturity  
 3 ranges, methods for valuing the portfolio, calculating earnings and yields  
 4 and limits on portfolio concentration for each type of investment. Any  
 5 changes in such investment policies shall be approved by the pooled  
 6 money investment board.

7 (1) The board shall adopt rules and regulations to establish an  
 8 overall percentage limitation on the investment of moneys in in-  
 9 vestments authorized under subparagraph ~~(E)~~ ~~(F)~~ and ~~(G)~~ of par-  
 10 agraph (2) of subsection (a), and within each such authorized in-  
 11 vestment, the board shall establish a percentage limitation on the  
 12 investment in any single financial institution or business entity. The  
 13 rules and regulations adopted pursuant to this subsection shall be  
 14 adopted by a vote of four members of the board.

15 Sec. ~~13~~ 16. K.S.A. 75-4210a is hereby amended to read as follows:  
 16 75-4210a. Any moneys received from interest earned on state moneys  
 17 shall be credited to the state general fund, unless required by law, con-  
 18 tract or bequest to be credited to a fund other than the state general fund.  
 19 When interest earnings are required by law, contract or bequest to be  
 20 credited to a fund other than the state general fund, such earnings shall  
 21 be based on the average daily balance in the fund for each month and the  
 22 net earnings rate of the pooled money investment portfolio for such month  
 23 unless such law, contract or bequest provides a different method of com-  
 24 puting interest earnings.

25 Sec. ~~14~~ 17. K.S.A. 1995 Supp. 75-4212a is hereby amended to read  
 26 as follows: 75-4212a. Whenever the balance in operating accounts is in-  
 27 sufficient to meet the state's obligations or withdrawals from the munic-  
 28 ipal investment pool fund, and there are state moneys in authorized in-  
 29 vestments, the treasurer, with approval of the board, may:

30 (a) Borrow upon the security of any one or more investment accounts  
 31 an amount sufficient to meet the state's or the municipal investment pool  
 32 fund's obligations. Any such loan shall be repaid in full within 60 days or  
 33 prior to July 1, whichever occurs first. Interest payment by the state for  
 34 any loan under this section shall be made only by way of setoff from  
 35 interest obligations to the state from the bank making such loan. The  
 36 amount borrowed under this section from any bank, shall never exceed  
 37 an amount equal to the amount of state moneys on deposit in such bank;  
 38 or

39 (b) enter into reverse repurchase agreements utilizing securities pur-  
 40 chased by the board pursuant to subsection (a)(2)(A) of K.S.A. 75-4209  
 41 and amendments thereto. Such reverse repurchase agreements may be  
 42 entered into with Kansas banks or primary government securities dealers  
 43 which report to the market reports division of the federal reserve bank

Such investment policies may specify the contents  
 of reports, methods of crediting funds and  
 accounts and other operating procedures.

13-9

1 Authorized to prosecute in the name of the state any and all actions for  
2 recovery of any loss incurred by the state under this act.

3 In case of default by any depository bank having a state bank account  
4 of any type, the securities pledged under this act, if not in the possession  
5 of the treasurer, shall be transferred to the treasurer by the custodial  
6 bank to be sold by the treasurer and payment of the proceeds of such  
7 sale shall be made to the state to the extent of the state's interest, subject  
8 to the provisions of K.S.A. 75-4221, and amendments thereto.

9 Sec. 17: 20. K.S.A. 1995 Supp. 75-4228 is hereby amended to read  
10 as follows: 75-4228. The making of profit by the treasurer or director of  
11 accounts and reports out of any moneys in the state treasury, the custody  
12 of which the treasurer or director of accounts and reports is charged with,  
13 by lending, depositing, or otherwise using, or disposing of the same in  
14 any manner whatsoever not provided in this act, or the removal by the  
15 treasurer or director of accounts and reports or by such official's consent,  
16 of any securities deposited by any bank under the provisions of this act  
17 out of the treasury, or failing to return or dispose of any securities as  
18 provided by law, shall be deemed a felony, and on conviction thereof, the  
19 treasurer or director of accounts and reports shall be punished by im-  
20 prisonment in the custody of the secretary of corrections for a term of  
21 not less than two nor more than five years. In addition to such criminal  
22 liability the treasurer or director of accounts and reports and the surety  
23 thereof shall also be liable, on official bond, for all profits realized from  
24 such unlawful use of any state or special moneys. It shall be the duty of  
25 the attorney general to enter and prosecute to final termination all actions  
26 for violation of this act.

