

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 10:00 a.m. on April 18, 1996 in Room 123-S of the Capitol. The meeting was recessed at 6:15 p.m. and reconvened at 8:00 a.m. on April 19, 1996.

All members were present except: Senator Vancrum, April 18, excused  
Senator Lawrence, April 18 and 19, excused

Committee staff present: All members of KLRD staff  
Norman Furse, Revisor of Statutes  
Michael Corrigan, Revisor of Statutes  
Judy Bromich, Administrative Assistant  
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Sue Peterson, Kansas State University  
Secretary Rochelle Chronister, Department of Social and Rehabilitation Services  
Secretary Charles Simmons, Department of Corrections  
Marlin Rein, University of Kansas Medical Center  
Paul Shelby, Judicial Branch  
Steve Kelly, Department of Commerce and Housing  
Sherry Brown, fiscal officer, Department of Commerce and Housing  
Peter LaTessa, Director of Training & Employment, Department of Human Resources  
Janet Chubb, Assistant Secretary of State  
Nancy Bogina, Department of Transportation  
Ramon Powers, Executive Director, Historical Society  
Gloria Timmer, Director of the Budget

Others attending: See attached list

The Chairman called attention to the agenda for the two day meeting (Attachment 1). It was moved by Senator Rock and seconded by Senator Salisbury that the minutes of the April 4, 1996 meeting be approved. The motion carried on a voice vote.

Ben Barrett, Legislative Research Department, reviewed the revised school finance estimates (Attachment 2). He noted that general state aid and supplemental general state aid are overfunded in FY 96 and underfunded in FY 97. He explained that the figures on the first and second pages of the summary differ in that the second page includes \$1.6 million for the downsizing of Fort Riley associated with the passage of HB 2967.

Alan Conroy, Legislative Research Department, briefed the Committee on the status of the State General Fund (Attachment 3).

Eric Milstead, Legislative Research Department, reviewed the status of the Economic Development Initiatives Fund, noting that the right column reflects legislative action to date (Attachment 4). He noted that the Training Equipment Grants are reflected under KTEC and will have to be transferred in the Omnibus Appropriations Bill.

Russell Mills, Legislative Research Department, reviewed a summary of the State Water Plan Fund (Attachment 5). He told members that HB 2033 and SB 755 could cost as much as \$800,000 from the State Water Plan Fund.

A memorandum titled "Items for Omnibus Consideration" by the Kansas Legislative Research Department and was distributed to members. Staff indicated that the memo includes items that were identified by either the House or Senate appropriations committees or subcommittees, recommendations of the Joint Committee on

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Building Construction, and recommendations of the Joint Committee on Computers and Telecommunications. The memorandum reflects the fiscal impact of legislation that has been signed into law, is awaiting the Governor's signature, or is in a conference committee. If legislation is not in conference, it does not appear in this memo for consideration. Fiscal analysts reviewed items by agency as illustrated in Attachment 2. Copies of the Governor's Budget Amendment dated April 18, 1996 were also distributed to members. Both of these documents were used as a basis for writing the Omnibus Appropriations Bill and are reprinted in their entirety in the context of these minutes. Committee discussion and decisions are denoted in italics following each item.

**MEMORANDUM**

**Kansas Legislative Research Department**

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April 18, 1996

**ITEMS FOR OMNIBUS CONSIDERATION**

**Department of Revenue**

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

*It was noted that KSU will issue the license plates under current law. The Committee did not recommend this item.*

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

*The Committee adopted the Senate position which assumes an implementation date of July 1, 1998, making no action necessary in this fiscal year.*

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

S.B. 662 also includes sections from H.B. 3076, which was amended into the bill by the House Committee on Transportation. This section of the bill credits all fees collected for the sale of records, transferred by electronic means, to the **Electronic Databases Fee Fund**. Estimates of the revenue credited to the fund will be dependent upon the amount of increase in fees for the purchase of the record information.

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Currently, the department collects approximately \$1.5 million annually for the sale of electronic records.

*The Committee intends to support the Senate position in regard to the amount credited from title fees to the VIPS Technology Hardware Fund, though some members expressed support for a sunset date on the title fees. Senator Karr noted that there is a sunset on the purchase of vehicles and without the passage of **SB 662** the mileage on fleet vehicles will increase substantially. Members discussed concerns about dramatically raising fees for the sale of electronic records.*

*The Committee recommends the creation of both funds with a "no limit" expenditure limitation.*

**Department of Agriculture**

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

*Create the fund with an expenditure limitation of \$628,820.*

*New Item -- The Committee considered a request from the Secretary of Agriculture to remove the expenditure limitation from the Meat and Poultry Inspection Fee Fund in FY 96 and agreed to include that proposal in the Omnibus Appropriations Bill. (Attachment 6)*

**Youth Centers**

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

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

*The Committee concurred with this item.*

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

Atchison	\$31,035
Beloit	31,515
Larned	31,035
Topeka	62,070
<b>TOTAL</b>	<b>\$155,655</b>

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*Members had questions regarding the effectiveness of the addiction recovery programs, their correlation with aftercare, the Department's plans for continuing drug counseling, and the anticipated effect of not replacing the counselor positions. Responses from SRS were distributed to members (Attachment 7). Secretary Chronister stated that the chemical dependency programs will be continued in the youth centers. The counseling will be provided by program staff who are provided with additional training. Senator Salisbury stated that she had concerns about whether sufficient aftercare is available. In response to a request, the Secretary stated that she would provide the Committee with a written outline of the plan for the chemical dependency program. The Committee did not recommend additional funding.*

**C. Uniform Dress at Beloit.** The Senate Ways and Means Committee recommended the review of funding for uniform dress at the Youth Center at Beloit. The youth center estimates implementation of uniform dress at \$50,000 in the first year. The operation of the program in future years is estimated at \$250 per resident, or \$25,000 to \$35,000 each year. Currently, the Youth Center at Beloit is the only youth center not to utilize standard dress.

*Senator Morris, a member of the subcommittee which made this recommendation, stated that uniform dress at Beloit was recommended to discourage gang related activities. The Committee concurred with the Chairman's suggestion to add no SGF monies and requested that the Secretary of Corrections check on prison supplied uniforms.*

*Senator Petty requested information from the Department of Social and Rehabilitation Services and the Department of Corrections regarding expenditures for post and pre incarceration for youth and adults. (That information was provided following the meeting and is included herein as Attachment 8).*

## Regents Systemwide

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

*Concur with the addition of a proviso to the general fees fund at KU, KSU, and WSU in FY 97. The Committee recommends that the fund be appropriated as a no limit fund.*

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

### FY 1996

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



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**FY 1996 Consensus Tuition Estimates**

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

**FY 1997**

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

**FY 1997 Consensus Tuition Estimates**

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

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

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available for expenditure by the institutions in FY 1997; both KU and WSU would have to make budget reductions to absorb the projected losses in revenue; KSU would experience a small increase:

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

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

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

**FY 1997 Estimates -- Tuition Accountability Schools**

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

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

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

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

*Members discussed the issue of establishing a base budget for the institutions which would fall under tuition accountability. The Committee concurred with the Governor's Budget Amendment, item 26, to increase financing from the institutional general fees fund by \$1,531,290 in FY 96 and by \$1,512,557 in FY 97 and by decreasing funding from the State General Fund by like amounts in each fiscal year based on the latest consensus estimate of tuition receipts.*

*The Chairman called attention to a letter from Dr. Stephen Jordan, Board of Regents, in reference to the Midwest Student Exchange Program (MSEP). The Committee recommended that the appropriation of the Restricted Fee Fund for each Regents university be modified with the proviso as stated in Attachment 9.*

**C. Wichita State University -- Impact of Removal of 15-Hour Tuition Cap.**

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

*The Committee did not recommend this item.*

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

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**Regents Institutions -- Estimated Utility Deficits**

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

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

*The Committee concurred with the revised utility estimates. (Also see GBA, item 27.)*

**Kansas State University**

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

*Members noted that there would be no fiscal impact until FY 97 and the issue could be addressed during the 1997 legislative session. No action was taken.*

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

1. **Engineering Library Addition to Durland Hall -- Private Funds.** The Joint Committee reviewed the program plan and recommended approval of this project to construct a 20,000 square foot addition to Durland Hall for an engineering library, funded through private gifts at an estimated cost of \$2.5 million.
2. **Increase Expenditure Limit for Student Union Renovation from \$9.2 million to \$10.5 million.** KSU requests authority to increase the expenditure limitation for the student union renovation from \$9.2 million to \$10.5 million. KSU states that the increased budget can be financed within existing student fees approved for the project. The University states that the complexity of the project has significantly increased the planning time resulting in the availability of additional student fee revenue, and more favorable revenue bond interest rates.
3. **Stadium Scoreboards -- Private Funds.** KSU requests permission to install three new scoreboards and a free-standing marquee with messaging capabilities at Wagner Football Field. The project will be financed by revenue from the sale of scoreboard advertising; no state funds are required to

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design, building, operate or maintain the project. The cost for the project is estimated to total \$3.2 million. The Joint Committee approved the project contingent on there being no obligation on the part of the state to support the project.

4. **Equipment/Pesticide Storage Building -- Wichita.** KSU- Extension Systems and Agriculture Research Programs requests authority to expend private funds totaling \$10,000 to construct an equipment/pesticide storage building at the Horticulture Research Center in Wichita.

*The Committee concurred with all four projects. (These items are also recommended in item 31 of the Governor's Budget Report.) It was noted that the state assumes the responsibility of servicing new buildings when approving projects such as 1, 2 and 4.*

*New item -- Senator Karr inquired about the status of the Medical Student Scholarship Repayment Fund. Marlin Rein, legislative liaison for the University of Kansas Medical Center, stated that KUMC believes that they can make it through the fiscal year without a supplemental appropriation.*

*New item -- Senator Karr also asked about the Nurse Anesthesia Outreach Program. A letter from Dr. Hagen, Vice Chancellor of the University of Kansas Medical Center, was read to members (Attachment 10). Mr. Rein told members that there is a demonstrated need for the program, but the Governor had not recommended \$355,000 as requested. The agency has subsequently decided to continue the program and will admit four more students, but will continue the program in Pittsburg only. He noted the \$31,584 identified in the letter is the amount of tuition that the four students would pay and requested that KUMC have the authority to spend that. The Committee agreed to add expenditure authority of \$31,584 from the General Fees Fund in FY 97 to allow the Medical Center to retain tuition earned through enrollment of additional students in the nurse anesthesia outreach program, and to dedicate that tuition towards a portion of the program costs.*

#### **SRS-- Mental Health and Developmental Disabilities Services**

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

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

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Comparison of All Funds Cost

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

*The Chairman noted he had been advised that even the Senate's provisions for laid off employees of Topeka and Winfield State Hospitals might have precedent problems and he did not believe that recommendations could be made because the Senate version had not yet passed the Committee of the Whole.*

*Senator Rock and Senator Petty encouraged the Committee to support the incentive package for laid off employees of the two hospitals slated for closure to ensure quality care for clients throughout the closure process.*

*The Chairman requested that the Secretary of SRS respond to concerns that there had been a panic departure from Winfield State Hospital and Topeka State Hospital of the staff in response to the Senate's recommendations regarding the incentive package. Secretary Chronister reviewed the number of staff who had resigned or who had been laid off (Attachment 11), stating that the Division of Personnel Services has said that the number is not unusual. In answer to Senator Rock, she stated that additional counseling will be provided at Winfield State Hospital. In answer to Senator Petty's concerns about the safety of the Topeka community if Topeka State were to close prematurely, Secretary Chronister stated that if there were a crisis situation, clients would be transferred immediately to Osawatomie State Hospital where beds are available now.*

*Senator Karr inquired what the Department would like to do in regard to an incentive plan for laid off employees. Secretary Chronister provided a letter from the Governor in regard to his opinion regarding this issue (Attachment 12).*

*The Committee agreed to let the conference committee on SB 388 resolve issues regarding the incentive plan for laid off employees at Topeka State Hospital and Winfield State Hospital.*

B. Closure Funding -- Disproportionate Share. A Governor's Budget Amendment issued in

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

*The Committee concurred with the corresponding GBA , which is item #19, authorizing the expenditure of \$4 million in insitutuional Title XIX receipts in FY 97 for transitional costs associated with hospital closure rather than the \$4 million from disproportionate share funds which was previously authorized.*

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

- **Contracting Directly with Community Service Providers.** Under the developmental disability reform act, SRS contracts directly with Community Developmental Disability Organizations (CDDOs) which then contract with affiliate agencies. Under the provisions of H.B. 3047, as amended by the Senate Committee of the Whole, certain types of affiliates (affiliate community service providers) could choose whether to contract with a CDDO or directly with SRS. SRS estimates that these provisions will at least double the number of organizations with which SRS would negotiate contracts each year, and would also require SRS to be the sole monitor of compliance to all contracts with no assistance from CDDOs. Based on the experiences from its first round of negotiations and the increased complexity, **SRS estimates the need for 4.0 new FTE positions at an annual cost of \$177,773 (\$133,330 from the State General Fund) in FY 1997.**
- **Quality Assurance.** SRS also estimates a fiscal impact from the provisions of the bill which require it to provide quality assurance independent of community service providers. Currently, the agency uses 12 regional coordinators to work with the CDDOs to assist with quality assurance. The agency indicates that an expanded staff would be required to exercise a more active role with a much larger number of providers. SRS estimates that, to perform this service directly, would require **24.0 new FTE positions (for a total of 36 quality assurance staff) at an annual cost of \$1,066,638 (\$799,979 from the State General Fund) in FY 1997.** The agency estimates that the fiscal note would be approximately the same if the work is contracted out. The number of staff is predicated on site visits every 60 days; if final regulations call for site visits every 30 days, SRS indicates that 36 additional staff would be required, rather than 24.

*There was lengthy discussion of the \$3 million associated with refinancing of the HCBS waiver monies and about costs associated with contracting with CDDOs and with quality assurance. The Chairman requested that the Secretary of SRS first address costs associated with HB 3047.*

*Secretary Chronister told members that one problem has been the interpretation of the regulations, particulaarly those regarding the quality of life of clients living in the community. She stated that the Department of Health and Environment will be responsible for the oversite of health and safety issues, but added that the agency believes that consumers and families can best provide quality assurance. If the agency should be responsible for quality assurance, it becomes a more expensive item. She noted that a bigger item is the entire question of regulations because some people believe that the agreement has been subverted. She proposed not adopting the provisions of SB 727 but revising regulations through a mediation process , noting that part*

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*of the problem is that there have never been rules and regulations for MRDD. She added that the regulations at this time do not reflect a formal appeals process which is something the CDDOs want and the Department believes should be in place. The Chairman inquired whether funding would be attached to the outcome of mediation if the CDDOs are responsible for quality assurance. The Secretary stated that if families and guardians are able to formulate the quality assurance plans, additional monies would not be necessary. She added that the CDDOs are concerned that the Department may say one thing and do something different. She stated that she does not intend for that to happen. Senator Karr inquired whether the Department would expect any uniformity in quality assurance. Secretary Chronister stated that the Department would like to help develop listings of services that should be delivered, but goals of regional CDDOs might be different.*

*Senator Rock endorsed the Secretary's proposal, noting that quality assurance could be done at the local level at a minimal cost and agreed to meet with the Secretary.*

*In answer to questions regarding the \$3 million associated with refinancing of the HCBS waiver, Secretary Chronister stated that she was responsible for having set that money aside from the beginning because it might be needed for hospital closure. In answer to Senator Petty, she stated that none of the \$3 million was intended to cover additional services that the CDDOs were expected to perform, but a portion of the growth in revenues that had been achieved from the refinancing was expected to be used for those additional responsibilities. She added that all of the available money has not yet been accessed.*

*Members agreed to include language requesting that SRS identify separately the costs associated with quality assurance and submit a report to the 1997 Legislature for consideration as supplemental funding. They also requested that SRS consider on site inspections every 60 days.*

*Members also agreed to include language requiring SRS to identify additional administrative costs borne by the CDDOs as a result of MRDD Reform Act and regulations, and that the report be submitted to the Legislature for consideration in supplemental FY 97 funding.*

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

*The Committee concurred with this item.*

#### **Department of Social and Rehabilitation Services (SRS)**

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



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**CONSENSUS CASELOAD ESTIMATE**

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

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

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

*The Committee concurred with the consensus caseload estimates. They considered but did not recommend the adoption of a proviso which would have allowed the Department to restructure the basic grant matrix (Attachment 13).*

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

*Concur.*

**Legislature**

**A. Change in Legislative Subsistence Allowance.** The subsistence allowance for

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

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

*The Committee did not recommend this item.*

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

*The Committee did not recommend this item.*

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

*Nonconcur.*

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

*The Committee concurred with this item and recommended a proviso allowing the Legislature to pay expenses associated with the Natural Gas Gathering Task Force; no additional appropriation was recommended.*

### Legislative Coordinating Council

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

*The Committee recommended the addition of \$5,000 from the SGF in FY 97 for meeting costs associated with the passage of HB 2600.*

### Department of Corrections

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

*The Chairman told members that he had received a letter from the Secretary of the Department of Corrections expressing concerns about the severity of reductions for adult extended services and requesting that the Committee clarify conflicting directions as to how the money for extended services should be spent.*

*Secretary Simmons, at the request of the Chair, told members that with the Governor's recommended reduction in extended services for adult and juvenile community corrections, the Department would adjust the per unit cost, allocate that money to the counties, and let the counties make program and funding decisions. He stated that under the Governor's recommendation some extended programs (which the Department considers optional) might not be funded, but the Senate Subcommittee's recommendation would fund basically no extended services for adults. He noted that the Department had made the commitment to fund all basic services.*

*The Committee recommended the addition of \$200,000 from the SGF in FY 97 for community corrections grants to provide funding for adult and juvenile extended services and expressed support for removing the restrictions imposed by the Senate Subcommittee to allow the Department flexibility to make program decisions.*

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

- add \$1,500,000 (SGF) to renovate the closed A&T Building at Lansing

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Correctional Facility (LCF) for use as general population housing which would add 100-120 beds;

- add \$75,000 (SGF) and 11.0 FTE positions for partial year operating costs at the A & T building at LCF; and
- add \$253,500 (SGF) and 12.0 FTE positions for operating expenditures associated with doublecelling the medium unit at LCF to add 210 beds (renovation costs will come from existing rehabilitation and repair funding).

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

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

*Staff noted that the above bullets correspond with items 1, 2, 3, 5, 8 and 9 of the Governor's Budget Amendment. The Committee concurred with all of the above projects except for the conversion of the kitchen at Larned Correctional Mental Health Facility.*

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

*Staff noted that this item corresponds with item #6 of the GBA. The Committee recommended its inclusion.*

## **Kansas Sentencing Commission**

**A. Joint Committee on Computers and Telecommunications Recommendation -- Criminal Justice Information System Funding.** At its meeting on April 5, 1996, the Joint Committee on Computers and Telecommunications (JCCT) endorsed the strategic plan submitted by the Criminal Justice Coordinating Council for the continued development of the Criminal Justice Information System (CJIS). The CJIS is intended to provide a uniform

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criminal justice database for use by the various criminal justice agencies in the state. As part of the plan, the Criminal Justice Coordinating Council has requested \$410,000 from the State General Fund for FY 1997 project funding. The \$410,000 would allow the agency to access \$1,245,000 in federal matching grants. The Joint Committee specifically recommended that the Criminal Justice Coordinating Council and the Kansas Bureau of Investigation, the likely recipient of most of the funding, request a Governor's Budget Amendment for the project funding, and that both agencies write to the chairs of the Senate Ways and Means and House Appropriations committees to request that this item be considered during Omnibus. The Joint Committee further noted that in light of budgetary constraints, it would defer the funding decision to the Ways and Means and Appropriations Committees.

*In answer to a question, a representative from the Division of the Budget noted that no budget request had been submitted by the agency for this item. Members expressed support for the program and agreed that \$410,000 from the SGF should be included to access the federal funds.*

### State Treasurer

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

*The Committee concurred with this item, noting that the position could be deleted in conference if necessary.*

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

*The Committee recommended the deletion of the position and funding for the position.*

### Department of Administration

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

During an April 16, 1996, conference call meeting, the Joint Committee on State Building Construction voted to include proviso language authorizing the Department of Administration to issue bonds to renovate and equip Memorial Hall. Bonds would not be issued until the Department of Administration has presented to the Joint Committee on State Building Construction a plan for Memorial Hall renovation and until the State Finance Council has authorized issuance of the bonds upon its review of the Joint Committee's recommendation. The recommended proviso language would not include a clause included in the 1995 proviso which required the Department of Administration plan to include which agencies are to occupy the building.