27 Sec. 18: 21. K.S.A. 1995 Supp. 75-4221a is hereby amended to read  
28 as follows: 75-4221a. (a) There is hereby established the pooled money  
29 investment board which shall consist of five members, four of whom shall  
30 be appointed by the governor, subject to confirmation by the senate as  
31 provided in K.S.A. 75-4315b and amendments thereto. Except as pro-  
32 vided by K.S.A. 1995 Supp. 46-2601, and amendments thereto, no person  
33 appointed to the board, whose appointment is subject to confirmation,  
34 shall exercise any power, duty or function as a member of the board until  
35 confirmed by the senate. The fifth member shall be the state treasurer.  
36 Not more than three members of the board shall be of the same political  
37 party. All members appointed to the board shall be persons with not less  
38 than 10 years of direct work experience in the management of fixed-in-  
39 come securities as an investment or trust officer for a financial institution,  
40 association or corporation. Except as provided by subsection (b), mem-  
41 bers appointed by the governor shall serve for a term of four years and  
42 until successors are appointed and confirmed. The governor shall select  
43 one of the board members to serve as chairperson.

have at least

area of accounting, finance or

investments, or shall have a bachelor's degree from an accredited college or university and at least five years of direct work experience in accounting, finance or the management of investments

1 (b) (1) On July 1, 1992, the two appointive board members serving  
 2 on the board immediately prior to such date shall cease to be members  
 3 of the board and on such date, or as soon thereafter as possible, the  
 4 governor shall appoint four members to the board to serve for terms as  
 5 specified by this subsection. The two appointive members serving on the  
 6 board immediately prior to July 1, 1992, may be reappointed to the board  
 7 on or after such date under this subsection. Of the members first ap-  
 8 pointed on or after July 1, 1992, two members shall be appointed for a  
 9 term commencing on July 1, 1992, and ending on June 30, 1994, and two  
 10 members shall be appointed for a term commencing on July 1, 1992, and  
 11 ending on June 30, 1996. The governor shall designate the term for each  
 12 member so appointed. Except as provided in paragraph 2 of this subsec-  
 13 tion, members appointed to the board shall serve for four-year terms and  
 14 until their successors are appointed and confirmed. Whenever a vacancy  
 15 occurs in the membership of the board prior to the expiration of a term  
 16 of office, the governor shall appoint a qualified successor to fill the unex-  
 17 pired term.

18 (2) The terms of members who are serving on the board on the ef-  
 19 fective date of this act shall expire on March 15, of the year in which such  
 20 member's term would have expired under the provisions of this section  
 21 prior to amendment by this act and by section 3 of chapter 194 of the  
 22 session laws of 1995. Thereafter members shall be appointed for terms  
 23 of four years and until their successors are appointed and confirmed.

24 (c) Members of the pooled money investment board attending meet-  
 25 ings of such board, or attending a subcommittee meeting thereof au-  
 26 thorized by such board, shall be paid compensation, subsistence allow-  
 27 ances, mileage and other expenses as provided in K.S.A. 75-3223 and  
 28 amendments thereto.

29 Sec. 40: 22. K.S.A. 1995 Supp. 75-4222 is hereby amended to read  
 30 as follows: 75-4222. (a) It shall be unlawful for the pooled money invest-  
 31 ment board to award a state bank account to any depository bank in which  
 32 any member of the board is interested as a stockholder or officer, except  
 33 upon the unanimous vote of the other members of the board.

34 (b) ~~The state treasurer shall be chairperson of the board.~~ The board  
 35 may appoint such employees as may be needed. ~~In addition to the above~~  
 36 ~~personnel, the board may~~ *The state treasurer, subject to the approval*  
 37 *of the board, shall* appoint investment officers and investment analysts,  
 38 who shall be in the unclassified service of the Kansas civil service act. The  
 39 chairperson shall keep and preserve a written record of the board's pro-  
 40 ceedings. ~~Such investment officers and analysts may be terminated~~  
 41 ~~by a vote of ~~four~~ members of the board.~~

42 (c) *From and after the effective date of this act, all current em-*  
 43 *ployees of the pooled money investment board are hereby trans-*



1 programs, or related technical assistance; or (2) any other projects or  
2 programs, or related technical assistance, which meet one or more of the  
3 long-range goals, objectives and considerations set forth in the state water  
4 resource planning act.