*The fiscal analyst pointed out that the Department of Administration has indicated in a letter that the cost of the bonds that they would propose to issue has increased by \$735,008, and the letter details the reasons for the cost increase (Attachment 14). The Committee concurred with with addition of the proviso language as suggested by the Department (Attachment 14-3) which would include additional funding for the bonds.*

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

*The Chairman noted that he had received a letter from David Horning, General Manager of Radio Kansas, indicating that the Kansas Public Broadcasting Council would apply for a federal grant to purchase the above equipment (Attachment 15).*

*The Committee did not recommend this item, but requested that the analyst insert language in the subcommittee report stating that the Committee believes that funding they've provided for capital equipment grants will be sufficient to carry out the project.*

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

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

*The Committee endorsed the option which includes \$2 million deductible, \$100 million cap, and \$285,000 premium which would be appropriated in a separate line-item.*

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

*The Committee took no action on this item.*

**E. S.B. 492 (Conference).** Included in S.B. 492 are two provisions in FY 1997 with a fiscal impact to several state agencies. The first provision with a fiscal impact results from a House Committee amendment which would provide that 207(k) partially exempt employees would receive compensation at the regular hourly rate for working between 80 and 86 hours in a biweekly pay period. Currently, employees in those positions are required to work 86 hours in a biweekly pay period with no additional compensation. The following table notes the fiscal impact of this portion of the bill. The columns entitled "Estimated FY 1997 Fiscal Impact -- KLRD" are based on a Kansas Legislative Research Department survey of the agencies impacted and include the total number of positions authorized for each agency. The columns entitled "Estimated Fiscal Impact -- Personnel Services" are based on an estimate by the Department of Administration, Division of Personnel Services, using positions filled in the agencies impacted. It should be noted that all agencies would have the option of allowing these employees to work only 80 hours per biweekly pay period, which would result in fewer hours worked, but would have no fiscal impact.

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

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

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

A third provision of S.B. 492 that has a potential fiscal impact would provide that 207(k) partially exempt employees would use vacation and sick leave at the same rate as other state employees. Currently, those employees earn vacation and sick leave at the same rate as other employees, but use approximately 8.5 hours of leave for each day of vacation or sick leave they wish to take. According to the agencies surveyed by the Kansas Legislative Research Department, this provision would have little or no fiscal impact. The Division of Personnel Services states that this would have a fiscal impact totaling \$22,157 from all funds to the KBI, Fire Marshal, Highway Patrol, Department of Revenue, and the Department of Wildlife and Parks.

*The Committee took no action on this item.*

**Board of Indigents' Defense Services**

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



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System Expansion account to the Operating Expenditures account.

*The Committee concurred with this item.*

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

*The Committee did not recommend this item.*

### Judicial Branch

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

*The Committee concurred with the addition of \$50,000 from the SGF in FY 97 for carpet.*

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

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

*In answer to questions, Paul Shelby, Judicial Branch, stated that criteria to determine who would be recipients of the grants will be established by the Supreme Court. He told members that all the monies are generated from post judgment motions in the district courts. Concern was expressed about qualifications for the grants and potential cost of the programs. The Committee did not recommend this item.*

### Kansas Bureau of Investigation

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

The KBI states that its personnel working in the laboratory area are exposed to noxious smells, fumes, and other hazards. KBI laboratory personnel work with hazardous chemicals,



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

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

*The Committee did not recommend this item.*

**B. Lease or Purchase of the Great Bend Laboratory and Office Building (Joint Committee on State Building Construction and Senate Ways and Means Subcommittee on Capital Improvements).** The KBI currently leases its Great Bend laboratory and office facility at a rate of \$4.00 per square foot. The current lease is due to expire on June 30, 1996, and the agency has inquired about the possibility of purchasing the building. Negotiations are currently underway for several options, including a "walk-away lease" arrangement in which the state would agree to lease the building for a specified number of years and would receive the building at the end of the lease period for a nominal fee. The FY 1997 KBI budget includes funding for the lease at the current rate and no legislative action would be required to continue a lease arrangement.

*No action required.*

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

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

*The Committee concurred with this item. The fiscal analyst noted that two special projects employees have been working as special investigators. The Committee agreed to include language that would allow the agency to retain these employees.*

**D. Senate Sub. for H.B. 2603 (Conference).** Senate Sub. for H.B. 2603 makes it unlawful for any person under 21 years of age to operate or attempt to operate a motor vehicle with a blood or breath alcohol concentration of .02 or greater. As amended by the Senate Committee on the Judiciary, the bill would not be in effect until July 1, 1998, and would have no fiscal impact in FY 1997. However, if that provision is removed and the bill becomes effective January 1, 1997, there would be an FY 1997 fiscal impact. The KBI states that it would need to develop a new testing protocol to test blood accurately for the presence of .02 grams of alcohol per 100 milliliters of blood. The fiscal impact could be \$55,445 from the State General Fund (for lab equipment and supplies for

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some additional blood tests) if the existing breath instruments can be calibrated to test at this level. If the the breath instruments cannot be calibrated to test at the .02 level, the KBI estimates that its current level of blood testing would be almost doubled. The agency estimates that it would need an additional Forensic Scientist II to do blood analysis (\$39,887), testing equipment (\$49,807), and lab supplies (\$11,277), for a total cost of \$100,971.

*The Committee agreed to assume an implementation date of July 1, 1998, making it unnecessary to take any action.*

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

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

*(This item corresponds with item 39 of the GBA.) The Chairman observed that the provision that transfers the responsibility for determining and distributing equipment grants was amended into an unrelated bill in Commerce Committee and the required action would be to reconcile the money with the law. The Committee concurred with this item but recommended that a proviso be included that would require the Secretary of Commerce and Housing to get the approval of the KTEC Board prior to awarding any grant.*

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

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

*It was noted that item 40 of the GBA corresponds with this item, but differs in that it does not recommend the shift of the 2.0 FTE positions. The Committee agreed with the Governor's recommendation to not shift the 2.0 FTE positions and recommended the addition of a proviso directing that the Secretary of Commerce contract with KTEC for the administration of the Industrial Agriculture Program by KTEC.*

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

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

*Steve Kelly, Department of Commerce and Housing, stated that the agency has been charging fees on mortgage revenue bonds and mortgage credit certificates and had proposed to charge other fees. A notice was published in the Kansas Register, but the agency had held off establishing the fees until a review with the industry was complete. In answer to Senator Petty, he stated that the availability of the bonds has not been suppressed below the statutory limit. He noted that a majority of the states that had responded to a questionnaire had indicated that they charge fees for private activity bond allocation. He stated that, based on the Attorney General's opinion, the agency does not have the authority to assess any of the fees, but that opinion differs from one that the agency had sought. Sherry Brown, fiscal officer for the agency, stated that all revenues and expenditures are included in the agency's budget for legislative review. The Committee recommended the proviso in FY 96 and FY 97 to authorize the collections of fees for services provided under the Department of Commerce and Housing.*

**Department of Human Resources**

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

*Varying degrees of support for this program were expressed. The Chairman requested additional information from the Department. Peter LaTessa, Director of Employment and Training, Kansas Department of Human Resources, told members the goal is to develop a network of information and services that will be more accessible in the communities of Kansas and that the \$500,000 would be used primarily to provide computers in nontraditional locations statewide. He stated that the agency is in the process of obtaining a federal grant for this system. He distributed copies illustrating the proposed uses of the \$500,000 for the One-Stop Career Center System (Attachment 16). The Committee concurred with this item, but recommended a proviso requiring that the Department report on a quarterly basis to the Joint Committee on Computers and Telecommunications on the implementation of the project.*

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

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

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

*The Committee concurred with this item and recommended the proviso to allow the Department to expend funds for the program prior to the effective date of the bill. Technical adjustments were also authorized.*

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

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

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*The Committee did not recommend additional funding from the State General Fund, but agreed to change the expenditure limitation on the Wage Claims Assignment Fee Fund from zero to no limit.*

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

*The Committee recommended that the expenditure limitation on the Workers Compensation Fee Fund be reduced by \$105,803 in FY 97 and that 4.0 FTE positions be eliminated.*

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

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

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

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

*The Committee did not recommend this item.*

#### **Behavioral Sciences Regulatory Board**

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

*The Committee agreed to increase the expenditure limitation of the agency's fee fund by \$4,200 in FY 97.*

#### **Mental Health Hospitals -- Systemwide**

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

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

*The Committee recommended a 3% teacher salary increase in FY 97.*

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

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

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

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

*The Committee recommended the addition of \$8,742 from the SGF in FY 97 and \$3,192 in FY 96 to make adjustments for categorical aid.*

**Kansas Human Rights Commission**

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

*The Committee concurred with this item.*

**B. House and Senate Subcommittee Recommendation - Federal Funds Shortfall.** The agency requested a Governor's Budget Amendment (GBA) to reverse the recommended lapse of \$70,592 State General Fund in FY 1996 to partially offset an anticipated shortfall in federal fund receipts. The House Subcommittee supported the agency's GBA request

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and recommended the issue be revisited in the Omnibus session. The Senate Subcommittee restored the funding but recommended the issue be revisited in the Omnibus session. Subsequently, the Conference Committee on S.B. 95 restored to the money to the agency budget.

*(Also see item # 46 of the GBA.) It was noted that the Governor's recommendation to provide \$50,000 from the SGF results in the same total recommendation as the lapse referred to in this item. The Committee recommended the lapse of \$20,592 from the Municipal contract investigative services account of the SGF in FY 96.*

**Board of Cosmetology**

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

*The Committee did not recommend this item.*

**Office of the State Bank Commissioner**

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

*The Committee agreed to increase the expenditure limitation on the Bank Commissioner Fee Fund by \$18,308 in FY 96.*

**Kansas Commission on Veterans Affairs**

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

*The Committee authorized the technical adjustment.*

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

*The Committee authorized the technical adjustment.*

**Secretary of State**

**A. Senate Substitute for House Substitute H.B. 2079 (Governor).** H.B. 2079 implements the federal National Voter Registration Act (NVRA) in regards to the election laws in the State of Kansas. In the Senate version, the Chief Election Officer would be defined as the Secretary of State. The bill would authorize the Secretary of State to promulgate rules and regulations to comply with the NVRA. The bill designates certain state agencies as voter registration agencies. These agencies would include the Division of Motor Vehicles, Kansas Department of Revenue, and any other state agency that provides public assistance and services to persons with disabilities. Also included as a voter registration agency would be recruitment offices of the armed forces, and offices of the city clerk in any city of the first or second class. The cost of implementing the Senate version of the bill, according to the Division of Budget, Kansas Department of Administration, is estimated to be \$870,096. This amount includes costs to state agencies that might be designated voter registration agencies (\$120,421), costs of the County Treasurers (\$54,000) and costs to counties to implement the bill (\$695,675). In GBA No.4 dated February 20, 1996, the Governor amends the FY 1996 budget of the Secretary of State by \$695,000 in State General Fund expenditures for aid to counties. This FY 1996 funding is recommended to implement the National

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Voter Registration Act at the county level. The counties require new equipment, including file cabinets, computer hardware, computer programming and computer software. See Table Below.

**REVISED ESTIMATE TOTAL IMPLEMENTATION COSTS**

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

*At the request of the Chair, Janet Chubb, Assistant Secretary of State, told members that the Secretary of State would suggest support for county funding. She stated that the fiscal note for the Secretary of State's office is \$76,500 for change of address and for maintaining the registration list. She noted that one item not included above is \$14,112 in expenses incurred as a result of a federal court order (Attachment 17). The Committee agreed to add \$14,112 from the SGF in FY 96 for reimbursement of costs incurred for the National Voter Registration Act and to add \$400,000 from the SGF in FY 96 for aid to counties for implementation of the National Voter's Registration Act.*

**B. H.B. 3081 (Governor).** H.B. 3081 would enact the Kansas Athlete Agent Act which would provide for regulation of athlete agents by the Secretary of State. The bill would require athlete agents of all intercollegiate sports to register annually with the Secretary of State and provide specified information in the registration application. The Secretary would be authorized to conduct investigations necessary to enforce the Act and refer any violations to the Attorney General for prosecution. The bill would also regulate advertising by athlete agents and set out specific advertising practices that would be prohibited. The bill would create the Athlete Agent Registration Fee Fund as the repository for all fees, civil penalties, and other moneys received under the Act. Revenue credited to the Fund could be used only for expenses incurred for the performance of the duties and functions of the Secretary under the Act. The Secretary of State does not have an estimate of the number of persons who would register under this Act and pay the \$1,000 annual registration fee. It is likely that few agents would be registered, but it is not possible to provide an accurate estimate at this time.

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

*The Committee recommended that \$40,000 from the SGF be added in FY 97 to implement the Athlete Agent Act and that the new fee fund be appropriated.*

**C. Senate Substitute for House Substitute for H.B. 3000 (Passed Both Houses, No Conference Committee Appointed).** H.B. 3000 would revise current law pertaining to state and local governmental ethics and campaign finance. The Secretary of State estimates that passage of the Senate version of the bill would have no fiscal impact for the agency in



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FY 1997. Passage of the House version of the bill, however, would incur a minimum of \$2,300 in State General Fund expenses in FY 1997 to cover an additional filing cabinet and copy costs.

*The Committee did not recommend this item.*

**Kansas Commission on Governmental Standards and Conduct**

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

*The Committee concurred.*

**Kansas State Dental Board**

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

*The Committee concurred.*

**Mental Retardation Hospitals -- Systemwide**

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

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

*The Committee recommended funding to provide a 3.0% increase in teachers' salaries at KNI, Parsons and Winfield.*

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



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

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

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

*The Committee concurred with the adjustments to categorical aid in FY 97.*

**Kansas Neurological Institute**

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

*(See item 20 of the GBA.) The Committee concurred with the razing of eight buildings, subject to the approval of the Joint Committee on State Building Construction.*

**Department of Education**

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

In general, the estimate of local resources decreased slightly -- by \$201,000 in FY 1996 and by \$190,000 in FY 1997. The estimate of expenditures was increased as the result of more students than had been estimated originally. (Staff Note: The enrollment estimate used in this memorandum has been agreed to by the State Department of Education and the Legislative Research Department. It differs from the estimate used by the Division of the Budget in that it includes an additional 450 students that are estimated as a consequence of the enactment of H.B. 2967, which the Governor has signed. H.B. 2967 concerns the downsizing of Fort Riley and is discussed in more detail below.) Off-setting the estimate of increased expenditures in FY 1996 is the expectation that all of the local effort remittance due in the current year will be received in time to distribute before the end of FY 1996. Because more remittance money will be available in the current year, the appropriation from the State General Fund for general state aid that was approved by the 1996 Legislature at the end of the regular session can be reduced by \$976,000. In addition, the appropriation for supplemental general state aid can be reduced by \$475,000. The total reduction for both funds in FY 1996 is \$1,451,000, which either could be lapsed or carried forward to reduce the appropriation for FY 1997. (Whether to lapse or reappropriate the balances is a policy decision. The advantage to lapsing the money is that a lapse places an absolute cap on what can be spent in FY 1996. The advantage of a reappropriation is that, if the estimates are off or if all of the local effort

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remittance is not received in time to be distributed during the current year, there most likely would be enough money from the State General Fund to fully fund the program in the current year without having to prorate. However, if all of the estimated reappropriation is spent in the current year, FY 1997 would be underfunded based on current estimates.)

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

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

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

The fiscal analyst noted that item #43 in the GBA corresponds with this item. She noted that the Governor concurs with revised estimates and his amendment includes full funding for the downsizing of Fort Riley. However, because he is adjusting his recommendations, the numbers appear different though the bottom line is the same. The Committee concurred with the revised estimates for FY 96 and agreed to include a proviso that would reappropriate the balance of \$1.4 million in FY 96 to FY 97 and add \$3.7 million in FY 97 to fund the shortfall.

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

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

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

*This portion was addressed in previous action on item A.*

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

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

*The fiscal analyst noted that item #44 of the GBA also includes \$271,694 for this item. The Committee recommended the addition of \$271,694 from the SGF in FY 97 for juvenile detention facilities.*

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

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

*The Committee authorized the creation of the new fund but provided no funding for this item, noting that it would be considered as a supplemental appropriation during the fiscal year in which any tuition and fees are waived.*

## **Attorney General**

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

Information provided by the Division of Personnel Services on March 29, which was derived from the SHARP database, is not accurate. Therefore, the Attorney General's Office conducted its own survey and compiled a list of attorneys employed by each state agency,



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categorized by "classified" and "unclassified, with the unclassified category further subdivided to identify attorneys who occupy the position of chief counsel. The list excludes state government employees who are attorneys but whose jobs are not legal in nature. Using Legislative staff as an example, attorneys in the Revisor of Statutes Office are included, but attorneys in the Legislative Research Department, who function as research or fiscal analysts, are not.

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

*A letter from the Office of the Attorney General regarding the attorney salary parity was made available to members (Attachment 18). The Committee agreed to provide \$72,135 in FY 97 (\$65,322 from the SGF) for "parity" salary increases. It was the Committee's intent to upgrade the attorney's salaries over a two year period.*

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

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

*The Committee did not recommend this item.*

**C. H.B. 2402 (Governor).** H.B. 2402 establishes a statewide system of visitation centers and child exchange centers to allow court-ordered child exchange or visitation in a manner that protects the safety of all family members. The administration of the centers will be handled by

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the Attorney General, in cooperation with local governmental agencies that will provide the centers. The centers will be used by children who have been removed from their parents due to abuse, neglect, or other risks of harm. The centers also would be used for children whose parents are separated or divorced and the children are at risk due to circumstances that include documented or suspected abuse, domestic violence, an impaired parent, or other circumstances that put a child at risk.

H.B. 2402 creates a new fund named the Child Exchange and Visitation Centers Fund. According to the Attorney General, revenues to the fund would be any federal money that is made available for the purpose of establishing child exchange and visitation centers and any other money the Attorney General may apply for and receive. In addition, the bill raises the marriage license fee from \$40 to \$50 and provides that 20 percent of marriage license fees be credited to the Crime Victims Assistance Fund to be used to match funds for meeting any federal requirement for child exchange and visitation centers. The additional amount generated by the increase would be approximately \$217,500, which would be the amount credited to the Crime Victims Assistance Fund. If no federal money is made available, the money may be used as otherwise provided in the statutes governing the Crime Victims Assistance Fund.

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

*The Committee agreed to add a new fund called the "Child Exchange and Visitation Centers Fund" with a no limit expenditure limitation.*

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

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

*The Committee concurred with this item, but proposes that the Attorney General report annually to the Legislature concerning debt and restitution collection activities.*

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

The legislation would implement statutorily a division the Attorney General created on her own initiative July 1, 1996, in response to a federal mandate that states investigate and prosecute fraud and patient abuse involving providers who receive Medicaid reimbursement. Funding for the Medicaid Fraud Control Unit is 90 percent from federal funds and 10 percent from the State General Fund until October, 1998, at which time the match will be 75 percent federal and 25 percent state. Total expenditures are estimated to be \$546,754 in FY 1996 and \$582,626 in FY 1997. The



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Attorney General included in her FY 1997 budget a request for 4.0 FTE additional positions (two attorneys, one investigator, and one legal assistant) which neither the Governor nor the Legislature approved. The justification for the request was that additional staff would result in more vigorous investigation and prosecution of Medicaid fraud and a corresponding increase in restitution. The cost of the new positions for FY 1997 is \$290,082, of which \$261,000 would be from federal funds and \$29,082 would be from the State General Fund.

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

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

*The fiscal analyst noted that salaries for the 4.0 FTE positions are 90% federally funded. The Committee concurred with this item and recommended the inclusion of the House proviso that stipulates that the SGF be repaid in the future from any penalties that are collected and requests that the Attorney General report annually to the Legislature regarding collections and expenditures associated with Medicaid fraud control.*

## Board of Regents

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

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

*The Committee agreed to shift \$184,421 SGF in FY 97 from the participating schools to a separate line item in the Board of Regents budget.*

**B. S.B. 404 (Law) -- Kansas Distinguished Scholarship Program.** S.B. 404 changes the name of the "Kansas-Rhodes Scholarship" program to the "Kansas Distinguished Scholarship" program. The Distinguished Scholarship Program would provide funding for recipients of Rhodes, Marshall, Chevening, Fulbright, Truman, and Brasenose scholarships, as

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well as Mellon and Madison fellowships who either are Kansas residents or hold an academic degree from a Regents institution. In past years, a provision similar to S.B. 404 has been attached as a proviso to the Board of Regents appropriation for the State Scholarship Program; however, the proviso mentioned only Rhodes, Marshall, and Brasenose scholarships. Recent actual expenditures have been in the range of \$965 to \$4,000. The State Board of Regents estimates that an appropriate funding level for the Distinguished Scholarship Program would be \$10,000. The Division of the Budget assumes that the funding for the Distinguished Scholarship program would come from amounts already included in the FY 1997 Governor's Budget Report for the State Scholarship Program, resulting in no net fiscal impact. The Governor recommends a total of \$953,955 for the State Scholarship Program in FY 1997. One approach would be to shift \$10,000 of this amount to a new line-item for the Distinguished Scholarship Program in the budget of the Board of Regents.

*The Committee concurred with this item, but did not recommend the shift of \$10,000 to a new line-item.*

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

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

*The Committee agreed to create a new line item in the Board of Regents budget but provided no appropriation. The Committee requested that information on the amount of tuition and fees waived be compiled and submitted to the Legislature for consideration as an FY 97 supplemental appropriation.*

### Adjutant General

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

*There was not a consensus on this item. Senator Morris moved, Senator Brady seconded, that \$100,000 in FY 97 and \$155,592 in FY 98 be added from the SGF in a multiyear appropriation bill for a capital improvement project to construct a new addition to the Iola armory. The motion carried on a show of hands.*

### Kansas Highway Patrol

**S.B. 662 and H.B. 2667 (Conference).** Both bills adjust the amount of money per

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title that the KHP would received in FY 1997 and subsequent years. Depending upon what version passes, if any, the FY 1997 expenditures would need to be adjusted accordingly. No adjustment in the expenditure limitation for the Highway Patrol Motor Vehicle Fund would be required since a no limit line item for that fund was authorized in FY 1997. The 1996 Legislature approved in S.B. 95 revenue estimated at \$879,434 from motor vehicle titles, \$1,537,424 from resale of used vehicles, \$300,194 of carryover funding, and expenditures of \$2,353,200 from the Motor Vehicle Fund for replacement patrol cars. The FY 1997 approved budget assumed that motor vehicle registration fees dedicated for the KHP would drop to \$1 per title after being set at \$3.50 per title from FY 1994 to FY 1996. The two bills have had different amounts dedicated to the KHP, ranging from \$2.00 to \$3.00.

*The fiscal analyst noted that the corresponding item in the GBA is item #58. The Committee noted that they would continue to support the Senate position on SB 662. No action was necessary.*

### Kansas Racing Commission

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

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

*See the Governor's Budget Amendment, Item # 41.*

### State Gaming Revenues Fund

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

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



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

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

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

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

*See the Governor's Budget Amendment, item #38.*

**State Historical Society**

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

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

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

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

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

*A representative from the Office of the Secretary of Transportation stated that the Department supports the state contribution toward obtaining the federal matching dollars. Members discussed the City of Osawatomie's lack of interest in taking responsibility for this property prior to its destruction and expressed little interest in restoring the property without an agreement in hand that the city would assume responsibility. Ramon Powers, Executive Director of the State Historical Society, stated that the community has demonstrated more interest in the project in the last six months and stated that he would attempt to obtain the agreement. The fiscal analyst noted that the House Committee had recommended that this item be included in its version of the Omnibus Appropriations Bill. The Senate Committee did not recommend this item, noting that the House Committee's recommendation would be conferencable. (Corresponding item in the GBA is item #64.)*

**Department of Health and Environment**

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

*This item was recommended for inclusion in the Omnibus Appropriations Bill.*

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

*The Committee assumed an effective date of July 1, 1998 for the bill. No action was required.*

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

*The Committee concurred with this item.*

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

**D. S.B. 536 (Conference).** S.B. 536 establishes in statute a state cancer registry program under the control of the Secretary of Health and Environment. The Department currently maintains a cancer registry, which is established by administrative regulations and already funded in the regular appropriations bill. The proposed legislation would provide for improved reporting requirements and authorize the use of the confidential data for limited purposes. However, the House version of the bill also requires the Department to contract with the University of Kansas Medical Center for a study assessing the cancer risk of having an abortion. The bill specifically says that the costs of the contract is to be paid from the State General Fund. According to a fiscal note provided by the Division of Budget, the Department has indicated that the study will require adding for FY 1997 \$400,000 to \$900,000 from the State General Fund for the cancer risk study contract.

*The Committee did not recommend additional funding for this item.*

April 18, 1996

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

and

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

Dear Senator Kerr:

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

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

Sincerely,

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.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

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

*(See Items for Omnibus Consideration, Department of Corrections, Item B.)*

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>(22,500)</u>
All Funds	<u>\$ --</u>	<u>\$(1,164,583)</u>

*(See Items for Omnibus Consideration, Department of Corrections, Item B.)*

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>317,652</u>
All Funds	<u>\$ --</u>	<u>\$ --</u>

*(See Items for Omnibus Consideration, Department of Corrections, Item B)*

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.

*The Committee concurred in this item.*

**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	--	--
All Funds	<u>\$ 275,000</u>	<u>\$ --</u>

*(See Items for Omnibus Consideration, Department of Corrections, Item B.) The Committee did not recommend this item.*

### 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.

	FY 1996	FY 1997
State General Fund	\$ --	\$ 750,000
All Other Funds	--	--
All Funds	\$ --	\$ 750,000

*The Committee recommended this item.*

### Winfield State Hospital & Training Center

#### 7. Transfer Power and Sewer Plant

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

*Staff noted that the Legislature had already shifted \$149,646 and 5.0 FTE positions related with the power plant. The Committee concurred with the item, which would result in the shift of an additional \$53,990 and 1.0 FTE position.*

### 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-Celling 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-celling 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

*The Committee concurred with this item.*

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

*The Committee did not recommend this item. Answers to questions posed by the Committee were provided subsequent to the meeting (Attachment 19).*

12. Federal Urban Enterprise Community Grant Awarded to Kansas City

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

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

*The Committee agreed to include this item.*

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 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

*The Committee included this item in the Senate version of the Omnibus Appropriations Bill.*

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

*The Committee concurred with this item.*

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.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

SRS:

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

*The Committee recommended this item.*

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

*(See "Items for Omnibus Consideration," Department of SRS, Item A.)*

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.



CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

	<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	\$ --

*The fiscal analyst told members that the agency had not identified these costs when their budget was submitted. In answer to questions, it was stated that this proposal has been reviewed by the Joint Committee on Computers and Telecommunications. Members inquired whether the alternative system would solve the problems and whether FY 97 appropriations would be requested for that system. Answers to questions were provided subsequent to the meeting (Attachment 19) The Committee did not recommend the item pending receipt of that information, but noted that the House Committee had included this proposal in their version of the bill.*

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	\$ --

*The fiscal analyst noted that this item is the final payment on the Americare lawsuit.*

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.

*The Committee did not recommend this item, noting that the House Committee had included it in their version of the bill and it would be a conferencable item.*

*New Item -- The fiscal analyst compared funding in FY 96 with the Governor's proposed funding for FY 97 of the two statewide organizations which provide consumer services for the mentally ill (Kansas Alliance for the Mentally Ill and Kansas Mental Illness Awareness Council) and reviewed the House Committee's proposal (Attachment 20). She told members that consumer organizations requested \$150,000 for the program to target certain populations and have indicated that the cost of C-STAR is greater than \$50,000. The Committee recommended that a proviso be added that would direct SRS to allocate additional funding FY 97 of \$25,000 each to the two consumer organizations to maintain funding at their FY 96 level and that SRS allocate an additional \$50,000 within its existing budget to local consumer-run organizations in FY 97.*

**Kansas Neurological Institute**

20. Authority to Raze Buildings

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

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.

*Previously addressed in Items for Omnibus Consideration, Kansas Neurological Institute, item A.*

**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.

*The Committee concurred with this item.*

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	(236,172)	(195,513)
All Funds	<u>\$ (236,172)</u>	<u>\$ (195,513)</u>

*The Committee recommended this item.*

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 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	--	--
All Funds	<u>\$ (500,000)</u>	<u>\$ 250,000</u>

*The Committee concurred with this item.*

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

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

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	--
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

*The Committee concurred but, in order to assure that no new FTE positions would be associated with the programs, the Committee recommended a proviso on the Federal Chemical Emergency Preparedness Assistance Fund prohibiting the Department from using the monies for state operations and requiring that grant recipients meet any match requirements for the new federal dollars.*

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)

*The Committee concurred with this item.*

**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.*



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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

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

(See "Items for Omnibus Consideration," Regents Systemwide, item D.)

**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	--	--
All Funds	<u>\$ --</u>	<u>\$ (44,251)</u>

*The Committee concurred with this item.*

**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	--	--
All Funds	<u>\$ 212,489</u>	<u>\$ --</u>

*The Committee recommended that this item be included.*

**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	--	(68,212)
All Funds	<u>\$ --</u>	<u>\$ 229,871</u>

*In answer to questions, the fiscal analyst stated that revenues to this fund have been reduced because the Veterinary Medical Center is not collecting as much in fees and because of cost increases, i.e., it can no longer participate in the purchasing benefits of the University of Kansas Medical Center since that hospital entered into the University Hospital Consortium. The Committee concurred with this item.*

**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>7,390,000</u>
All Funds	\$ --	\$ 7,390,000

*(See "Items for Omnibus Consideration," Kansas State University, Item B.)*

**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.

*The fiscal analyst noted that this item was addressed by HB 2970 and required no additional action on the part of the Committee.*

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>10,000</u>
All Funds	\$ --	\$ 10,000

*(This item was addressed in "Items for Omnibus Consideration," Kansas State University, Item B, 4.)*

**KSU--Salina**

34. Enrollment Adjustment

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MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

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	--	--
All Funds	\$ --	\$ 31,372

*The Committee concurred with this item.*

### 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)

*The Committee concurred with this item.*

### 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.

*The Committee concurred with this item.*

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.



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MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

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

*The Committee concurred with this item.*

**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

*The Committee concurred with the Governor's revised estimates for the State Gaming Revenues Fund receipts and expenditures.*

**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

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MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

*Action taken during discussion of "Items for Omnibus Consideration," Department of Commerce and Housing, item A.*

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>(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>306,506</u>
All Funds	\$ --	\$ 306,506

*(See "Items for Omnibus Consideration, Department of Commerce and Housing, Item B.)*

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>	--
All Funds	\$ 145,976	\$ --

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MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

State Racing Commission:

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

*The Committee concurred with this item, subject to passage of **SB 410**.*

**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>53,757</u>
All Funds	\$ --	\$ 53,757

*The Committee concurred with this item.*

**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	--	--
All Funds	\$ (552,000)	\$ 2,244,000

*(Addressed in "Items for Omnibus Consideration, Department of Education, Item A.)*

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-

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MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 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	--	--
All Funds	\$ --	\$ 1,943,394

*(Previously addressed in "Items for Omnibus Consideration," Department of Education, Item B, 2.)*

**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.

*The Committee concurred with this item.*

**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	--	--
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.

*The Committee recommended this item.*

**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>(113,468)</u>
All Funds	\$ --	\$ (113,468)

*The Committee recommended this item.*

**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	\$ --

*The Committee concurred with this item.*

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

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MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

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

*The Committee concurred with the technical corrections, but staff noted that the transfer of \$147,177 from the State Buildings Operating Fund in the Department of Administration to the State General Fund had been accomplished in SB 95.*

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.

*Members noted that the Division of Architectural Services had not requested the costs associated with the inspection and design of the Regents capital improvements projects. It was noted by staff that the Department believes that contracting for the services will be more expensive than doing them in-house. The Committee did not recommend that this item be included.*

**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.

*The Director of the Budget told members that the city and county are each expected to contribute \$50,000, and the state may need to contribute another \$50,000 from the EDIF through regional planning grants. Chairman Kerr noted that it was his understanding that the state's contribution was a critical part of the mix. The Committee concurred with creating a no limit special revenue fund in FY 96 and FY 97 to receive funds for the study and to concur with the Governor's intent to transfer \$50,000 from the Strategic Action Grants subaccount of the EDIF to fund one-third of the study.*

### 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>(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>35,882</u>
All Funds	\$ --	\$ 35,882

*The Committee concurred this item.*

### 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>2,000</u>
All Funds	\$ --	\$ 2,000

*The Committee recommended this item.*

### 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.

*The Committee concurred with this item.*



CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

**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	\$ --

*The Committee recommended that this item be included in the Omnibus Appropriations Bill.*

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

*The Committee recommended that the Administrative Officer of the Board of Barbering be provided a 2.5% increase for six months which is equal to the merit increase provided for all other unclassified employees.*

**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

*(See "Items for Omnibus Consideration," Kansas Highway Patrol, SB 662 and HB 2667.)*

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.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

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

*The fiscal analyst told members that this proposal is new and had not been reviewed by the Joint Committee on Building Construction. The Committee concurred with this item subject to Building Committee review and release of financing by the State Finance Council*

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

I amend my budget to expend \$137,160 from the Motor Carrier Inspection 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>137,160</u>
All Funds	\$ --	\$ 137,160

*The Committee did not recommend this item. Members noted that the Joint Committee on Building Construction could consider this item prior to Committee of the Whole action on the Omnibus Appropriations Bill and a floor amendment could be offered.*

**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>
All Funds	\$ --	\$ 1,452

*The Committee concurred with the addition of \$1,452 from the SGF for classified step movement.*

**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.

*This item was addressed under Items for Omnibus Consideration, Board of Indigents' Defense Services, item #62.*

**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

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

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>1,200,000</u>
All Funds	\$ --	\$ 1,600,000

*The Committee took no action on this item because the bill provides for the transfer.*

**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>	--
All Funds	\$ 146,654	\$ --

*(See "Items for Omnibus Consideration," State Historical Society.)*

**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	--	--
All Funds	\$ --	<u>\$ 11,585</u>

*The Committee recommended that this item be included.*

66. Armory Utilities

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:00 a.m. on April 18, 1996.

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	\$ --

*The Committee concurred with this item.*

**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

*The Committee concurred with this item.*

**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

*The Committee concurred with this item.*

**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

*The Committee recommended this item.*

**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>390,000</u>
All Funds	\$ --	\$ 490,000

*The Committee recommended that this item be included.*

**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>175,000</u>
All Funds	\$ --	\$ 175,000

*A representative from the Department of Wildlife and Parks presented additional information at the request of the Chair (Attachment 21). In answer to questions, he stated that the old backhoe is inoperable and difficult to get parts for, and the Department cannot contract for some projects because the backhoe cannot do the job. The Committee recommended the addition of \$175,000 from the Wildlife Fee Fund in FY 97 for purchase of the backhoe.*

*New Item -- The Chairman noted that he had received a letter of appeal from the President of the Cheney Lake Association concerning erosion at Cheney Reservoir (Attachment 22) and had subsequently been informed that Senator Kassebaum's office has indicated that federal monies will be made available for the stabilization of the shoreline. It was noted that \$65,000 is requested for trucking expenses associated with hauling the rock. The Chairman stated that he would consider offering a floor amendment using State Water Plan Fund monies after studying additional information.*

It was moved by Senator Burke and seconded by Senator Karr that the Senate Committee's version of the Omnibus Appropriations Bill be introduced and recommended favorably for passage. The motion carried on a roll call vote.

The Chairman adjourned the meeting at 4:45 P.M. on April 19, 1996.

These minutes were distributed to members with a time certain for approval. Having received no corrections by 6:00 P.M. April 29, 1996, the minutes stand approved as presented. The next meeting is not scheduled.



# SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: APRIL 18, 1996

NAME	REPRESENTING
Raul Cowey	KRTA
Melissa Wangemann	Hein Ebert & Weir
LINDA McGill	PMA
Kelly Jennings	KAPF
Nancy Bogina	KDOT
Craig Grant	KNEA
Ken Balw	4th Enrollment USD's
Paul Shelby	OJA
Scott Alisoppe	DOB
Chris Starfield	KDHE
Dan Rezac	S.E.A.K.
Joil Woerman	Attorney General
Jon Josseland	KU
Marvin Burris	13d of Regents
Tom Laing	InterTab



# SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: APRIL 19, 1996

NAME	REPRESENTING
Martha Hodgesmith	A Horner General
Nancy Lindberg	Atty Gen.
Natalie Haag	State Gaming Agency
Sherry Brown	KDOC & H
Ken HARJO	RACING COMMISSION
Jacque Dukes	S & E
Anne Spiess	Ks. Assoc of Counties
Myou E Seaf	Racing Commission
Ed Wachauer	Wachauer

**AGENDA**

**WAYS AND MEANS COMMITTEE**

April 18, 1996  
Room 123-S -- Statehouse

10:00 a.m.      Revised School Finance Estimates -- Ben Barrett

State General Fund Profile -- Alan Conroy

Update on Economic Development Initiatives Fund -- Eric Milstead

Update on State Water Plan Fund -- Russell Mills

10:30 a.m.      Items for Omnibus Consideration -- Alan Conroy

Begin Committee Review of Items for Inclusion in the Omnibus Bill

Legislative Research Staff



Analyst	Agencies in Memo
Don Cawby	Department of Revenue Department of Agriculture Youth Centers
Laura Howard	Regents Systemwide Kansas State University SRS -- Mental Health and Developmental Disabilities Services
Paul West	Department of Social and Rehabilitation Services
Alan Conroy	Legislature Legislative Coordinating Council
Leah Robinson	Department of Corrections Kansas Sentencing Commission
Kathy Porter	State Treasurer Department of Administration Board of Indigents' Defense Services Judicial Branch Kansas Bureau of Investigation
Eric Milstead	Department of Commerce and Housing Department of Human Resources Behavioral Sciences Regulatory Board
Susan Wieggers	Mental Health Hospitals Systemwide Kansas Human Rights Commission Board of Cosmetology Office of the State Bank Commissioner Kansas Commission on Veterans Affairs
Tricia Pierron	Secretary of State Kansas Commission on Governmental Standards and Conduct Kansas State Dental Board Mental Retardation Hospitals Systemwide Kansas Neurological Institute
Carolyn Rampey	Department of Education Attorney General
Russell Mills	Board of Regents Adjutant General
Julian Efird	Kansas Highway Patrol Kansas Racing Commission State Gaming Revenues Fund
Pat Mah	State Historical Society Department of Health and Environment



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

APRIL 8, 1996 (Does not include H.B. 2967 - Approved 4/10/96)

(Amounts in Thousands)

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

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

NOTES:

Assumed annual assessed valuation growth is 3.15 % in 1996 and thereafter.

Base percentage growth, incorporating correlation weights, uses 0.928% in 1996-97, 0.598% in 1997-98, and .470% in 1998-99.

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

Senate Ways & Means  
April 18, 1996  
Attachment 2



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

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

**LOCAL OPTION BUDGET (LOB) (d)**

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

TOTAL: BASE BUDGET PLUS LOB	2,082,484	2,137,539	55,055	2,184,199	46,660	2,215,260	31,061	2,245,585	30,325
TOTAL: GEN. STATE AID NEEDED	1,332,615 (c)	1,375,107	42,492	1,358,414	(16,693)	1,366,946	8,532	1,377,790	10,844
TOTAL: SUPP. GEN. STATE AID NEEDED (e)	40,005	41,125	1,120	48,762	7,637	55,902	7,139	63,484	7,582
TOTAL: GEN. & SUPP. GEN. STATE AID REQ.	1,372,620	1,416,232	43,612	1,407,176	(9,056)	1,422,848	15,671	1,441,274	18,426
<b>FROM STATE GENERAL FUND: GENERAL AND SUPPLEMENTAL GENERAL STATE AID</b>									
General State Aid Required	1,297,194 (c)	1,340,501	43,308	1,323,904	(16,597)	1,332,436	8,532	1,343,280	10,844
General State Aid Available	1,308,183	1,341,477	33,294	1,318,779		NA		NA	
Amt. Req. in Excess of Amt. Available	(10,989) (c)	(976) ←	10,014 →	5,125 ←		1,332,436		1,343,280	
Supplemental General State Aid Required	40,005 (c)	41,125	1,120	48,762	7,637	55,902	7,139	63,484	7,582
Supplemental Gen. State Aid Available	40,005	41,600	1,595	48,672		NA		NA	
Amt. Req. in Excess of Amt. Available	0 →	(475) ←	(475) →	90 ←		55,902		63,484	
Total Gen. & Supp. Gen. State Aid Req.	1,337,198	1,381,626	44,428	1,372,666	(8,960)	1,388,338	15,671	1,406,764	18,426
Total Gen. & Supp. Gen. State Aid Avail.	1,348,188	1,383,077	34,889	1,367,451		0		0	
Amt. Req. in Excess of Amt. Available	(10,989) →	(1,451) ←	9,539 →	5,215 ←		1,388,338		1,406,764	

Amount Per Mill	15,502	16,184	692	16,704	510	17,230	526	17,773	543
Property Tax Rate In Mills	35	35	0	35	0	35	0	35	0
Mill Rate for District Portion of LOB	8.30	8.42	0.12	8.26	(0.15)	9.15	0.89	9.34	0.19

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

**NOTES:**

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

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



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

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

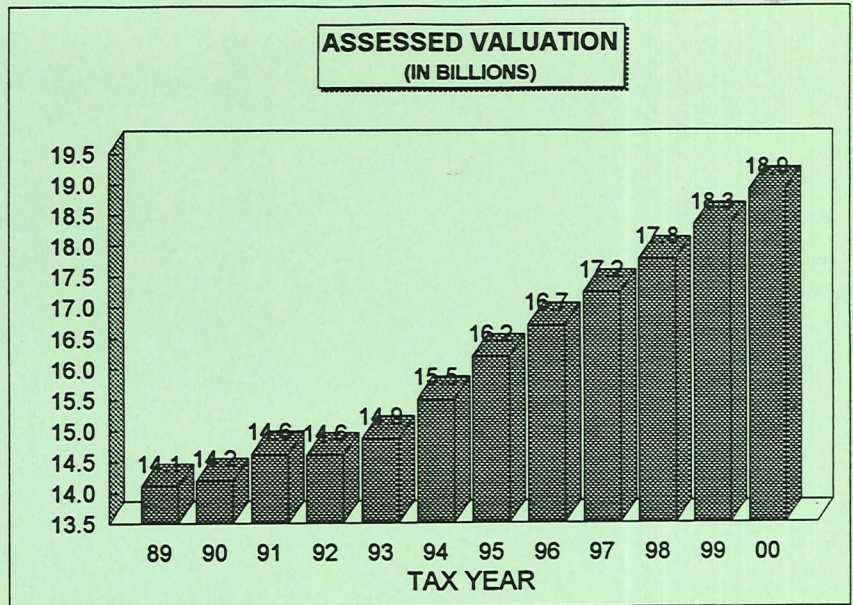
<b>LOCAL OPTION BUDGET</b>	<b>1995-96</b>	<b>1996-97</b>	<b>1997-98</b>
<b>BUDGET (IN MILLIONS)</b>			
Est., October 1995	190.3	211.6	232.3
Est., April 1996	185.1	212.0	232.9
Est. "Savings" (Reduction in April)	5.2	(0.4)	(0.6)
<b>SUPP. GENERAL STATE AID (IN MILLIONS)</b>			
Est., October 1995	41.6	48.7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

a) Incorporates 1996 H.B. 2967—Ft. Riley declining enroll. provision—450 FTE—\$1.6 mill.  
\* Takes account of the fact that all of a tax year's levy is not received by school districts in one fiscal year and RESPA rule—1996-97 and 1997-98.