5 See: ~~§4. K.S.A. 40-3406, 44-719, 75-622, 75-4204, 75-4210a, 75-4254~~

6 Sec. 30. ~~K.S.A. 12-3724, 40-3406, 44-712, 68-2321, 68-2324,~~  
7 ~~75-622, 75-4204, 75-4210a, 75-4253, 75-4254 and 76-818 and K.S.A.~~

8 ~~1995 Supp. 12-1677a, 12-1677c, 12-1677e, 40-3403, 75-4201, 75-4202,~~

9 ~~75-4209, 75-4212a, 75-4213, 75-4218, 75-4220, 75-4221a, 75-4222, 75-~~  
10 ~~4228, 75-4232, 75-4262, 75-4263 and 79-4804 are hereby repealed.~~

11 Sec. ~~25: 31.~~ This act shall take effect and be in force from and after  
12 its publication in the statute book *Kansas register*.

12-1677e,

13-11

**SUMMARY OF CLASSIFIED AND UNCLASSIFIED PERSONNEL**

**Pooled Money Investment Board (PMIB) and  
Municipal Investment Pool (MIP)**

Position Title	Number of FTE	FY 1997 Base Salary (excluding fringe benefits)
<b>Pooled Money Investment Board</b>		
<b>Classified:</b>		
Accountant III	1.0	\$ 38,479
Public Service Administrator	1.0	34,931
Office Specialist	1.0	26,485
Office Assistant IV	1.0	20,910
<b>Unclassified:</b>		
Investment Officer	0.3	\$ 12,628
Chief Investment Officer	0.7	48,997
<b>TOTAL FTE -- PMIB</b>	<u>5.0</u>	
<b>Municipal Investment Pool</b>		
<b>Classified:</b>		
Public Service Administrator I	1.0	\$ 29,125
Accounting Specialist	1.0	23,468
<b>Unclassified:</b>		
Investment Officer	0.7	\$ 29,467
Chief Investment Officer	0.3	20,999
<b>TOTAL FTE -- MIP</b>	<u>3.0</u>	

Post-It Fax Note	7671	Date: 1/11/96	# of pages: 3
To: Rep. Edwards		From: Kachway (311)	
Co./Dept.		Co.	
Phone #		Phone # 913-296-3181	
Fax # 316-792-2999		Fax #	

0016347.01(2/5/96(4:25PM))

4-19-96

House Appropriations

Attachment  
14

**POOLED MONEY INVESTMENT BOARD (PMIB)  
STATE OPERATIONS  
SUMMARY OF EXPENDITURES FY 1995-FY 1997**

Item	Actual FY 1995	Agency Estimate FY 1996	Gov. Rec. FY 1996	Agency Request FY 1997	Gov. Rec. FY 1997
Salaries and Wages	\$ 215,800	\$ 216,637	\$ 214,082	\$ 268,451	\$ 217,059
Contractual Services	79,969	65,525	65,525	80,400	65,575
Commodities	3,973	4,200	4,200	4,500	3,600
Capital Outlay	3,905	22,466	22,466	3,775	0
<b>Total - State Oper.</b>	<b>\$ 303,647</b>	<b>\$ 308,828</b>	<b>\$ 306,273</b>	<b>\$ 357,126</b>	<b>\$ 286,234</b>
<b>Financing:</b>					
State General Fund	\$ 234,089	\$ 138,367	\$ 135,811	\$ 297,126	\$ 48,720
Special Revenue Funds	69,558	170,461	170,462	60,000	237,514
<b>TOTAL</b>	<b>\$ 303,647</b>	<b>\$ 308,828</b>	<b>\$ 306,273</b>	<b>\$ 357,126</b>	<b>\$ 286,234</b>
FTE Positions	5.0	5.0	5.0	6.0	5.0
Sp. Proj. Appointments	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>5.0</b>	<b>5.0</b>	<b>5.0</b>	<b>6.0</b>	<b>5.0</b>