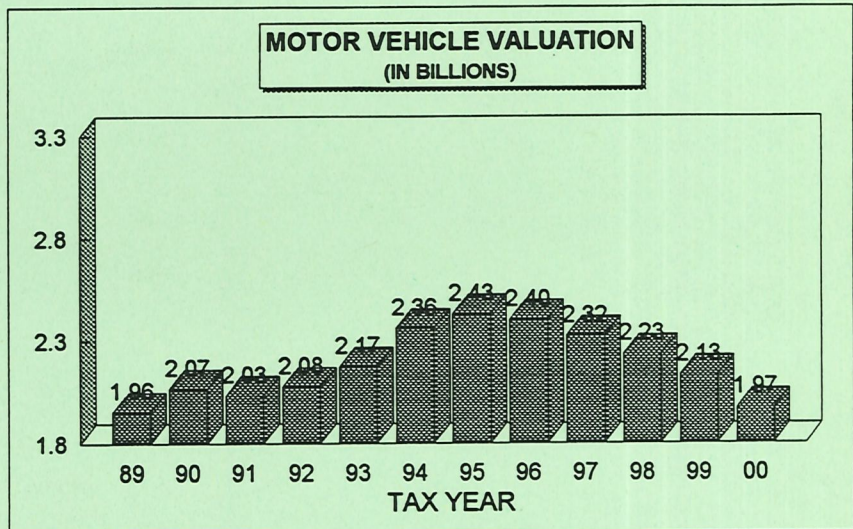
April 18, 1996 KLRD



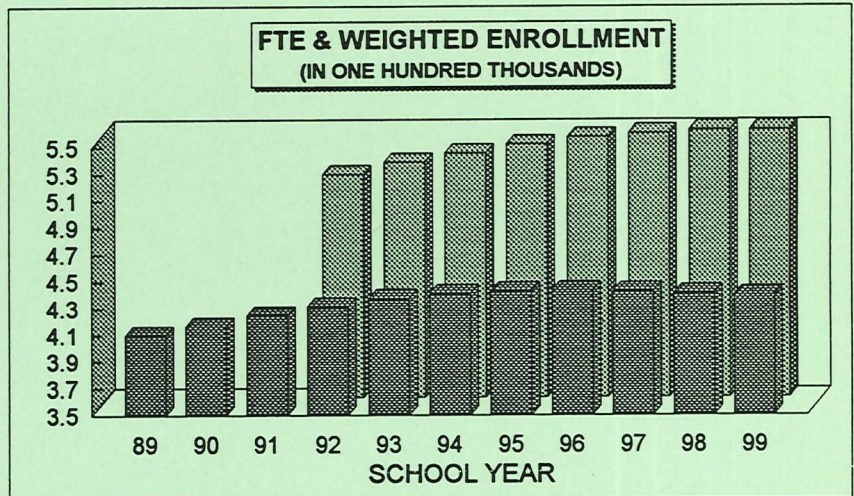
TAX YEAR	ASSESSED VALUATION (IN MILLIONS)
1989	14,104.5
1990	14,194.4
1991	14,630.6
1992	14,600.8
1993	14,870.1
1994	15,502.1
1995	16,194.1
PROJ. 1996	16,704.2
PROJ. 1997	17,230.4
PROJ. 1998	17,773.1
PROJ. 1999	18,333.0
PROJ. 2000	18,910.4



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



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



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



STATE GENERAL FUND PROFILE  
 In Millions

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

Senate Ways & Means  
 April 18, 1996  
 Attachment 3

Demand Transfers

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

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

3-2

Kansas Legislative Research Department  
April 11, 1996



ECONOMIC DEVELOPMENT INITIATIVES FUND FY 1997

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

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

*Senate Ways & Means  
April 18, 1996  
Attachment 4*



**EXPENDITURES FROM THE RESOURCES OF THE STATE WATER PLAN FUND**

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

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

APR 11 1996

STATE OF KANSAS



BILL GRAVES, GOVERNOR  
Alice A. Devine, Secretary of Agriculture  
901 S. Kansas Avenue  
Topeka, Kansas 66612-1280  
(913) 296-3558  
FAX: (913) 296-8389

KANSAS DEPARTMENT OF AGRICULTURE

MEMORANDUM

TO: Dave Kerr, Chairperson of Senate Ways and Means  
FROM: Allie Devine, *Alice Devine* Secretary of Agriculture  
DATE: April 17, 1996  
SUBJECT: No Limit Expenditure Authority for Meat and Poultry  
Federal Fund in FY 1996

I want to request a technical amendment be added to the Omnibus bill to enable the expenditure authority on the Meat and Poultry Inspection Fund (Federal) be raised from \$1,476,568 to No Limit in FY 1996. As you may recall, this is the fund where the federal government reimburses 50.0 percent of the inspection costs to the state. A no limit designation was assigned to this fund in FY 1997, but the current year limit still remains. Our current projections indicates that expenditures from this fund will exceed the limit by about \$7,000 if I fill vacancies in this program in FY 1996. In addition, the limitation prevents the state in participating in federal matches for equipment replacements. Removing the limit would be consistent with the designation given to other federal funds and would provide us the flexibility to match our state expenses.

I appreciate your time considering this request and I am available to answer any questions you may have.

*Senate Ways & Means  
April 18 + 19, 1996  
Attachment 6*



Department of Social and Rehabilitation Services  
Commission of Children and Family Services  
April 18, 1996

Response to Questions from the Senate Ways and Means Committee

1. **Are we going to continue with the chemical dependency program in the Youth Centers?**

Technically, no. Because the federal funding will lapse for this program effective June 30, 1996, we will no longer be able to provide these services under this current funding source. However, each youth center will continue to provide educational programming for chemical dependency for all students. This will be accomplished by utilizing current personnel with experience and/or expertise in this field.

2. **How effective is it as it is set up now?**

Because there is a limited system of outcome monitors to date, we are unable to determine the success and effectiveness of the current program. Outcome monitors will be developed during the coming year in order to assist us with evaluating the proposed educational plan.

3. **How does it correlate with aftercare?**

Aftercare is a separate program and will continue to be provided by the current delivery system, and will be essential for discharge planning.

I:\JGSI\WPI\WAYSMEAN.WPD

*Senate Ways & Means  
April 18 & 19, 1996  
Attachment 7*



DEPARTMENT OF CORRECTIONS  
OFFICE OF THE SECRETARY  
*Landon State Office Building*  
900 S.W. Jackson — Suite 400-N  
Topeka, Kansas 66612-1284  
(913) 296-3317

Bill Graves  
Governor

Charles E. Simmons  
Secretary

### MEMORANDUM

Date: April 18, 1996  
To: Senate Ways and Means Committee  
From: Charles E. Simmons, Secretary  
Subject: Funding for Supervision of Juvenile Offenders

It is my understanding that the committee has requested information about the status of funding contained in the KDOC budget for services to juvenile offenders, including total amounts and the services provided. The information requested is as follows:

#### State Grants to Community Corrections Agencies

The FY 1996 budget authorizes grants totaling \$3,561,516 to community corrections agencies for supervision of juvenile offenders assigned by the courts. A tabular summary of juvenile community corrections services provided by each agency as of January 1, 1996, is attached. Funding for FY 1997 is not yet fully resolved. As recommended by the Governor and approved by the House, FY 1997 funding for juvenile community corrections is \$3,312,996. The amount approved by the Senate is \$3,561,516. The total appropriation for community corrections grants includes funding for both adult and juvenile community corrections services. The unresolved issue results from subcommittee language regarding the relative allocation of total funds between the juvenile and adult programs.

#### Aftercare Services for Offenders Released from State Youth Centers

The FY 1996 and FY 1997 budgets include funding for an interagency agreement which exists between the Department of Corrections and the Department of Social and Rehabilitation Services to provide aftercare supervision of juvenile offenders who are conditionally released from youth centers. The agreement provides for transfer of up to \$750,000 in each fiscal year from SRS to KDOC to reimburse community corrections agencies for supervising juveniles released from youth centers. The period of supervision is up to 180 days.

CES:jj  
Enclosure

*Senate Ways & Means*  
*April 18 & 19, 1996*  
*Attachment 8*

## JUVENILE COMMUNITY CORRECTIONS SERVICES OFFERED BY EACH AGENCY AS OF JANUARY 1996

Community Corrections Services	Atchison	Bourbon/Linn /Miami	Cimarron Basin	Cowley	Douglas	Johnson	Leavenworth	Montgomery	NW KS	Riley
<b>Basic Juvenile Intensive Supervision Services</b>										
Drug Testing	X	X	X	X	X	X	X	X	X	X
Electronic Monitoring	X	X	X	X	X	X	X		X	X
Surveillance	X	X	X	X	X			X	X	
Community Service Work	X	X	X	X	X	X	X	X	X	X
Mental Health Services	X	X	X	X	X	X	X	X	X	X
Substance Abuse Services	X	X	X	X	X	X	X	X	X	
GED/Life Skills	X	X	X	X	X	X	X	X	X	X
Limited Transportation Assistance	X	X	X		X	X			X	X
Limited Emergency Housing Assistance		X	X		X	X			X	X
Vocational/Educational Assistance	X	X	X	X	X	X	X	X	X	X
<b>Juvenile Extended Services</b>										
Juvenile Day Reporting Center or DRC Type Center (J-DRC)			X							
Alternative School								X		
Project Stay In School					X					
Restitution Work Program										X
Contractual Day Reporting Services										
J-DRC Services through A-DRC Program		X		X						
Cognitive Skills Development							X			
Curfew School Enforcement							X			
Victims Restitution Program										
Sex Offender (Contractual)										

7.10

8-2

Day Reporting Centers provide a range of services, but are not limited to substance abuse education, a range of life skills activities, drug testing, GED and basic education services, job search and maintenance, group and individual counseling, and community based referrals.

## JUVENILE COMMUNITY CORRECTIONS SERVICES OFFERED BY EACH AGENCY AS OF JANUARY 1996

Community Corrections Services	Reno	Saline*	Santa Fe Trail	Sedgwick	Shawnee	Sumner	SE KS	Wyandotte	2nd	4th
<b>Basic Juvenile Intensive Supervision Services</b>										
Drug Testing	X	X	X	X	X	X	X	X	X	X
Electronic Monitoring	X	X	X	X	X	X	X	X	X	X
Surveillance	X	X	X	X	X	X	X		X	X
Community Service Work	X	X	X	X	X	X	X	X	X	X
Mental Health Services	X	X	X	X	X	X	X	X	X	X
Substance Abuse Services	X	X	X	X	X	X	X	X	X	X
GED/Life Skills	X	X	X		X		X	X	X	X
Limited Transportation Assistance		X		X	X			X	X	X
Limited Emergency Housing Asslat.	X	X						X		X
Vocational/Educational Assistance	X	X	X		X	X	X	X	X	X
School Based Probation Officer								X		
<b>Juvenile Extended Services</b>										
Juvenile Day Reporting Center or DRC Type Center (J-DRC)		X								
Project Stay In School										
Restitution Work Program				X						
Contractual Day Reporting Services										
J-DRC Services through A-DRC Program	X		X		X				X	
Cognitive Skills Development						X				
Curfew School Enforcement										
Victims Restitution Program										
Sex Offender (Contractual)										
Life Skills							X			

7.11

\*Saline County and the 12th Judicial District are now one program.

Day Reporting Centers provide a range of services, but are not limited to substance abuse education, a range of life skills activities, drug testing, GED and basic education services, job search and maintenance, group and individual counseling, and community based referrals.

# JUVENILE COMMUNITY CORRECTIONS SERVICES OFFERED BY EACH AGENCY AS OF JANUARY 1996

7-8

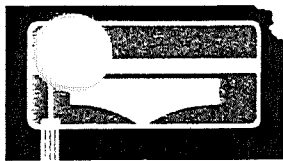
Community Corrections Services	5TH	8TH	9TH	12TH*	13TH	20TH	22ND	24TH	25TH	30TH
<b>Basic Juvenile Intensive Supervision Services</b>										
Drug Testing	X	X	X	X	X	X	X	X	X	X
Electronic Monitoring	X	X	X	X	X	X	X	X	X	X
Surveillance	X	X				X		X	X	X
Community Service Work	X	X	X	X	X	X	X	X	X	X
Mental Health Services	X	X	X	X	X	X	X	X	X	X
Substance Abuse Services	X	X	X	X	X	X			X	X
GED/Life Skills	X	X	X	X	X	X	X		X	X
Limited Transportation Assistance	X	X	X		X		X		X	
Limited Emergency Housing Assiat.	X	X		X	X		X	X	X	X
Vocational/Educational Assistance	X	X	X	X	X	X	X			X
<b>Juvenile Extended Services</b>										
* Juvenile Day Reporting Center or DRC Type Center (J-DRC)		X							X	
Project Stay In School										
Restitution Work Program										
Contractual Day Reporting Services										
J-DRC Services through A-DRC Program			X			X				
Out Patient Drug Treatment	X									
Cognitive Skills Development					X					
Curfew School Enforcement										
Victims Restitution Program										
Sex Offender (Contractual)										
Life Skills					X			X		X

7.12

\*Saline County and the 12th Judicial District are now one program.

Day Reporting Centers provide a range of services, but are not limited to substance abuse education, a range of life skills activities, drug testing, GED and basic education services, job search and maintenance, group and individual counseling, and community based referrals.

APR 18 1996



# KANSAS BOARD OF REGENTS

700 SW HARRISON • SUITE 1410 • TOPEKA, KS 66603-3760

GENERAL ADMINISTRATION - 913 296-3421 • STUDENT ASSISTANCE - 913 296-3517 • FAX 913 296-0983

April 16, 1996

The Honorable David Kerr  
Senator of the State of Kansas  
Room 120-S., Statehouse  
Topeka, Kansas 66612

Dear Senator Kerr:

I am writing today to request that when the Legislature returns, it consider appropriations actions to implement the recent agreement and recommendations of the Midwest Higher Education Commissioners. You will recall an earlier letter in which I had communicated the Commissioners efforts, regarding the Midwest Student Exchange Program (MSEP). To better focus this exchange, the Commissioners have agreed on several factors including:

- a. An annual total of 160 new MSEP participants, with a predetermined distribution among the Regents institutions.
- b. Admissions standards for the undergraduate participants to include:
  - An ACT score of 24 or higher;
  - Ranking in the top 25 percent of their high school graduating class;
  - Completion of a preparatory curriculum; and
  - Maintaining a 3.0 grade point average to make acceptable progress toward the degree.
- c. Limiting the exchange to specific academic programs.

The agreement also includes the provision that the universities be allowed to retain 100 percent of the tuition from MSEP students, accepted under terms of these provisions, beginning with the fall 1996 term. Through this provision, tuition waived on behalf of MSEP students would no longer serve as a disincentive to the program, as has occurred in the past.

Implementation of this provision requires a modification to FY 1997 appropriations. We are therefore requesting that the appropriation of the Restricted Fee Fund for each Regents university be modified with a proviso as follows:

- (a) In addition to the other purposes for which expenditures may be made for the fiscal year ending June 30, 1996, from the restricted fees fund, authorized for the above named agency by 1996 Senate Bill No. 95, expenditures may be made from the midwestern student exchange account, which account is hereby created.

*Senate Ways & Means  
April 18 & 19, 1996  
Attachment 9*



We hope that you will consider inserting these provisos to FY 1997 appropriations in the omnibus bill. We have reviewed them with the staff of the Division of Budget, who are in agreement that they represent the actions necessary to implement these new MSEP provisions.

Thanks for your attention and concern. Please contact me if we can be of further assistance.

Sincerely,



Stephen M. Jordan  
Executive Director and  
MHEC Commissioner

SMJ:jp

cc: Senator Lana Oleen, MHEC Commissioner  
Representative Richard Reinhardt, MHEC Commissioner  
Gloria Timmer, MHEC Commissioner  
Kathleen White, MHEC Commissioner  
Council of Presidents

# The University of Kansas Medical Center

Office of the Executive Vice Chancellor

April 17, 1996

The Honorable Stephen Morris  
State Senator  
The Statehouse, Rm. 462-E  
Topeka, Kansas 66612

The Honorable Dave Kerr  
State Senator  
The Statehouse, Rm. 120-S  
Topeka, Kansas 66612

Dear Senators:

In the Subcommittee report on the University of Kansas Medical Center for Fiscal Year 1997, specific comment was made regarding the University's request for \$355,000 for the Nurse Anesthesia Outreach Program. The Subcommittee requested that the Medical Center gather data regarding the need in rural Kansas for anesthesia services and provide that information to the Subcommittee for possible consideration during the Omnibus wrap-up phase of the 1996 Legislation Session.

It has been reported in professional journals that on a nationwide basis, approximately 85% of anesthesia service in rural locations is provided by Certified Registered Nurse Anesthetists (CRNA). In Kansas, the figure probably exceeds 90%. Our most recent data would indicate there are currently only 132 anesthesiologists practicing in the state, of which 121 are located in Wichita, Kansas City, Lawrence, and Topeka. Hutchinson has two physicians and Hays recently recruited three physicians (two subsequently returned to Canada). Three physicians recently located in Liberal (one has since left), and there are solo practitioners in Pittsburg, Salina, Parsons, and Manhattan. Communities of size which depend totally upon CRNAs include Leavenworth, Garden City, Emporia, Dodge City, and Great Bend.

There are presently 387 CRNAs who are registered to practice in Kansas, of which 45% are more than 50 years of age. The Kansas Hospital Association reports there are presently 48.9 positions that are unfilled and hospitals are attempting to provide service through costly contractual arrangements. Of the 134 hospitals in the state, 101 employ only nurse anesthetists to provide anesthesia services. With the decline nationally in students choosing anesthesiology as a specialty, the reliance on Certified Registered Nurse Anesthetists will only become greater.

The program designed by the School of Allied Health, utilizing interactive compressed video to provide nurse anesthesia academics to a rural location, is among the first such programs nationally. Not only is the design unique, but it is also very cost efficient and holds the greatest

April 17, 1996

Page 2

promise of being able to ensure ready availability of anesthesia services in rural Kansas. There currently are four students completing their first year of training. We have conducted interviews for a second class that would be entered this June and have determined that we will commit to the program on an ongoing basis. For that reason, we have offered admission to the four additional students beginning this summer. In an attempt to reduce the cost for interactive video transmissions, we are going to require the students to spend their first summer on the Kansas City campus and return to Pittsburg for the remainder of their program.

Through reallocation of funding, we will continue the program on a permanent basis. Some aspects of the original proposal including providing rotations for Kansas City students to Garden City and Wichita will have to be foregone. We would hope that the Legislature would still consider some funding for the program, and any financial support that could be made available would be most helpful. As a minimum, we would ask that the program be allowed to benefit from the additional tuition that will be paid by the students entering into the program. Increasing the expenditure limitation on the General Fees Fund for Fiscal Year 1997 by \$31,584 would enable the institution to apply the tuition revenue associated with the program into funding a portion of the program costs.

Your continued interest in our program is appreciated. If we can provide any additional information we would be pleased to do so.

Sincerely,



Donald F. Hagen, M.D.  
Executive Vice Chancellor

DFH:dmr

cc: Chancellor Robert E. Hemenway

g:\wp\rdp\kamed\CRNA-fy.97

LOCATION	DATE	CLASS	#	%	REASON
	01-02-96	OA III	K0065024	100	TRANSFER TO SRS
	01-04-96	LMHT I	K0133214	100	ANOTHER JOB
TSH	01-05-96	RN IV	K0041983	100	SEAMAN USD 345
TSH	01-12-96	MH AIDE	K0074900	100	ANOTHER JOB
TSH	01-15-96	SERV ASS	K0064385	100	STORMONT VAIL LAUNDRY
TSH	01-21-96	RN III	K0050188	100	PRIVATE SECTOR
TSH	01-26-96	OA IV	K0053701	100	CAPITAL AREA SECURITY
TSH	01-30-96	CUST WK	K0054264	100	PRESEUMED RESIGNATION
TSH	01-31-96	DENTAL A	K0054543	100	DENTAL OFFICE
TSH	02-01-96	LPN	K0050221	100	OTHER EMPLOYMENT
TSH	02-02-96	AUTO DR	K0051570	100	TRANSFER TO KNI
TSH	02-02-96	CUST WK	K0053779	100	RESIGNED PRIOR TO DISMISSAL
TSH	02-05-96	MH AIDE	K0052758	100	PREFERRED OTHER LINE OF WORK
TSH	02-12-96	SEC I	K0093620	100	TRANSFER TO KU
TSH	02-22-96	LAUNDRY	K0073244	100	PERSONAL REASONS
TSH	02-22-96	LMHT I	K0075422	100	MENNINGERS
TSH	02-23-96	CUST WK	K0056972	100	PRIVATE SECTOR
TSH	02-23-96	OA II	K0048184	100	ADJUTANT GENERAL OFF
TSH	02-24-96	RN IV	K0070839	100	TRANSFER TO H&E
TSH	03-01-96	PSYCH III	K0044914	100	PRIVATE PRACTICE
TSH	03-05-96	OA II	K0048796	100	DEPT OF REVENUE
TSH	03-08-96	MH AIDE	K0055149	100	HEALTH REASONS
TSH	03-08-96	CUST WK	K0062660	100	RETIRE
TSH	03-08-96	GR MAINT	K0061540	100	MOVING OUT OF STATE
TSH	03-09-96	MH TR	K0046075	100	MOVING TO KC
TSH	03-15-96	RN III	K0046040	100	PRIVATE SECTOR
TSH	03-15-96	CUST WK	K0065844	100	CITY OF TOPEKA
TSH	03-19-96	MH TR	K0053456	100	DISMISSAL
TSH	03-20-96	LMHT I	K0200632	20	RESIGN NOT ENOUGH HRS
TSH	03-21-96	MH TR	K0049368	100	MOVING OUT OF STATE
TSH	03-22-96	CARPENT	K0053786	100	TRANSFER CORRECTIONS
TSH	03-25-96	MCSST I	K0064345		TO SOUTHWESTERN BELL
	LPN	03-15-96	LPN	100	ALDERSGATE VILLAGE

Senate Ways & Means  
 April 18 & 19, 1996  
 Attachment II

LOCATION	DATE	CLASS	#	%	REASON
WSH	01-08-96	MR TECH	K0068377	100	TRANSFER TO PARSONS
WSH	01-09-96	ACT THER	K0068052	100	MOVING OUT OF STATE
WSH	01-12-96	OA III	K0117583	100	PRIVATE SECTOR
WSH	01-14-96	LPN - SR	K0075490	100	PRIVATE SECTOR
WSH	01-15-96	MR TECH I	K0045149	100	RETIREMENT
WSH	01-18-96	MR TECH I	K0117852	100	PRIVATE SECTOR
WSH	01-19-96	MR TECH I	K0071695	100	APPROVED FOR DISABILITY
WSH	01-19-96	ACT TREA	K0122204	100	PRIVATE SECTOR
WSH	01-19-96	MR SPEC	K0040813	100	PRIVATE SECTOR
WSH	01-24-96	LAUNDRY	K0061497	100	JOB ABANDONMENT
WSH	01-29-96	FOOD SR	K0062856	100	RESIGNATION
WSH	01-29-96	MR TECH I	K0121234	100	PRIVATE SECTOR
WSH	02-01-96	FOOD SR	K0073378	50	PRIVATE SECTOR
WSH	02-03-96	SWITCH O	K0069456	100	DEATH
WSH	02-04-96	COOK	K0048260	100	PRIVATE SECTOR
WSH	02-08-96	MR TECH I	K0121193	100	PRIVATE SECTOR
WSH	02-11-96	MR TR	K0057088	100	RESIGNATION
WSH	02-19-96	FOOD SR	K0060976	50	JOB ABANDONMENT
WSH	02-19-96	FOOD SR	K0060976	50	JOB ABANDONMENT
WSH	02-21-96	CUST WK	K0042728	100	IN LIEU OF DISMISSAL
WSH	02-23-96	MR TECH I	K0056479	100	DISMISSAL
WSH	03-01-96	MR TECH I	K0053176	100	MOVING OUT OF AREA
WSH	03-01-96	OA III	K0117583	100	PRIVATE SECTOR
WSH	03-01-96	OA III	K0072398	100	PRIVATE SECTOR
WSH	03-07-96	MR TECH I	K0067572	100	RESIGNATION
WSH	03-12-96	MR TECH I	K0044034	100	HEALTH & FAMILY SITUATION
WSH	03-12-96	MR TECH I	K0061822	100	UNABLE TO RETURN FROM LWOP
WSH	03-15-96	MR TR	K0112639	100	PRIVATE SECTOR
WSH	03-17-96	MR TR	K0117862	100	TRANSFER TO CORRECTIONS
WSH	03-18-96	CUST SUP	K0121144	100	SELF EMPLOYMENT
WSH	03-20-96	MRT I	K0074223	100	APPROVED FOR DISABILITY
WSH	03-22-96	RN III	K0121359	100	TRANSFER OTHER STATE AGENCY
WSH	03-24-96	MRT I	K0117849	100	OTHER EMPLOYMENT

11-2

LOCATION	DATE	CLASS	#	%	REASON
WSH	03-29-96	CARPENT	K0064074	100	TRANSFER WSU
WSH	03-30-96	MRT I	K0041963	100	TRANSFER CORRECTIONS
WSH	04-05-96	FOOD SR	K0066910	50.	OTHER EMPLOYMENT
WSH	04-23-96	MRT I	K0044530	100	ATTEND SCHOOL

//-3

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# STATE OF KANSAS



BILL GRAVES, Governor  
State Capitol, 2nd Floor  
Topeka, Kansas 66612-1590

(913) 296-3232  
1-800-432-2487  
TDD: 1-800-992-0152  
FAX: (913) 296-7973

## OFFICE OF THE GOVERNOR

April 18, 1996

The Honorable Paul Bud Burke  
President of the Senate  
State Capitol, Room 359-E

The Honorable Tim Shallenburger  
Speaker of the House  
State Capitol, Room 380-W

Dear President Burke and Speaker Shallenburger:

With regard to the closure of Topeka State Hospital and Winfield State Hospital & Training Center, I assure you that we are continuing to work hard to meet the needs of the hospitals' patients and their families. While much is left to be done, we continue to make progress in planning for the orderly transition of the majority of hospital patients into community programs.

I fully expect the issue of funding for state hospital closures and for community services to be a significant issue in the 1997 legislative session. By then, we will have a clearer picture regarding federal funding and the timetable for closure of the two institutions. We will also have a better understanding regarding any additional resources needed to fully address the placement and care of hospital patients. At that time, should it be evident that additional funding is required, I will propose a supplemental appropriation adequate to meet the needs.

Please be informed the Department of SRS has sufficient funding sources available during calendar year 1996 to proceed with the necessary steps to continue patient care and to begin the enhancement of community programs and placements. The flexibility built into the fiscal year 1997 budget and the savings generated through reduced FTE staffing will free up money for enhanced community services. The major area of uncertainty is how quickly those community programs can be developed or improved.

Rochelle Chronister, Secretary of SRS, has testified that new admissions to Topeka State Hospital will be stopped on or after February 15, 1997. She anticipates the Hospital could be closed within six months after new admissions are halted. At that stage, any patients who cannot be safely returned to an appropriate community treatment program will be transferred to Osawatomie State Hospital or Larned State Hospital.

The closure of Winfield State Hospital will most likely occur sometime after Topeka State Hospital is closed. The closure will not occur until all patients are appropriately placed in community settings or in other state hospitals, based upon the choices made by the patients'

*Senate Ways & Means  
April 18 & 19, 1996  
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families or legal guardians. Of those who have indicated their preliminary preference to SRS, about 90% have opted for community placement and about 10% have indicated a preference for either KNI or Parsons State Hospital.

Further, I have reviewed the efforts of House Appropriations subcommittee (chaired by Rep. Carmody) and the Senate Ways and Means subcommittee (chaired by Sen. Kerr) to develop a package of incentives for state hospital employees. Both proposals are intended to ensure that hospital workers stay at their posts until their layoff dates. Secretary Chronister and I agree that the patients' care and safety must be maintained throughout the closure process. However, we do not necessarily agree that the proposed incentives are necessary to meet that goal. Beyond any incentives adopted by the Legislature, the SRS Secretary has several management tools to ensure that adequate patient care is maintained. Those options include:

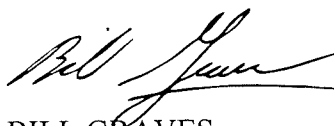
- \* The timing of the transfer of patients to other state hospitals can be sped up or slowed down, depending on the availability of staff.
- \* The Secretary can enter into contracts to provide professional services in areas where "gaps" exist because hospital employees have taken other jobs.
- \* For any Winfield or Topeka State Hospital employees who accept other jobs within SRS or any other state agency, those positions could be held open (or filled temporarily) until the employee's services are no longer needed at the hospital.

As the Legislature considers special benefits or incentives for state hospital employees, please keep in mind that hundreds of other state employees have been or will be laid off because of federal and state budget restrictions. I will not support any proposals that place those laid-off employees at a disadvantage as they seek new employment. We should all be concerned with the possibility that legal challenges may be raised if some laid-off hospital employees are treated differently than other laid-off state workers.

If the Legislature determines that incentives are necessary to keep key employees at their posts until the two hospitals are closed, I strongly suggest the most straightforward approach -- bonus payments to direct care staff -- rather than payments based on a percentage of accrued sick leave. The payment of a "bonus" based on the amount of sick leave has little correlation to the value of the services being provided by the employee. The bonus payment should be given only to those who perform their duties satisfactorily up to their layoff date, and should be tied to their salary level. This approach is targeted to ensure the continuing care of patients, and is likely to withstand any legal challenges.

Please do not hesitate to contact me or my staff if you need further information about this or other issues to be resolved later this month.

Sincerely,



BILL GRAVES  
Governor

cc: Sen. Jerry Moran  
Sen. Dave Kerr  
Sen. Steve Morris  
Sen. Gerald Karr  
Sen. Richard Rock  
Sen. Bill Brady  
Sen. Alicia Salisbury  
Sen. Anthony Hensley  
Sen. Marge Petty

Rep. Vince Snowbarger  
Rep. Robin Jennison  
Rep. Tim Carmody  
Rep. Tom Sawyer  
Rep. Henry Helgeson  
Rep. Rocky Nichols  
Rep. Tom Bradley  
Rep. Melvin Minor  
Rep. Melvin Neufeld  
Rep. Danny Jones  
Rep. Greta Goodwin  
Rep. Nancy Kirk  
Rep. Vaughn Flora  
Rep. Jill Grant  
Rep. Doug Mays  
Rep. Greg Packer  
Rep. Dixie Toelkes

Kansas Department of Social and Rehabilitation Services

Rochelle Chronister, Secretary

Income Maintenance - Employment Preparation Services

Connie Hubbell, Commissioner  
296-8198

Candy Shively, Deputy Commissioner  
296-6750

Community  
Support Services  
296-3349

Programs for Self Support &  
Responsibility  
296-4276 / 3349

Quality  
Control  
296-3666

Management  
Systems  
296-2072

MEMORANDUM

To: Rochelle Chronister  
Janet Schalansky

Date: April 12, 1996

From: Connie Hubbell *Connie*

Subject: FY 1997 Appropriation Bill  
Proviso

**BACKGROUND**

The department's FY 1997 appropriation bill, 1996 House Bill No. 95, contains a proviso intended to prevent an across-the-board reduction in AFDC grants. The proviso is attached to the social services Clearing Fund (page 71) of the enrolled bill and reads:

*"And provided further:* That no expenditures may be made from this fund for the promulgation of rules, regulations, or policy changes which would result in a reduction in the benefit levels for aid to families with dependent children below the amount in existence on July 1, 1996, unless sanctions are being applied for non-compliance with the requirements of welfare reform."

The proviso would restrict welfare reform initiatives that the department is presently pursuing. One policy change under consideration would change the current AFDC basic grant matrix. In its strictest form, the proviso could be interpreted to "lock-in" the current grant matrix and prevent any improvements.

**RELEVANCE TO WELFARE REFORM**

A specific improvement which will be explored within welfare reform is the restructuring of the basic grant matrix to better reflect the needs of Kansas families. The present grant matrix includes adjustments for the number of persons in the family as well as housing costs and living arrangements (i.e. the benefit is lower for the family which lives with another family). A study by Kansas State University on minimum need levels is soon to be delivered to the department. The findings of this research may indicate that smaller families should be given more aid and larger families less. It may indicate that urban families need more aid in relation to rural families. Such budget-neutral modifications to the basic grant matrix (to increase equity among families) would be prohibited under the existing proviso.

**OPTIONS**

1. To provide the department the maximum latitude to improve the present benefit structure, the proviso could be removed.
2. The following language would enable the department to proceed with benefit structure improvements.

*"And provided further:* That there will be no reduction in FY 1997 expenditures for aid to families with dependent children from this fund resulting from an across-the-board grant reduction."

*House subcommittee  
Approved this  
language earlier*

CH:tmw

KANSAS SOCIAL AND  
REHABILITATION SERVICES

APR 15 1996

OFFICE OF THE  
SECRETARY

*Senate Ways & Means  
April 18 & 19, 1996  
Attachment 13*



BILL GRAVES  
Governor

SHEILA FRAHM  
Lt. Governor/Secretary

JEFF WAGAMAN  
Deputy Secretary  
Room 263-E  
State Capitol  
Topeka, KS 66612-1572  
(913) 296-3011  
FAX (913) 296-2702

## DEPARTMENT OF ADMINISTRATION

---

April 4, 1996

Senator David Kerr, Chairperson  
Senate Way and Means Committee  
Room 120-S, State Capitol Building  
Topeka, Kansas 66612

Re: Memorial Hall Renovation; Authorization to Issue Bonds

Dear Senator Kerr:

The 1995 Legislature provided authority in the capital improvements appropriations bill for the Kansas Development Finance Authority to issue bonds to finance the renovation of Memorial Hall. (L. 1995, Chap. 227, Sec. 3.) The proviso, which also permits the Department of Administration to make expenditures for the renovation, applies to FY 1996. It appears that these bonds will not be issued during FY 1996, and therefore, it is necessary to include the same proviso in an appropriations bill for FY 1997 in order to ensure that there is proper authority for the bonds.

Your assistance is requested in placing the enclosed proviso in the FY 1997 omnibus appropriations bill. The proviso is substantially similar to the FY 1996 proviso, with the exception of revisions to the appropriate dates, a more general requirement for reporting to the Joint Committee on State Building Construction, and an updated renovation project cost. The proviso also retains the requirement for State Finance Council authorization prior to issuance of the bonds.

You will note that the project costs are increased from \$4,094,992 to \$4,830,000 to accommodate a higher projected occupancy. The increase of \$735,008 reflects the following additional costs:

- ▶ renovation of the basement so that it is suitable for office space rather than storage space as originally planned;
- ▶ upgrade of the second existing lobby elevator;

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April 18 + 19, 1996  
Attachment 14*

Senator Kerr  
April 4, 1996  
Page 2

- ▶ addition of a second fire evacuation stairwell;
- ▶ addition of a security kiosk, security equipment, and access system;
- ▶ replacement of exterior windows;
- ▶ an increase in the quantity of skylights on the fourth floor; and
- ▶ an increase of 1.75% for the construction costs due to an estimated nine-month delay.

Thank you for your assistance with the proviso. Please let me or my staff know if you need additional information regarding financing of the Memorial Hall renovation project.

Sincerely,

Lt. Gov. Sheila Frahm  
Secretary of Administration

Enclosure

cc: Gloria Timmer  
Jim Reardon

09597.02

14-2

Sec. \_\_\_\_

DEPARTMENT OF ADMINISTRATION

There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 1997, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures shall not exceed the following:

Memorial Hall renovation fund..... No limit

*Provided*, That the department of administration may make expenditures from the Memorial Hall renovation fund for the capital improvement project to renovate and equip Memorial Hall in an amount of not more than the total of \$4,830,000 plus all amounts required for the cost of bond issuance, the cost of interest on the bonds during the construction of the project, and the required reserves for the payment of principal and interest on the bonds: *Provided further*, That such capital improvement project is hereby approved for the department of administration for the purposes of subsection (b) of K.S.A. 74-8905 and amendments thereto and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute: *And provided further*, That no bonds shall be issued for Memorial hall renovation until the department of administration reports to the joint committee on state building construction regarding the Memorial hall renovation project, and until the state finance council has authorized issuance of the bonds upon its review of the joint committee's recommendation: *And provided further*, That all moneys received from the issuance of any such bonds shall be deposited in the state treasury to the credit of this fund: *And provided further*, That such capital improvement project to renovate and equip Memorial Hall is exempt from the provisions of K.S.A. 1995 Supp. 75-2724 and amendments thereto.



	QUANTITY	UNIT	UNIT COST	SUBTOTAL	SUBTOTAL
<b>EXTERIOR</b>					
Entrance door	8	each	\$4,070.00	\$32,560	
Replace windows	1	allow	\$203,500.00	\$203,500	
Replace roof	1	allow	\$71,225.00	\$71,225	
East stair & elevator	1	allow	\$203,500.00	\$203,500	
West stair	1	allow	\$122,100.00	\$122,100	
Accessible entrance ramp	1	allow	\$76,312.50	\$76,313	\$709,198
<b>GENERAL INTERIOR</b>					
Remove freight elevator	1	allow	\$15,262.50	\$15,263	
Remove stack elevator	1	allow	\$15,262.50	\$15,263	
Upgrade E lobby elevator	1	allow	\$25,437.50	\$25,438	
Asbestos abatement	1	allow	\$101,750.00	\$101,750	
Sprinkler standpipes	1	allow	\$40,700.00	\$40,700	
Mechanical	1	allow	\$630,850.00	\$630,850	
Electrical	1	allow	\$508,750.00	\$508,750	
Plumbing	1	allow	\$101,750.00	\$101,750	
Upgrade W lobby elevator	1	allow	\$50,875.00	\$50,875	
Security/key card access	1	allow	\$75,000.00	\$75,000	\$1,565,638
<b>BASEMENT</b>					
Demo stacks	5,837	sq ft	\$4.07	\$23,757	
Demo general	5,354	sq ft	\$2.04	\$10,895	
Sprinkler system	11,935	sq ft	\$3.05	\$36,432	
Replace south stair	1	allow	\$15,262.50	\$15,263	
Partitions	1	allow	\$40,700.00	\$40,700	
Finish	1	allow	\$10,175.00	\$10,175	
Ceilings	14,500	sq ft	\$1.53	\$22,131	
Carpeting	1,611	sq yd	\$22.39	\$36,062	\$195,414
<b>FIRST FLOOR</b>					
Demo stacks	6,050	sq ft	\$4.07	\$24,624	
Demo general	6,320	sq ft	\$2.04	\$12,861	
Structural floor	3,300	sq ft	\$30.53	\$100,733	
Partitions	1	allow	\$40,700.00	\$40,700	
Ceilings	11,681	sq ft	\$1.53	\$17,828	
Carpeting	1,297	sq yd	\$22.39	\$29,033	
Room finish	1	allow	\$10,175.00	\$10,175	
Lobby finish	1	allow	\$10,175.00	\$10,175	\$246,129
<b>SECOND FLOOR</b>					
Demo stacks	4,100	sq ft	\$4.07	\$16,687	
Demo general	5,173	sq ft	\$2.04	\$10,527	
Structural floor	3,000	sq ft	\$30.53	\$91,575	
Partitions	1	allow	\$40,700.00	\$40,700	
Ceilings	10,223	sq ft	\$1.53	\$15,603	
Carpeting	1,135	sq yd	\$22.39	\$25,407	
Room finish	1	allow	\$10,175.00	\$10,175	
Lobby finish	1	allow	\$5,087.50	\$5,088	
Auditorium finish	1	allow	\$15,262.50	\$15,263	\$231,024
<b>THIRD FLOOR</b>					
Demo stacks	3,822	sq ft	\$4.07	\$15,556	
Demo general	6,808	sq ft	\$2.04	\$13,854	
Structural floor	3,000	sq ft	\$30.53	\$91,575	
Partitions	1	allow	\$40,700.00	\$40,700	
Ceilings	11,719	sq ft	\$1.53	\$17,886	
Carpeting	1,302	sq yd	\$22.39	\$29,145	
Room finish	1	allow	\$10,175.00	\$10,175	
A1:H68 Lobby finish	1	allow	\$5,087.50	\$5,088	\$223,979



SUMMARY OF PROBABLE RENOVATION COSTS

Construction Cost	\$4,146,628
Architect's Fee	\$414,663
Movable Equipment	\$100,000
Project Contingency	\$255,965
Miscellaneous Costs	\$17,145
TOTAL PROBABLE RENOVATION COSTS	\$4,934,400

SCHEDULING OF FUNDING AVAILABILITY

DATE	ITEM		
9/1/96	Architect Fee	\$103,100	
	Misc	\$1,300	\$104,400
12/1/96	Architect Fee	\$228,630	
	Misc	\$1,272	\$229,902
5/1/97	Architect Fee	\$34,555	
	CONSTRUCTION BEGINS	\$1,727,762	
	Contingency	\$106,652	
	Movable Equipment	\$0	
	Misc	\$6,072	\$1,875,041
11/1/97	Architect Fee	\$48,377	
	Construction	\$2,418,866	
	Contingency	\$149,313	
	Movable Equipment	\$100,000	
	Misc	\$8,501	\$2,725,057
	TOTAL PROBABLE RENOVATION COSTS		\$4,934,400
5/1/98	End of Construction		

SUMMARY:	TOTAL PROBABLE RENOVATION COSTS	\$4,934,400
	Appropriation - State General Fund	\$-104,400
	Bonds Issued by KDFA	\$4,830,000

# Radio KANSAS

March 5, 1996

Public Radio from Hutchinson Community College

Phone: 316-665-3555

815 N. Walnut, Suite 300  
Hutchinson, KS 67501-6217

Senator David Kerr  
State Capitol  
Room 120 South  
Topeka, KS 66612

Dear Dave:

Please find enclosed the summary of the Kansas Public Broadcasting Council project you requested information on.

When I saw you at lunch the other day, you mentioned the importance of the federal share in this project. Afterwards I requested that the Council call a telephone meeting in order to consider the importance of this part of the project. (Of course, I conveyed your feeling of importance for this application to the feds.)

The Council did call a special meeting by phone Wednesday. As a result of that meeting, the Council will go ahead with an application to the Public Telecommunications Facilities Program. Just for your information, I have written these grants as a consultant for a number of years, and I will be preparing this application. It is my feeling that this kind of an application, bringing together all of the stations in the state, will be received very positively by PTFP. While I cannot guarantee it will be funded, I think it will have a very good chance.

I appreciate your assistance with moving this project toward the Omnibus Bill. It is a very important project and one that we help Radio Kansas as well as the other public radio stations in the state very much. Should you need any further information, please give me a call.