**MUNICIPAL INVESTMENT POOL (MIP)  
STATE OPERATIONS  
SUMMARY OF EXPENDITURES FY 1995-FY 1997**

Item	Actual FY 1995	Agency Estimate FY 1996	Gov. Rec. FY 1996	Agency Request FY 1997	Gov. Rec. FY 1997
Salaries and Wages	\$ 111,367	\$ 117,689	\$ 116,366	\$ 120,685	\$ 118,256
Contractual Services	171,327	178,348	178,348	176,684	171,684
Commodities	1,846	2,250	2,250	3,000	3,000
Capital Outlay	1,222	1,400	1,400	0	0
Nonexpense Items	34,143	0	0	0	0
<b>Total - State Oper.</b>	<b>\$ 319,905</b>	<b>\$ 299,687</b>	<b>\$ 298,364</b>	<b>\$ 300,369</b>	<b>\$ 292,940</b>
<b>Financing:</b>					
State General Fund	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Special Revenue Funds	319,905	299,687	298,364	300,369	292,940
<b>TOTAL</b>	<b>\$ 319,905</b>	<b>\$ 299,687</b>	<b>\$ 298,364</b>	<b>\$ 300,369</b>	<b>\$ 292,940</b>
FTE Positions	3.0	3.0	3.0	3.0	3.0
Sp. Proj. Appointments	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>

**COMBINED BUDGETS**  
**POOLED MONEY INVESTMENT BOARD (PMIB)**  
**MUNICIPAL INVESTMENT POOL (MIP)**  
**STATE OPERATIONS**  
**SUMMARY OF EXPENDITURES FY 1995-FY 1997**

Item	Actual FY 1995	Agency Estimate FY 1996	Gov. Rec. FY 1996	Agency Request FY 1997	Gov. Rec. FY 1997
Salaries and Wages	\$ 327,167	\$ 334,326	\$ 330,448	\$ 389,136	\$ 335,315
Contractual Services	251,296	243,873	243,873	257,084	237,259
Commodities	5,819	6,450	6,450	7,500	6,600
Capital Outlay	5,127	23,866	23,866	3,775	0
Nonexpense Items	34,143	0	0	0	0
<b>Total - State Oper.</b>	<b>\$ 623,552</b>	<b>\$ 608,515</b>	<b>\$ 604,637</b>	<b>\$ 657,495</b>	<b>\$ 579,174</b>
Financing:					
State General Fund	\$ 234,089	\$ 138,367	\$ 135,811	\$ 297,126	\$ 48,720
Special Revenue Funds	389,463	470,148	468,826	360,369	530,454
<b>TOTAL</b>	<b>\$ 623,552</b>	<b>\$ 608,515</b>	<b>\$ 604,637</b>	<b>\$ 657,495</b>	<b>\$ 579,174</b>
FTE Positions	8.0	8.0	8.0	9.0	8.0
Sp. Proj. Appointments	0.0	0.0	0.0	0.0	0.0
<b>TOTAL</b>	<b>8.0</b>	<b>8.0</b>	<b>8.0</b>	<b>9.0</b>	<b>8.0</b>



# PMIB BUDGET FORCAST FOR STAND ALONE AGENCY

EXPENDITURE	1996 actual	1997 est	1998 est	1999 est
MIP OPERATIONS	\$348,000	\$350,000	\$350,000	\$350,000
PMIB OPERATIONS				
Salaries	\$216,600	\$290,000	\$300,000	\$310,000
Contractual services	\$65,500	\$70,000	\$72,500	\$76,000
Commodities	\$4,200	\$4,500	\$4,700	\$4,900
Capital outlay	\$22,500	\$175,000	\$2,500	\$2,500
Audit/Advisory	\$52,000	\$60,000	\$62,000	\$65,000
<b>TOTAL</b>	<b>\$708,800</b>	<b>\$949,500</b>	<b>\$791,700</b>	<b>\$808,400</b>

## CONTRACTUAL SERVICES INCLUDES:

- Communication
- Printing & Advertising
- Rents
- Repairs & Service
- Travel
- Service Fees
- Professional Services
- Miscellaneous

## 1997 CAPITAL OUTLAY INCLUDES:

- Phone system \$10,000
- Furniture \$30,000
- Computer systems \$125,000
- Misc \$10,000

## SALARIES INCLUDES:

- Exec. Director in exchange of Chief Investment Officer - plus \$30,000
- Addition personnel for operational support - plus \$43,000

## DEPENDANCY ON OTHER AGENCIES:

- Payroll/personnel support - Dept of Adm.
- Legal support - Attorney General and Dept. of Adm.

MIP OPERATIONS: Includes salaries and expenditures related to MIP