Sincerely,



David M. Horning  
General Manager

*Senate Ways & Means  
April 18 & 19, 1996  
Attachment 15*

KHCC 90.1 FM  
Hutchinson-Wichita

KHCD 89.5 FM  
Salina-Manhattan

KHCF 90.9 FM  
Great Bend-Hays

## Kansas Public Broadcasting Council

### Radio Satellite Uplink and Distribution Project

#### Background

At present there are a number of portable satellite uplinks available in the state of Kansas. Many commercial television stations have these systems available for rent. In fact, Kansas State University has one available to public TV stations in the state. However, there are no radio uplinks available. Last year the Kansas Public Broadcasting Council voted unanimously to request funds to purchase a portable uplink for the use of the public radio stations in the state. Additionally, each station would be equipped with a permanent downlink to receive signals from the portable equipment.

#### Operations

The uplink would allow live broadcasts from anywhere in the state. This signal could be received by every station. (It could also be made available to the rest of the country should the programming warrant.) Current applications could include political events, such as the gubernatorial debate last year in Larned, the state of the state address, or live coverage of legislative events. Also, many music events of state importance are scheduled every year. Radio Kansas records the Messiah from Bethany College each year. This is the oldest continuous performance of the Messiah in America. It would be an excellent program to share with the rest of the state.

As with any other project of this type, the possibilities open by this equipment would blossom quickly. We would anticipate many new opportunities for cooperative efforts to be forth coming in the next few years. All of these would greatly benefit the citizens of Kansas.

#### Cost

The total cost of the package would be \$99,000. One half of this cost would be paid from a grant from the Public Telecommunications and Facilities Program of the U.S. Department of Commerce. The remainder will come from the state of Kansas. Any on-going costs of the system would be paid by the stations. This would be a one time cost for the state.

**REQUEST FOR ECONOMIC DEVELOPMENT INITIATIVE FUNDS**  
**Proposed Budget**

<b>TECHNOLOGY DEVELOPMENT</b>	
<b>Computer Hardware Equipment</b> <i>Purchase 37 personal computers, modems and printer packages to enhance and expand information delivery and customer services in 20-30 nontraditional locations statewide (\$4,000 each package)</i>	\$150,000
<b>Software Purchase and Development</b> <i>Netscape, Trumpet, WinWay and Surfwatch software to be installed on personal computers purchased with EDIF funds and on available kiosks; development of customer orientation software to introduce customers to the system</i>	\$36,050
<b>Contractual Services</b> <i>World Wide Web designer to develop and maintain Web pages for customer information delivery; Programmer to enhance Web page functionality for customer service delivery; application development for kiosks</i>	\$91,000
<b>Computer Hardware and Software Maintenance</b> <i>Travel and per diem to maintain personal computers, kiosks and software at locations statewide</i>	\$30,000
<b>Internet Access</b> <i>Service charges for World Wide Web access; payment for telephone lines for personal computers and kiosks</i>	\$30,000
<b>BUSINESS CAPACITY</b>	
<b>Staff Training and Technical Assistance</b> <i>Expenses to train support staff of the various agencies and entities statewide where personal computers and kiosks are located</i>	\$27,500
<b>Marketing/Advertising</b> <i>Training and presentation equipment, supplies, graphics, and other advertising expenses</i>	\$25,000
<b>Program Evaluation System</b> <i>Develop and implement methods for ongoing evaluation of customer satisfaction and to measure the effectiveness of the self-accessed information and service delivery system</i>	\$15,000
<b>Advisory Committees</b> <i>Travel and per diem for state and local level advisory committees to guide the development of automated systems to meet state and local needs</i>	\$3,950
<b>ADMINISTRATION ACTIVITIES</b>	
<b>Direct Administrative Costs</b> <i>Wages and fringe benefits of direct program administrative positions to provide planning, training and technical assistance, customer services and field operations</i>	\$75,000
<b>Indirect Administrative Costs</b> <i>Wages and fringe benefits of personnel in general management and support functions not involved directly in administration of the project; cost center overhead (rent, utilities, etc.)</i>	\$16,500
<b>TOTAL</b>	<b>\$500,000</b>

Jan 18 1996

April 18, 1996

The Honorable Dave Kerr  
Chair, Senate Ways and Means  
State Capitol 120-S

Re: Appeal, FY 1996 NVRA expenses

Dear Senator Kerr:

My April 5 letter concerning your omnibus consideration of the NVRA bill discussed our cost to administer that act in FY 1997. It did not address costs incurred to date, which I am advised should be subject of a budget appeal. That is the purpose of this letter.

Prior to the enactment of Senate Substitute for House Substitute HB 2079 the administrative and legal costs outlined below were incurred by this office as a result of a lawsuit filed by the AFL-CIO and the League of Women Voters against the governor and secretary of state. The federal court issued an injunction, which mandated the secretary's implementation of the NVRA's requirements relating to registration for federal elections.

Another expense of the NVRA which will be incurred in FY 1996 is a national change of address (NCOA) survey, which is a form of list maintenance that, by law, must be completed and distributed before the end of this fiscal year. The NCOA satisfies the secretary of state's duty to check the registration records of voters in the state of Kansas by comparing such records to the NCOA files once per year. In calendar year 1996 the process must be completed prior to the primary election which is scheduled for the first Tuesday in August.

Based upon these reasons, the secretary of state requests that funds for FY 1996 be added as follows:

General Fund

Video training and conferencing for		
county election officers and state agency employees	\$	995
Postage		367
Travel		250
NCOA		12500
<b>Total</b>	<b>\$</b>	<b>14112</b>

*Already spent,  
45 day requirement*

Respectfully,

*Janet A. Chubb*  
JANET A. CHUBB  
Assistant Secretary of State

c: Tricia Pierron, Legislative Research  
Arlan Holmes, Division of the Budget

*Senate Ways & Means  
April 18 + 19, 1996  
Attachment 17*





State of Kansas

## Office of the Attorney General

301 S.W. 10TH AVENUE, TOPEKA 66612-1597

CARLA J. STOVALL  
ATTORNEY GENERAL

April 17, 1996

MAIN PHONE: (913) 296-2215  
CONSUMER PROTECTION: 296-3751  
FAX: 296-6296

The Honorable Barbara Lawrence, Chair  
The Honorable Dave Kerr  
The Honorable Marge Petty  
Senate Ways & Means Subcommittee  
State Capitol  
Topeka, Kansas 66612

Re: Omnibus Appropriations Bill Issues

Dear Senators:

There are several issues on which I would like to keep you informed, both from the standpoint of their consideration for inclusion in the omnibus appropriations bill, as well as to keep you up-to-date. I will attempt to do so as succinctly as possible in the following sections.

**Attorney Salary Parity:** You will recall that both the House and Senate subcommittees reviewing my budget requested that the Division of Personnel Services (DPS) provide a report describing the duties, responsibilities and salaries of classified and unclassified attorneys in state government, comparing them with attorneys in my office. I have requested \$144,270 (\$130,643 from the state general fund) in my Fiscal Year 1997 budget to achieve salary parity with other agencies of state government. While attorney salaries in my office have been traditionally low, the 1995 implementation of the Comprehensive Classification and Job Rate Study particularly exacerbated the problem by increasing classified attorney salaries, without changing the unclassified salaries in my office. I have recently lost attorneys to other agencies because they can make more money in parallel positions elsewhere in state government.

Regrettably, when we received the data developed by DPS only a few days ago, we immediately noticed that numerous and significant errors had been made. The first agency included in the data (the Department on Aging) was shown as having an attorney salaried at \$26,964. We knew that agency had not had an attorney for some time. The last agency included in the report was the Department of Wildlife and Parks, which was shown with an attorney salaried at \$168 a year. Obviously, this was incorrect, and we determined the correct salary to be \$50,000 a year. Between these two entries, the report raised many more questions, so we began the laborious task of

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Attachment 1B*

questioning in detail the chief counsel and human resources staff of each agency we knew to have legal staff to compile our own data to compare with that provided by DPS. I have attached this data, as well as the inaccurate data provided by DPS which was generated through the new SHARP system.

From our data, we have found that those "chief counsel" we would compare to my Deputy Attorneys General make **11 percent** greater salaries than do my Deputies who head my legal divisions. (While it is difficult to determine who to include in this list, the documentation shows who we did include. Generally, in addition to requiring significant responsibility for the legal affairs of an agency, we restricted our inclusion as chief counsel to attorneys who also have some degree of supervisory responsibility.) Our study shows chief counsel we identified to be paid an average salary of \$62,633 vs. \$56,244 for my Deputies.

Excluding these chief counsel, we compared the remaining unclassified attorneys we identified in state government to my Assistant Attorneys General. They were shown to make approximately **10 percent** more than my Assistants, \$41,438 vs. \$37,619. We compared all classified attorneys identified by our study to my Assistants, demonstrating that the salaries of my Assistant Attorneys General lag behind classified attorney salaries by **9 percent**. Salaries of classified attorneys average \$40,903.

The original projections included in my budget provided for average salary increases of 10 percent to achieve parity. It is clear from my study that this projection was accurate. It is extremely important that these parity increases be approved. It is not fair or equitable to continue to underpay my attorneys. Neither is the state well served by the loss of experienced Assistant Attorneys General to other state agencies and other employers because of insufficient salaries. This is my highest priority awaiting your approval and I ask that you favorably recommend the funding to eliminate this inequity.

**Sexually Violent Predator Act:** Since I last wrote you, I have filed a petition for a writ of certiorari with the United States Supreme Court asking it to overturn the 4-3 decision of the Kansas Supreme Court which found our sexually violent predator law unconstitutional. I have also asked the Court to grant a stay of the issuance of the mandate *In the Matter of the Care and Treatment of LeRoy Hendricks*, so that we may continue to enforce our current law. The Kansas Supreme Court had granted a 30-day stay allowing time to file with the U.S. Supreme Court.

Should the stay not be granted, as you are aware, the provisions of 1996 Substitute for Senate Bill No. 706 will become effective and I will be able to proceed with more traditional commitment proceedings against identified sexually violent predators. Although such actions would be more demanding and time consuming than those required under the current law, and we also must proceed with the appeal of the current law, it has been my tentative conclusion that current funding in the Fiscal Year 1997 budget should be sufficient, and I am not asking for additional funding at this time.

**Death Penalty Prosecution:** It is my request, however, that you again reconsider providing the additional funding for death penalty prosecution as was set out in my November 6, 1995, amended budget request and in my earlier appeals to you. I had requested an additional five new FTE positions and \$320,769 in funding. I am proceeding with the prosecution of Gary W. Kleypas in Crawford County District Court for the first degree murder and rape of Carrie Williams, a Pittsburg State University student. This case is death penalty eligible, and we are facing the plethora of motions being generated by the capital defense team, which continues to have much greater resources than I do. We have also undertaken the Haskell county murder of a dispatcher which occurred March 17, 1995 and is also death penalty eligible.

**House Bill No. 2402 (Child Exchange and Visitation Centers):** This bill is presently on the Governor's desk and would allow my office to administer a program to provide for court-ordered child exchange or visitation in a manner that protects the safety of all family members. The program would only get underway should the state receive federal funding. The bill also provides for a new source of over \$200,000 annually in state matching funds from increased marriage license fees. Such state money would be used for other victim assistance and child abuse prevention and treatment programs, should the federal money not become available. It will only be necessary in the omnibus bill for you to authorize expenditure of funds from the Child Exchange and Visitation Centers Fund, should such funding become available. If we are able to administer such a program, it may be necessary for me to employ an additional special project position to assist with the program; however, such funding would come through funds available for the program, and I do not foresee that additional state funding would be required.

**House Bill No. 3033 (Docket Fee Funding for Child Abuse and Domestic Violence Programs):** Your subcommittee was supportive of continuation of the receipt of docket fee funding by my office for local child abuse and domestic violence programs. Permanent funding of these programs is contained in House Bill No. 3033, which awaits only House action on a conference committee report. The bill also includes further enhanced funding of domestic violence programs through the Protection from Abuse Fund. Upon approval of the conference committee report, this bill requires no further action by you, and I include it here only to inform you because of the support you provided earlier on the issue.

**House Bill No. 2012 (Collection of Court Debts and Restitution):** This bill also awaits only action by the House on a conference committee report. It would allow me to provide for a method of collection of restitution and debts owed to courts for costs, fines and other charges. It is estimated that over \$30 million in such debts are owed in Sedgwick and Shawnee counties alone, where judges have encouraged us to proceed with the creation of a collection mechanism. There is no effective means now available for collection of debts owed to the courts, and to collect restitution it is now necessary for victims themselves to proceed in the same manner as they would for the collection of other judgments. The bill provides for collection costs and the costs of administration to be recouped from recoveries. (I had requested that such costs be provided for as an additional

assessment against the debtor; however the conference committee regrettably determined that such costs should be taken from recoveries.)

To administer the act, I would establish a procedure for the negotiation of contracts with collectors, to whom such debts could be turned over for collection. This negotiation procedure, which includes representation from the Department of Administration and Judicial Administrator's office, is provided for in the bill. I have indicated that it will take an additional administrative employee on my staff to properly establish the contracting mechanism and, most importantly, to monitor collections statewide once a collection system is established. I have requested the creation of a fund into which administrative cost recoveries could be placed, with an expenditure limitation on such fund, as well as the appropriation of \$30,000 in seed money to get the project started. This general fund start-up money could be paid back through recoveries, and I have suggested language for a proviso to accomplish this. One new FTE would be required for the new position requested.

**House Bill No. 2700 (Medicaid Fraud Control Act):** This bill would provide for specific Medicaid Fraud crimes under Kansas law. It also would provide my newly formed Medicaid Fraud and Abuse Division with new and important investigative tools to use in investigating Medicaid fraud by providers. The bill is awaiting approval of a conference committee report by both houses. While your committees have previously indicated that my request to expand the Medicaid Fraud and Abuse Division to its federally-authorized size of 12 staff members (staff now totals eight) should wait until next year, I believe enactment of this bill would be an ideal time to increase the staff to the federally-authorized levels, so that the new law could be fully utilized. State matching funds of only \$29,082 would be required, along with the authorization of four new FTE.

The bill also provides for the creation of two new funds, the Medicaid Fraud Reimbursement Fund, which would be a specific fund through which recoveries could be channeled back to appropriate state and federal agencies. A no limit expenditure limitation is requested on this fund. A second fund created by the bill is the Medicaid Fraud Prosecution Revolving Fund, into which any reimbursements for investigative costs and attorneys fees ordered by the court would be deposited. It is through this fund that future expenditures could be made to fund operations of the division. A no limit expenditure limitation also is requested for this fund to allow for enhancements of the program should revenue become available.

**Consumer Protection Issues:** Finally, in several instances this year we indicated that certain bills to augment the consumer protection act would not individually cause the need to increase staff, but the aggregate of several of these bills would eventually have the impact of requiring additional staff. Three such bills have passed this year and have been signed into law. They were Senate Bill No. 704, which provides for more intensive testing by the Department of Agriculture of motor fuel for octane and quantity dispensed, with authority for referral to the Attorney General for action under the consumer protection act. A second bill, House Bill No. 2690, enhanced the Kansas new car lemon law by extending its protection to leased vehicles as well purchased vehicles. A third bill was Senate Bill No. 628, which establishes a new lemon law for "assistive devices" used by persons with

disabilities. Such devices include wheelchairs, motorized scooters, telecommunication devices for the deaf and other aides. It is requested that an additional FTE position for a Special Agent be approved in the Consumer Protection Division to assist in enforcement of these new laws. Total cost would be \$37,569, with \$30,469 requested from the state general fund.

Your assistance in each of the above matters will be greatly appreciated and will give me the resources necessary to continue to provide excellent legal services to the state, as well as providing services to crime victims, the victims of domestic violence and children who suffer from child abuse and other acts of violence. The above issues also affect my ability to prosecute violent criminals and those who would defraud the Medicaid system. They affect my ability to be a strong advocate for Kansas consumers. In addition to each of the above individual issues, the one issue which is a key to my ability to provide for each and every service of this office is my ability to pay my attorneys a competitive salary. I cannot now do that, as the attached documentation demonstrates, and I ask most emphatically for your support in providing pay parity for my attorneys.

If I can answer any of your questions or provide any more information, I would be most pleased to do so.

Very truly yours,

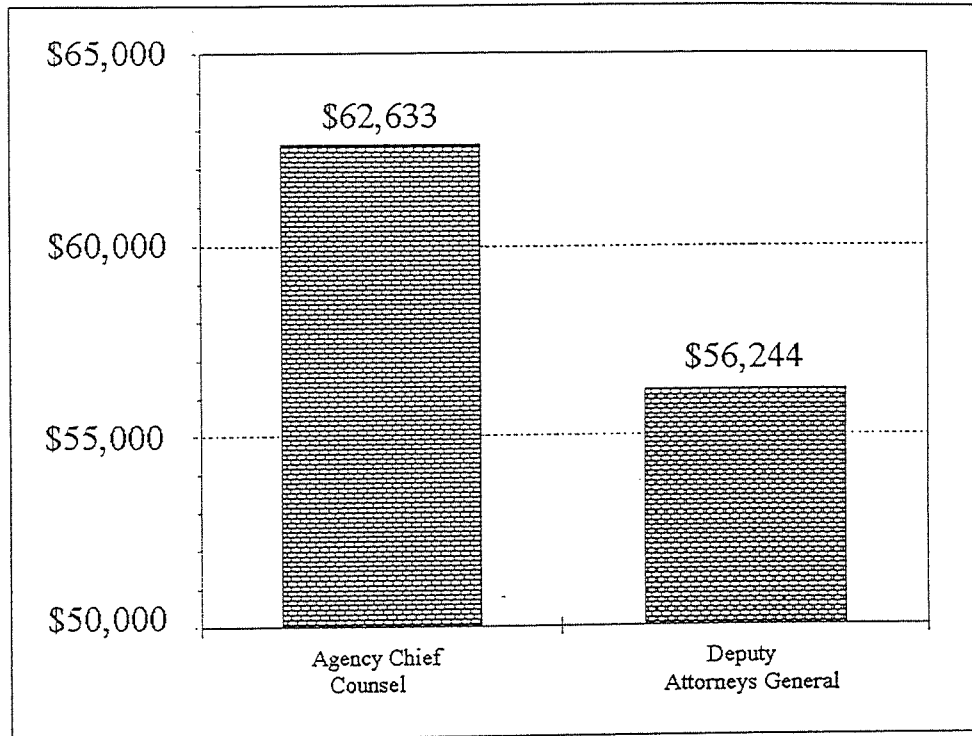


Carla J. Stovall  
Attorney General

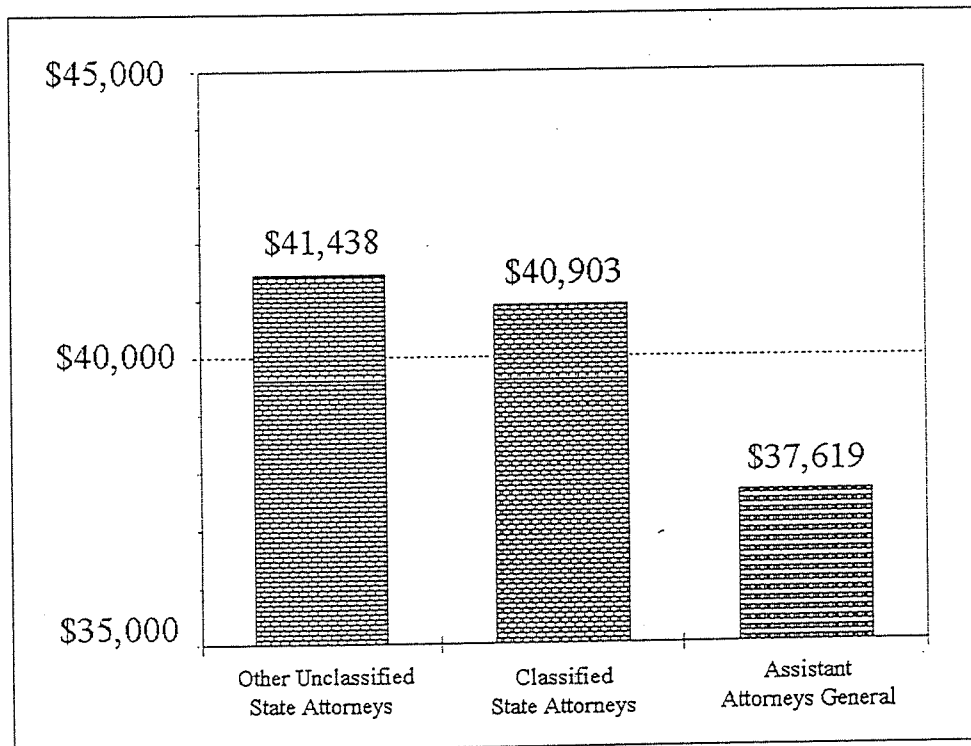
Attachment

# State of Kansas Attorney Salary Comparison

Prepared by the  
Office of Attorney General Carla J. Stovall  
April 17, 1996



Chief Counsel salaries average 11% more than Deputy Attorneys General.



Other unclassified attorneys make 10% more than Assistant Attorneys General and classified attorneys make 9% more.

# Salaries of State Attorneys

April 16, 1996

View 1 - Sorted by Agency

Agency	Ag. No.	U/C/CC	No.	DPS Data			AG Data		
				Avg. Salary	Salary Ext.	No.	Avg. Salary	Salary Ext.	No.
AGING	39	U	1	\$26,964	\$26,964	0	\$0	\$0	0
AGRICULTURE	46	U	7	\$42,037	\$294,260	4	\$44,742	\$178,968	4
AGRICULTURE	46	CC	2	\$55,368	\$110,736	1	\$52,500	\$52,500	1
ANIMAL HEALTH	55	U	1	\$33,480	\$33,480	0	\$0	\$0	0
HUMAN RIGHTS	58	U	1	\$46,224	\$46,224	2	\$44,112	\$88,224	2
HUMAN RIGHTS	58	CC	1	\$53,004	\$53,004	1	\$53,004	\$53,004	1
KBI	83	U	0	\$0	\$0	2	\$43,566	\$87,132	2
BANK COMM.	94	U	3	\$29,676	\$89,028	1	\$30,708	\$30,708	1
BANK COMM.	94	CC	0	\$0	\$0	1	\$48,693	\$48,693	1
HEALING ARTS	105	U	5	\$38,250	\$191,252	2	\$38,928	\$77,856	2
HEALING ARTS	105	CC	0	\$0	\$0	1	\$46,584	\$46,584	1
CURB	122	U	2	\$40,120	\$80,239	1	\$33,948	\$33,948	1
CURB	122	CC	0	\$0	\$0	1	\$48,220	\$48,220	1
KCC	143	U	14	\$38,759	\$542,632	11	\$39,746	\$437,202	11
KCC	143	CC	1	\$67,236	\$67,236	1	\$66,024	\$66,024	1
ADMINISTRATION	173	U	9	\$34,684	\$337,708	6	\$42,324	\$253,944	6
ADMINISTRATION	173	CC	1	\$75,720	\$75,720	1	\$75,720	\$75,720	1
DOC-ELLSWORTH	177	U	1	\$33,288	\$33,288	1	\$33,288	\$33,288	1
DOC-EL DORADO	195	U	1	\$33,300	\$33,300	1	\$33,300	\$33,300	1
FIRE MARSHAL	234	U	1	\$24,144	\$24,144	1	\$37,140	\$37,140	1
GOVT. STD.	247	U	0	\$0	\$0	1	\$33,907	\$33,907	1
KDHE	264	C	10	\$41,425	\$414,251	8	\$45,058	\$360,465	8
KDHE	264	CC	0	\$0	\$0	1	\$65,000	\$65,000	1
HEALTH CARE STAB.	270	U	1	\$33,020	\$33,020	1	\$33,020	\$33,020	1
HEALTH CARE STAB.	270	CC	0	\$0	\$0	1	\$50,284	\$50,284	1
DOT	276	C	11	\$44,378	\$488,159	7	\$45,731	\$320,120	7
DOT	276	CC	1	\$66,492	\$66,492	1	\$66,492	\$66,492	1
HUMAN RESOURCES	296	U	1	\$59,004	\$59,004	5	\$42,353	\$211,767	5
HUMAN RESOURCES	296	C	18	\$42,820	\$770,760	24	\$42,924	\$1,030,166	24
HUMAN RESOURCES	296	CC	1	\$63,000	\$63,000	1	\$63,000	\$63,000	1
DOC-HUTCHINSON	313	U	1	\$33,000	\$33,000	1	\$33,000	\$33,000	1
INSURANCE	331	U	9	\$41,475	\$373,275	6	\$35,904	\$215,424	6
INSURANCE	331	CC	0	\$0	\$0	1	\$60,048	\$60,048	1
JUDICIAL COUNCIL	349	U	0	\$0	\$0	1	\$45,312	\$45,312	1
KPERS	365	U	1	\$59,316	\$59,316	1	\$59,316	\$59,316	1
K-STATE	367	U	0	\$0	\$0	2	\$48,864	\$97,728	2
K-STATE	367	CC	0	\$0	\$0	0.5	\$42,708	\$42,708	0.5
DOC-LANSING	400	U	1	\$42,384	\$42,384	1	\$33,372	\$33,372	1
LOTTERY	450	U	0	\$0	\$0	1	\$58,740	\$58,740	1
BD. OF NURSING	482	U	0	\$0	\$0	1	\$40,908	\$40,908	1
DOC	521	U	3	\$38,535	\$115,605	3	\$38,535	\$115,605	3
DOC	521	CC	1	\$54,996	\$54,996	1	\$54,996	\$54,996	1
UNKNOWN	525	U	1	\$24,456	\$24,456	0	\$0	\$0	0
RACING COMM.	553	U	0	\$0	\$0	1	\$35,018	\$35,018	1
RACING COMM.	553	CC	0	\$0	\$0	1	\$46,800	\$46,800	1
BD. OF REGENTS	561	U	1	\$37,750	\$37,750	1	\$37,750	\$37,750	1
BD. OF REGENTS	561	CC	1	\$72,310	\$72,310	1	\$72,310	\$72,310	1
BOTA	562	U	12	\$37,799	\$453,592	5	\$37,384	\$186,920	5
BOTA	562	CC	0	\$0	\$0	1	\$56,784	\$56,784	1
REVENUE	565	U	24	\$38,919	\$934,058	18.5	\$42,014	\$777,261	18.5
REVENUE	565	C	3	\$49,016	\$147,048	2.5	\$49,482	\$123,704	2.5
REVENUE	565	CC	1	\$68,304	\$68,304	1	\$68,304	\$68,304	1
REVISOR OF STATUTES	579	U	0	\$0	\$0	13	\$53,850	\$700,044	13
REVISOR OF STATUTES	579	CC	0	\$0	\$0	1	\$82,032	\$82,032	1
SECTY. OF STATE	622	U	2	\$46,128	\$92,256	1	\$41,412	\$41,412	1
SECURITIES COMM.	625	U	1	\$56,928	\$56,928	2	\$49,964	\$99,928	2
SECURITIES COMM.	625	CC	1	\$66,408	\$66,408	1	\$66,408	\$66,408	1
SENTENCING COMM.	626	U	1	\$35,628	\$35,628	1	\$35,628	\$35,628	1
SRS	629	U	2	\$36,629	\$73,258	2	\$36,798	\$73,596	2
SRS	629	C	94	\$38,261	\$3,596,524	97	\$39,470	\$3,828,603	97
SRS	629	CC	0	\$0	\$0	1	\$68,208	\$68,208	1
BD. OF EDUCATION	652	C	1	\$42,936	\$42,936	1	\$42,936	\$42,936	1
BD. OF EDUCATION	652	CC	0	\$0	\$0	1	\$68,500	\$68,500	1
TREASURER	670	U	0	\$0	\$0	1	\$52,000	\$52,000	1
JUDICIAL BRANCH	677	U	0	\$0	\$0	37	\$36,819	\$1,362,300	37
KU	682	U	11	\$32,917	\$362,084	2	\$55,425	\$110,849	2
KU	682	CC	1	\$87,300	\$87,300	1	\$87,300	\$87,300	1
KUMC	683	U	0	\$0	\$0	2	\$56,888	\$113,776	2
WILDLIFE & PARKS	710	U	1	\$168	\$168	1	\$50,000	\$50,000	1
			268	\$40,162	\$10,763,485	305.5	\$42,757	\$13,062,204	305.5

C=Classified; U=Unclassified; CC=Unclassified Chief Counsel

18-7



# Salaries of State Attorneys

April 16, 1996

View 1 - Sorted by Type

Agency	Ag. No.	U/C/CC	No.	DPS Data		No.	AG Data	
				Avg. Salary	Salary Ext.		Avg. Salary	Salary Ext.
<b>Unclassified Attorneys</b>								
AGING	39	U	1	\$26,964	\$26,964	0	\$0	\$0
AGRICULTURE	46	U	7	\$42,037	\$294,260	4	\$44,742	\$178,968
ANIMAL HEALTH	55	U	1	\$33,480	\$33,480	0	\$0	\$0
HUMAN RIGHTS	58	U	1	\$46,224	\$46,224	2	\$44,112	\$88,224
KBI	83	U	0	\$0	\$0	2	\$43,566	\$87,132
BANK COMM.	94	U	3	\$29,676	\$89,028	1	\$30,708	\$30,708
HEALING ARTS	105	U	5	\$38,250	\$191,252	2	\$38,928	\$77,856
CURB	122	U	2	\$40,120	\$80,239	1	\$33,948	\$33,948
KCC	143	U	14	\$38,759	\$542,632	11	\$39,746	\$437,202
ADMINISTRATION	173	U	9	\$34,684	\$337,708	6	\$42,324	\$253,944
DOC-ELLSWORTH	177	U	1	\$33,288	\$33,288	1	\$33,288	\$33,288
DOC-EL DORADO	195	U	1	\$33,300	\$33,300	1	\$33,300	\$33,300
FIRE MARSHAL	234	U	1	\$24,144	\$24,144	1	\$37,140	\$37,140
GOVT. STD.	247	U	0	\$0	\$0	1	\$33,907	\$33,907
HEALTH CARE STAB.	270	U	1	\$33,020	\$33,020	1	\$33,020	\$33,020
HUMAN RESOURCES	296	U	1	\$59,004	\$59,004	5	\$42,353	\$211,767
DOC-HUTCHINSON	313	U	1	\$33,000	\$33,000	1	\$33,000	\$33,000
INSURANCE	331	U	9	\$41,475	\$373,275	6	\$35,904	\$215,424
JUDICIAL COUNCIL	349	U	0	\$0	\$0	1	\$45,312	\$45,312
KPERS	365	U	1	\$59,316	\$59,316	1	\$59,316	\$59,316
K-STATE	367	U	0	\$0	\$0	2	\$48,864	\$97,728
DOC-LANSING	400	U	1	\$42,384	\$42,384	1	\$33,372	\$33,372
LOTTERY	450	U	0	\$0	\$0	1	\$58,740	\$58,740
BD. OF NURSING	482	U	0	\$0	\$0	1	\$40,908	\$40,908
DOC	521	U	3	\$38,535	\$115,605	3	\$38,535	\$115,605
UNKNOWN	525	U	1	\$24,456	\$24,456	0	\$0	\$0
RACING COMM.	553	U	0	\$0	\$0	1	\$35,018	\$35,018
BD. OF REGENTS	561	U	1	\$37,750	\$37,750	1	\$37,750	\$37,750
BOTA	562	U	12	\$37,799	\$453,592	5	\$37,384	\$186,920
REVENUE	565	U	24	\$38,919	\$934,058	18.5	\$42,014	\$777,261
REVISOR OF STATUTES	579	U	0	\$0	\$0	13	\$53,850	\$700,044
SECTY. OF STATE	622	U	2	\$46,128	\$92,256	1	\$41,412	\$41,412
SECURITIES COMM.	625	U	1	\$56,928	\$56,928	2	\$49,964	\$99,928
SENTENCING COMM.	626	U	1	\$35,628	\$35,628	1	\$35,628	\$35,628
SRS	629	U	2	\$36,629	\$73,258	2	\$36,798	\$73,596
TREASURER	670	U	0	\$0	\$0	1	\$52,000	\$52,000
JUDICIAL BRANCH	677	U	0	\$0	\$0	37	\$36,819	\$1,362,300
KU	682	U	11	\$32,917	\$362,084	2	\$55,425	\$110,849
KUMC	683	U	0	\$0	\$0	2	\$56,888	\$113,776
WILDLIFE & PARKS	710	U	1	\$168	\$168	1	\$50,000	\$50,000
			119	\$37,969	\$4,518,301	143.5	\$41,438	\$5,946,291
<b>Classified Attorneys</b>								
KDHE	264	C	10	\$41,425	\$414,251	8	\$45,058	\$360,465
DOT	276	C	11	\$44,378	\$488,159	7	\$45,731	\$320,120
HUMAN RESOURCES	296	C	18	\$42,820	\$770,760	24	\$42,924	\$1,030,166
REVENUE	565	C	3	\$49,016	\$147,048	2.5	\$49,482	\$123,704
SRS	629	C	94	\$38,261	\$3,596,524	97	\$39,470	\$3,828,603
BD. OF EDUCATION	652	C	1	\$42,936	\$42,936	1	\$42,936	\$42,936
			137	\$39,852	\$5,459,678	139.5	\$40,903	\$5,705,994
<b>Chief Counsel</b>								
AGRICULTURE	46	CC	2	\$55,368	\$110,736	1	\$52,500	\$52,500
HUMAN RIGHTS	58	CC	1	\$53,004	\$53,004	1	\$53,004	\$53,004
BANK COMM.	94	CC	0	\$0	\$0	1	\$48,693	\$48,693
HEALING ARTS	105	CC	0	\$0	\$0	1	\$46,584	\$46,584
CURB	122	CC	0	\$0	\$0	1	\$48,220	\$48,220
KCC	143	CC	1	\$67,236	\$67,236	1	\$66,024	\$66,024
ADMINISTRATION	173	CC	1	\$75,720	\$75,720	1	\$75,720	\$75,720
KDHE	264	CC	0	\$0	\$0	1	\$65,000	\$65,000
HEALTH CARE STAB.	270	CC	0	\$0	\$0	1	\$50,284	\$50,284
DOT	276	CC	1	\$66,492	\$66,492	1	\$66,492	\$66,492
HUMAN RESOURCES	296	CC	1	\$63,000	\$63,000	1	\$63,000	\$63,000
INSURANCE	331	CC	0	\$0	\$0	1	\$60,048	\$60,048
K-STATE	367	CC	0	\$0	\$0	0.5	\$42,708	\$42,708
DOC	521	CC	1	\$54,996	\$54,996	1	\$54,996	\$54,996
RACING COMM.	553	CC	0	\$0	\$0	1	\$46,800	\$46,800
BD. OF REGENTS	561	CC	1	\$72,310	\$72,310	1	\$72,310	\$72,310
BOTA	562	CC	0	\$0	\$0	1	\$56,784	\$56,784
REVENUE	565	CC	1	\$68,304	\$68,304	1	\$68,304	\$68,304
REVISOR OF STATUTES	579	CC	0	\$0	\$0	1	\$82,032	\$82,032
SECURITIES COMM.	625	CC	1	\$66,408	\$66,408	1	\$66,408	\$66,408
SRS	629	CC	0	\$0	\$0	1	\$68,208	\$68,208
BD. OF EDUCATION	652	CC	0	\$0	\$0	1	\$68,500	\$68,500
KU	682	CC	1	\$87,300	\$87,300	1	\$87,300	\$87,300
			12	\$65,459	\$785,506	22.5	\$62,663	\$1,409,919
			268	\$40,162	\$10,763,485	305.5	\$42,757	\$13,062,204

C=Classified; U=Unclassified; CC=Unclassified Chief Counsel

18-8

# Attorneys Employed in the Office of Attorney General

March 15, 1996

Attorney	Law School Date	First Employed	FY96 Annual	FY96 Rng/Step	Years of Experience
<b>ADMINISTRATIVE SERVICES</b>					
C. Stovall, attorney general	NA	NA	\$71,774	NA	NA
<b>DEPARTMENT OF CRIMINAL JUSTICE</b>					
<b>CRIMINAL LITIGATION DIVISION</b>					
D. Debenham, deputy	1980	06/18/95	\$56,184	33/L	16
J. Bork	1977	01/22/85	\$47,364	30/K	19
K. Fletcher	1987	01/23/95	\$45,096	30/I	9
T. Gross	1980	07/10/95	\$44,028	30/H	16
Vacancy	NA	NA	NA	NA	NA
K. Feyh/1	1994	08/21/89	\$32,040	26/C	2
J. Maag	1995	04/11/96	\$30,504	26/A	1
<i>Capital Prosecutions Section</i>					
Vacancy	NA	NA	NA	NA	NA
<b>MEDICAID FRAUD DIVISION</b>					
M. Hodgesmith, deputy	1978	08/01/95	\$54,000	NA	18
G. Larkin	1990	11/06/95	\$41,000	NA	6
<b>DEPARTMENT OF CIVIL LAW</b>					
<b>CIVIL LITIGATION DIVISION</b>					
J. Campbell, senior deputy	1979	08/17/81	\$66,612	36/M	17
N. Ulrich	1983	-03/01/84	\$40,920	30/E	13
J. Dowell	1982	09/01/95	\$40,920	30/E	14
D. Pitts	1985	01/08/96	\$40,920	30/E	11
M. Willoughby	1989	02/27/95	\$35,316	26/G	7
J. Cassidy	1987	09/26/94	\$34,500	26/F	9
K. Case	1990	06/27/94	\$34,500	26/F	6
J. Daniels	1993	01/23/95	\$33,660	26/E	3
L. Logback/1	1994	05/26/92	\$31,296	26/B	2
Vacancy	NA	NA	NA	NA	NA
Vacancy	NA	NA	NA	NA	NA
Vacancy	NA	NA	NA	NA	NA
<b>CONSUMER PROTECTION DIVISION</b>					
S. Rarrick, deputy	1986	02/13/95	\$52,212	33/I	10
J. Welch	1977	10/12/95	\$38,004	30/B	19
B. Hiatt	1988	06/18/95	\$37,104	30/A	8
K. Hiebert	1990	01/21/92	\$34,500	26/F	6
G. Bright	1990	03/13/96	\$34,500	26/F	6
<b>LEGAL OPINIONS &amp; GOVERNMENT COUNSEL DIVISION</b>					
J. Miller, deputy/1	1985	06/18/84	\$52,212	33/I	11
C. Nohe	1978	02/18/90	\$40,920	30/E	18
R. Floyd	1986	01/29/87	\$40,920	30/E	10
G. Easley	1984	01/06/86	\$38,004	26/J	12
M. Fieghny	1981	12/18/92	\$36,216	26/H	15
R. Smith/1	1989	10/03/88	\$35,316	26/G	7
S. Phillips	1989	04/08/96	\$35,316	26/G	7
Vacancy	NA	NA	NA	NA	NA

/1 The first employment date is as a student law clerk.

**Deputy Attorneys General**

Average Years of Experience     14.4 Years  
Average Salary                         \$56,244

**Assistant Attorneys General**

Average Years of Experience     9.4 Years  
Average Salary                         \$37,619



DEPARTMENT OF ADMINISTRATION  
Division of Personnel Services

RECEIVED  
ATTORNEY GENERAL  
APR 1 2 55 PM '96

BILL GRAVES  
Governor

SHEILA FRAHM  
Lt. Governor/Secretary

WILLIAM B. McGLASSON  
Director of Personnel Services  
900 S.W. Jackson, Room 951-S  
Landon State Office Building  
Topeka, KS 66612-1251  
(913) 296-4278  
FAX (913) 296-6793

March 29, 1996

Carla J. Stovall, Attorney General  
Office of the Attorney General  
301 S.W. 10th Avenue  
Topeka, Kansas 66612-1597

Dear Attorney General Stovall:

In your letter dated February 5, 1996, you requested the Division of Personnel Services conduct a study of attorney salaries. We received information on the Office of the Attorney General Legal Staff Structure from Neil Woerman in a document dated February 26, 1996. In response to your request, we have collected information and reviewed and compared positions designated as attorneys within the state system, including Public Defender positions. In addition, we contacted The University of Kansas and Washburn University Career offices to ascertain the starting salary for graduates of their law schools.

Their are several categories of attorneys. Below are provided the weighted averages of non supervisory unclassified attorneys.

<i>Position Type</i>	<i>Wtd Average</i>	<i>Number</i>
Unclassified Attorneys A, B, and C	\$37,798	119
Unclassified Public Defenders II, III and IV	\$33,687	69
Office of AG Attorneys	\$37,938	29

Following are the averages for the supervisory level attorney positions within the  
aforementioned groupings:

<i>Position Type</i>	<i>Average</i>	<i>Number</i>
Unclassified Attorney D	\$65,459	12
Unclassified Public Defender V	\$52,357	5
Office of AG Deputy Attorney	\$56,244	5

Washburn University data indicated that of the 115 1995 graduates responding to their survey the weighted average was \$32,852. The average salary for those in government, including local, state and federal, was \$32,439. Of the Washburn graduates, 72% remain in Kansas.

Only 35% of the graduating class responded to the University of Kansas salary data request although 80% indicated they were employed. Because of this variance in the data, we were unable to include it in our analysis.

In the classified civil service system, there are classification specifications for several levels of attorneys, with each level adhering to the scope and level of work described and the minimum qualifications so specified. The weighted average for the combined grouping of Attorneys I, II, and III is \$39,575 for 134 positions. At the supervisory level, the average salary is \$52,232 for 3 positions.

Your letter also referenced a recent transfer from your office to the Division. In fact, there have been two recent exchanges of staff, one to your office from the Department of Administration and one from your office to my division. In both cases the transfer resulted in a salary increase.

I hope this salary information addresses your request. Please do not hesitate to contact me if you require additional information.

Sincerely,

  
William B. McGlasson

WBM:TDB:slk

c: Sheila Frahm, Lt. Governor,  
Secretary of Administration



ATTORNEY POSITIONS SALARY REVIEW

Agency Name (All)

Agy	Job Code	Data	Total
039	065400	Average of Annual Rate	\$26,964
		Count of Posn Nbr	1
039 Average of Annual Rate			\$26,964
039 Count of Posn Nbr			1
046	065400	Average of Annual Rate	\$37,164
		Count of Posn Nbr	1
	065500	Average of Annual Rate	\$40,396
		Count of Posn Nbr	5
065600	Average of Annual Rate	\$55,116	
	Count of Posn Nbr	1	
065700	Average of Annual Rate	\$55,368	
	Count of Posn Nbr	2	
046 Average of Annual Rate			\$44,999
046 Count of Posn Nbr			9
055	065500	Average of Annual Rate	\$33,480
		Count of Posn Nbr	1
055 Average of Annual Rate			\$33,480
055 Count of Posn Nbr			1
058	065600	Average of Annual Rate	\$46,224
		Count of Posn Nbr	1
065700	Average of Annual Rate	\$53,004	
	Count of Posn Nbr	1	
058 Average of Annual Rate			\$49,614
058 Count of Posn Nbr			2
094	065500	Average of Annual Rate	\$29,676
		Count of Posn Nbr	3
094 Average of Annual Rate			\$29,676
094 Count of Posn Nbr			3
105	065400	Average of Annual Rate	\$32,614
		Count of Posn Nbr	2
	065500	Average of Annual Rate	\$46,584
Count of Posn Nbr		1	
065600	Average of Annual Rate	\$39,720	
	Count of Posn Nbr	2	
105 Average of Annual Rate			\$38,250
105 Count of Posn Nbr			5
122	065400	Average of Annual Rate	\$32,011
		Count of Posn Nbr	1
065600	Average of Annual Rate	\$48,228	
	Count of Posn Nbr	1	
122 Average of Annual Rate			\$40,120
122 Count of Posn Nbr			2
143	065400	Average of Annual Rate	\$35,462
		Count of Posn Nbr	8
065500	Average of Annual Rate	\$42,030	
	Count of Posn Nbr	2	

ATTORNEY POSITIONS SALARY REVIEW

Agy	Job Code	Data	Total
	065600	Average of Annual Rate Count of Posn Nbr	\$43,719 4
	065700	Average of Annual Rate Count of Posn Nbr	\$67,236 1
143 Average of Annual Rate			\$40,658
143 Count of Posn Nbr			15
173 DOA	065400 ATTY A	Average of Annual Rate Count of Posn Nbr	\$34,684 7
	065500 ATTY B	Average of Annual Rate Count of Posn Nbr	\$42,516 1
	065600 ATTY C	Average of Annual Rate Count of Posn Nbr	\$52,404 1
	065700 ATTY D	Average of Annual Rate Count of Posn Nbr	\$75,720 1
173 Average of Annual Rate			\$41,343
173 Count of Posn Nbr			10
177	065400	Average of Annual Rate Count of Posn Nbr	\$33,288 1
177 Average of Annual Rate			\$33,288
177 Count of Posn Nbr			1
195	065400	Average of Annual Rate Count of Posn Nbr	\$33,300 1
195 Average of Annual Rate			\$33,300
195 Count of Posn Nbr			1
234	065400	Average of Annual Rate Count of Posn Nbr	\$24,144 1
234 Average of Annual Rate			\$24,144
234 Count of Posn Nbr			1
264 KDHE	4022D3 ATTY I	Average of Annual Rate Count of Posn Nbr	\$35,802 2
	4023D3 ATTY II	Average of Annual Rate Count of Posn Nbr	\$36,859 5
	4024D3 ATTY III	Average of Annual Rate Count of Posn Nbr	\$52,784 3
264 Average of Annual Rate			\$41,425
264 Count of Posn Nbr			10
270	065400	Average of Annual Rate Count of Posn Nbr	\$33,020 1
270 Average of Annual Rate			\$33,020
270 Count of Posn Nbr			1
276	065700 D	Average of Annual Rate Count of Posn Nbr	\$66,492 1
	4022D3 I	Average of Annual Rate Count of Posn Nbr	\$38,118 2
	4023D3 II	Average of Annual Rate Count of Posn Nbr	\$42,797 7
	4024D3 III	Average of Annual Rate Count of Posn Nbr	\$56,172 2

ATTORNEY POSITIONS SALARY REVIEW

Agy	Job Code	Data	Total
276 Average of Annual Rate			\$46,221
276 Count of Posn Nbr			12
296	065400	Average of Annual Rate Count of Posn Nbr	\$59,004 1
	065700	Average of Annual Rate Count of Posn Nbr	\$63,000 1
	4023D3	Average of Annual Rate Count of Posn Nbr	\$41,313 16
	4024D3	Average of Annual Rate Count of Posn Nbr	\$54,876 2
296 Average of Annual Rate			\$44,638
296 Count of Posn Nbr			20
313	065400	Average of Annual Rate	\$33,000
		Count of Posn Nbr	1
313 Average of Annual Rate			\$33,000
313 Count of Posn Nbr			1
328	048600 III	Average of Annual Rate Count of Posn Nbr	\$35,961 17
	065500 (B)	Average of Annual Rate Count of Posn Nbr	\$38,974 1
	071600 ✓	Average of Annual Rate Count of Posn Nbr	\$52,357 5
	081500 IV	Average of Annual Rate Count of Posn Nbr	\$41,551 9
	082300 I	Average of Annual Rate Count of Posn Nbr	\$28,056 2
	082400 II	Average of Annual Rate Count of Posn Nbr	\$31,143 43
328 Average of Annual Rate			\$34,822
328 Count of Posn Nbr			77
331	065400	Average of Annual Rate	\$41,475
		Count of Posn Nbr	9
331 Average of Annual Rate			\$41,475
331 Count of Posn Nbr			9
365	0A9100	Average of Annual Rate	\$59,316
		Count of Posn Nbr	1
365 Average of Annual Rate			\$59,316
365 Count of Posn Nbr			1
400	065400	Average of Annual Rate	\$42,384
		Count of Posn Nbr	1
400 Average of Annual Rate			\$42,384
400 Count of Posn Nbr			1
521 <i>corp</i>	065400 <i>ATY A</i>	Average of Annual Rate Count of Posn Nbr	\$38,535 -3
	065700 <i>ATY D</i>	Average of Annual Rate Count of Posn Nbr	\$54,996 1
521 Average of Annual Rate			\$42,650
521 Count of Posn Nbr			4

*no positions*

ATTORNEY POSITIONS SALARY REVIEW

Agy	Job Code	Data	Total
525	065400	Average of Annual Rate	\$24,456
		Count of Posn Nbr	1
525 Average of Annual Rate			\$24,456
525 Count of Posn Nbr			1
561	065600	Average of Annual Rate	\$37,750
		Count of Posn Nbr	1
	065700	Average of Annual Rate	\$72,310
		Count of Posn Nbr	1
561 Average of Annual Rate			\$55,030
561 Count of Posn Nbr			2
562	065400	Average of Annual Rate	\$35,960
		Count of Posn Nbr	8
	065500	Average of Annual Rate	\$41,478
		Count of Posn Nbr	4
562 Average of Annual Rate			\$37,799
562 Count of Posn Nbr			12
565  REV	065400 ATTY A	Average of Annual Rate	\$35,217
		Count of Posn Nbr	14
	065500 ATTY B	Average of Annual Rate	\$44,102
		Count of Posn Nbr	10
065700 ATTY D	Average of Annual Rate	\$68,304	
	Count of Posn Nbr	1	
4024D3 ATTY III	Average of Annual Rate	\$49,016	
Count of Posn Nbr	3		
565 Average of Annual Rate			\$41,050
565 Count of Posn Nbr			28
622	065400	Average of Annual Rate	\$46,128
		Count of Posn Nbr	2
622 Average of Annual Rate			\$46,128
622 Count of Posn Nbr			2
625	065600	Average of Annual Rate	\$56,928
		Count of Posn Nbr	1
	065700	Average of Annual Rate	\$66,408
		Count of Posn Nbr	1
625 Average of Annual Rate			\$61,668
625 Count of Posn Nbr			2
626	065500	Average of Annual Rate	\$35,628
		Count of Posn Nbr	1
626 Average of Annual Rate			\$35,628
626 Count of Posn Nbr			1
629  SRS	065400 ATTY A	Average of Annual Rate	\$33,322
		Count of Posn Nbr	1
	065500 ATTY B	Average of Annual Rate	\$39,936
		Count of Posn Nbr	1
4022D3 ATTY I	Average of Annual Rate	\$35,368	
	Count of Posn Nbr	55	
4023D3 ATTY II	Average of Annual Rate	\$40,656	
Count of Posn Nbr	32		

GEN'L COUNSEL

ATTORNEY POSITIONS SALARY REVIEW

Agy	Job Code	Data	Total
	4024D3 ATY III	Average of Annual Rate	\$48,399
		Count of Posn Nbr	4
	4025D3 ATY III	Average of Annual Rate	\$52,232
		Count of Posn Nbr	3
629 Average of Annual Rate			\$38,227
629 Count of Posn Nbr			96
652	4023D3	Average of Annual Rate	\$42,936
		Count of Posn Nbr	1
652 Average of Annual Rate			\$42,936
652 Count of Posn Nbr			1
682 KQ	065400	Average of Annual Rate	\$28,748
		Count of Posn Nbr	7
	065600	Average of Annual Rate	\$40,212
		Count of Posn Nbr	4
	065700	Average of Annual Rate	\$87,300
		Count of Posn Nbr	1
682 Average of Annual Rate			\$37,449
682 Count of Posn Nbr			12
710	065400	Average of Annual Rate	\$168
		Count of Posn Nbr	1
710 Average of Annual Rate			\$168
710 Count of Posn Nbr			1
Total Average of Annual Rate			\$38,970
Total Count of Posn Nbr			345





KANSAS DEPARTMENT OF SOCIAL  
AND REHABILITATION SERVICES

915 SW HARRISON STREET, TOPEKA, KANSAS 66612

ROCHELLE CHRONISTER, SECRETARY

# MEMO

**To:** Chairman Dave Kerr and Members of the Senate Ways & Means Committee  
**From:** Michael Hutfles *MH*  
**Subject:** Response to questions asked on Friday, April 19  
**Date:** April 24, 1996

I am responding to a couple of questions asked by the committee about two of SRS's information systems, KSSIS and MMIS, and the Governor's Budget Amendments that go with them.

Concerning the KSSIS Project -- Page 9, Item 17 in the GBA document

The GBA covers the costs of start-up and implementation for the modified KSSIS project. This system will be operational by July 1, 1997, and will meet the requirements of the ACLU lawsuit. Enclosed is a more detailed explanation of the project prepared by Diane Duffy, Deputy Commissioner of Administrative Services.

Concerning the MMIS Project -- Page 7, Item 11 in the GBA Document

This GBA deals with increased costs in the new Blue Cross/Blue Shield Fiscal Agent Contract. These cost increases are due to one new program, LIFE, and three new initiatives: the privatization of Family Preservation, the privatization of foster care services and the managed care project in Sedgwick County. Enclosed is a more detailed explanation prepared by Ann Koci, Commissioner of Adult and Medical Services.

If you are interested in our Agency Wide Information Systems Plan (AWISP), we have copies of our testimony to the Joint Committee on Computers and Telecommunications on April 3, 1996. JCCT considered and approved the contents of both GBA items at the April 3rd meeting.

If you have further questions about our information systems, please give Secretary Chronister, Commissioner Koci, Deputy Commissioner Duffy or myself a call at 296-3274.

*Senate Ways & Means  
April 18 + 19, 1996  
Attachment 19*

## SRS, Information Systems to Meet the Needs of Children and Family Services

Description of Request: The approved FY 1996 budget included \$5,030,545 (SGF.) to be matched by federal funds (75/25 match) for a child welfare system, the Kansas Social Service Information System (KSSIS). The original cost estimate for the entire project was approximately \$21.6 million and was to be developed and implemented over a 33 month period. In response to the Governor's request to cut the current year budget, the Secretary halted the KSSIS project based on concerns around the uncertainty of the cost estimates and the project's expansive scope. Based on current information, SRS requests the addition of \$499,056 (SGF) to cover the current year expenditures for KSSIS (\$298,056 SGF @ 75/25 match) and for costs associated with the planning of alternative approaches including a reporting system to meet the requirements of the ACLU lawsuit and certain federal requirements (\$201,000 SGF @ 50/50 match).

New Information Since Initial budget Submission: Upon cancellation of the KSSIS project, a team was formed to explore alternatives. In addition to fiscal considerations, two other events attributed to the rethinking of the approach to meet the information needs of Children and Family Services. First, the privatization of significant client services (family preservation, adoption, and foster care) will impact the requirements of the information system. Secondly, the recently completed Agency Wide Information Systems Plan (AWISP) which takes an enterprise wide perspective of managing information identifies and prioritizes future SRS information system development projects using an integrated and holistic approach.

It became apparent that a phased approach would be necessary in order to develop a relatively small system that would meet the requirements of the ACLU lawsuit (must be in compliance by July 1, 1997) and other federal reporting requirements and a second aspect that would meet the need for information through the implementation of projects identified in the AWISP.

The team is using the planning and data developed during the KSSIS project to define the scope and the budget necessary to meet the ACLU lawsuit and other federal reporting requirements. Additionally, the team is incorporating the work completed by the KSSIS project within the projects identified by AWISP. When the team completes its analyses and gains the necessary approvals to proceed with this approach, SRS intends to follow the appropriate external oversight procedures, including reviewing the projects with the KIRC and JCCT.

**New Program Initiatives not Included  
in the  
Blue Cross/Blue Shield Fiscal Agent Contract**

**Living Independence for Everyone (LIFE)**

This is a new program which is designed to keep elderly Medicaid consumers out of nursing homes and provide services in the community. It also includes separating the physically disabled HCBS consumers from the elderly HCBS consumers to facilitate the transfer of Long Term Care Services for the elderly to the Department on Aging. MMIS system enhancements required include the creation of new provider types and specialties, the development of new living arrangement and level of care codes, the creation of new reports and the modification of existing management reports, etc. .

**Children and Family Services Managed Care**

The privatization of Family Preservation and Foster Care Services will require that the MMIS receive and perform validity and duplication edits on the encounter data in order to meet requirements for receipt of federal matching funds. The MMIS will also need to transfer the data to the BCBS ad hoc reporting system (MIDAS) where it will be converted into a report ready format.

**Medicaid Managed Care**

The implementation of a demonstration managed care project in Sedgwick County (CCK) requires that the MMIS be able to recognize the differences in the benefit package, identify a new expanded eligibility group, and continue demonstration waiver services to a group receiving extended eligibility. Other Managed Care enhancements not included in the original RFP requirements include the need for the MMIS to match beneficiaries who do not choose a primary physician not only to physicians with in the county, but also by zip code, the need to produce additional form letters for mass mailings, and additional managed care reporting requirements.

SCH:sch  
4/22/96  
a:\doc\mmisenha

*Ann E. Koci*

FY 1996

CRO's \$360,000  
KAMI \$75,000  
KMIAC \$75,000  
Local CRO's \$210,000

FY 1997

CRO's \$310,000  
SRS has recommended  
KAMI \$50,000  
KMIAC \$50,000

Outside of the \$310,000 SRS has recommended \$50,000 for C-STAR.

House Sub-committee has made the following recommendations:

1. The \$50,000 issued for C-STAR be divided between KAMI and KMIAC to give \$75,000 to KAMI and KMIAC (bringing them to their present 1996 budget). Neither of these organizations can continue to function and provide support to their consumers and/or consumers and families for \$50,000.

2. \$50,000 be added to the Local CRO's bringing the total to \$260,000.

Over the last recess you received a memo requesting an addition of \$190,000 to the CRO's budget to bring the total CRO amount up to \$500,000. This additional \$190,000 has been negotiated to \$50,000.

The FY 97 Budget would therefore, require the following:

KAMI \$75,000.  
KMIAC \$75,000.  
Local CRO's \$260,000.

*Senate Ways & Means  
April 18 + 19, 1996  
Attachment 20*

April 19, 1996

TRACK BACKHOE FOR HEAVY EQUIPMENT CREW

We request \$175,00 for a track backhoe to replace the 1958 dragline. The dragline is in need of repairs of over \$60,000 just to make it workable. It still wouldn't meet the safety standards of OSHA. It was determined that repairs to the machine was not feasible.

The Backhoe will be used on Fisheries and Wildlife projects. Some of the projects are:

- Rip Rap on Dams and levees
- Cut Grade for boat ramps
- Work on ditches and drainage areas
- Work in wetlands creating level ditching
- Dig fishing channels in areas of Western Kansas

This backhoe is a piece of equipment needed on 90% of the projects Wildlife and Parks works on. There are areas in the State where we have small projects or in remote areas where it is not practical to contract out the project and Heavy Equipment is not available.

We are requesting a minimum of a John Deere 690E Excavator equipped with 30' Triple Bar Grousers, 9'6" Long Arm Cab & Vandal Protection covers Equipped with A wet Kit plumbed down the boom so we can add a breaker and other attachments. Heavy duty 54" bucket.

Total for the machine with accessories will run about \$175,000. *WILDLIFE FEE FUND*

Post-it <sup>®</sup> Fax Note	7671	Date	4-19-96	# of pages	1
To	MIKE WILSON	From	FRED BADDERS		
Co./Dept.		Co.			
Phone #		Phone #			
Fax #	Let Me Know	Fax #	-		

*used Towards \$2,000,000 of upcoming work*

*Rep Edmunds  
Rm 514-S*

*Senate Ways & Means  
April 18 + 19, 1996  
Attachment 21*





# CHENEY LAKE ASSOCIATION

2500 Claiborn Cir - Wichita, KS 67226 - Ph. (316) 684-8005

February 29, 1996

The Honorable Dave Kerr  
Kansas State Senator  
Box 2620  
Hutchinson, KS 67504

Dear Mr. Kerr:

For the past 5 1/2 years the Cheney Lake Association, Inc. has directed its efforts toward repair, improvements and controlling erosion at Cheney Reservoir. Much has been accomplished, BOR and State funding has been used to rebuild three Jetty Walls and numerous areas have been repaired to stop erosion. At this time one new Jetty Wall is under construction and three other locations have been prepared for construction. It is important these projects move forward.

CLA has been working with Steve Lackey, Director of Public Works for the city of Wichita and with George Sugars, Director of Public Works, Hutchinson, Ks. to secure broken concrete, block and brick to be used as substructure for these projects. Cheney Lake Association has been successful in working with Hawkins Construction, who delivered 1000 cubic yards of material at no cost. We will continue our efforts to obtain as much material as we can at no charge. At this time there is material in Wichita and Hutchinson free of charge. The problem is, there is no funding in the KDWP budget for freight cost. To move the material to Cheney Reservoir to complete all these substructures freight cost will be \$150,000.00 over two years. Because all the work cannot be completed in one year, we are asking our representatives to please consider budgeting \$65,000.00 for FY 97 so these projects can move forward. BOR funding will be used to complete these projects.

We have one other request which is very important to the users of this facility. Over the past 30 years erosion at this facility has been extensive. In areas like the Yacht Club, Marina Bay and Fish Cove sedimentation is 3 to 5 feet deep. At normal conservation level these areas are still functional. It has been our experience in 1991, 92 and 94 because of increased demands for water, this facility could be pumped down 3 feet in a normal rain fall year and 5 or more feet in a dry year.

CLA has checked with several dredge contractors. The cost of removing 3 to 5 feet of sedimentation over 13 acres was \$500,000.00 which is unacceptable. We are requesting your consideration of purchasing a dredge at \$50,000.00 and \$25,000.00 for O&M for FY 1997.

Our thanks and appreciation for your support over the past years.

The Cheney Lake Association, Inc. has received a small grant from KDHE for clean-up and revegetation project at Cheney. I think it is also important for you to know the Cheney Lake Association members donated \$100,600 over the last 4 years to improvements at the facility and also thousands of hours of labor.

In closing we hope you will look favorably on our request.

1 <sup>st</sup> FY 1997	\$65,000.00	Trucking cost
2 <sup>nd</sup> FY 1997	\$50,000.00	Dredge equipment
3 <sup>rd</sup> FY 1997	\$25,000.00	O&M Funding

Sincerely,

*Bob Winkler*

Robert Winkler  
President

*Senate Ways & Means  
April 18 + 19, 1996  
Attachment 22*

*"Dedicated to Preserving Cheney State Park & Reservoir"*

Agenda Item # 14 - CONSENT

City of Wichita  
City Council Meeting  
December 30, 1994

Agenda Report # 94 - 1061

**TO:** Mayor and City Council

**SUBJECT:** Cost Share Agreement for Cheney Reservoir Watershed

**INITIATED BY:** Water & Sewer Department *DZL*

**AGENDA:** Consent Agenda

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**Recommendation:** Approve the Memorandum of Understanding with the Reno County Conservation District.

**Background:** Cheney Reservoir is one of Wichita's major sources of water. It currently provides approximately 50% of Wichita's annual water supply, but during peak summer usage periods it provides near 60% of the water supply. In the future Cheney will play an even bigger role in meeting Wichita's water supply needs. On August 24, 1993 the City Council authorized staff to assist in submitting a grant request with the U.S. Environmental Protection Agency for a watershed improvement grant. As part of that action the Council approved the concept of the City assuming part of the cost share necessary to allow landowners to implement "best management practices" in the watershed.

**Analysis:** It has been determined that Cheney Reservoir has at least two significant pollution problems. One is sedimentation that washes into the reservoir from soil erosion. This sedimentation displaces water stored in the Reservoir, and is a major factor in determining the "life" of the Reservoir. The other problem is the amount of phosphates in the water. Measurements of phosphates in the North Fork of the Ninnescah River and in the reservoir indicate phosphate levels higher than desired for a water supply. High phosphate levels can lead to an increase in microscopic plant activity in a lake, and thus increased taste and odor problems in water from the lake.

With the aid of a computer model that has been developed of the drainage basin above the Reservoir, potential pollution sites in the watershed have been identified, Best Management Practices that can help reduce the pollution from those sites have been established, and a Management Plan has been prepared, and approved by the Kansas Department of Health and Environment.