

Approved: 3/27/97 _____
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on March 17, 1997 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Kathy Porter, Legislative Research Department
Mark Burenheide, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Janet Henning, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

It was moved by Senator Morris, seconded by Senator Salmans, to introduce bill draft 7 RS 1240 as requested. The motion carried on a voice vote.

Senator Lawrence reviewed the Subcommittee report for the Secretary of State's budget (Attachment 1). Senator Lawrence moved, seconded by Senator Downey, that the Subcommittee report for the Secretary of State be approved. The motion carried on a voice vote.

Senator Lawrence reviewed the Subcommittee report for the Attorney General's budget (Attachment 2). Committee members expressed concern regarding the distribution of contributions to local units. Neil Woerman, Director of Budget and Special Projects, Attorney General's Office, advised the contributions have been an alternative sanction to charities which have been made directly by the offender.

Senator Salisbury moved to amend the Subcommittee report to delete the two positions and salaries, seconded by Senator Downey. Senator Downey inquired if the two positions being considered were in the Consumer Fraud Division and if part of a settlement to community service could be in the form of community service hours as opposed to a money settlement. Mr. Woerman told Committee members that the two positions which had been hired were to reduce the backlog of complaints which have increased by 33%. After further discussion by Committee members, Senator Salisbury withdrew the motion.

Senator Lawrence moved, seconded by Senator Downey, that the Subcommittee report for the Attorney General be approved. The motion carried on a voice vote.

Senator Lawrence reviewed the Subcommittee report for the Health Care Stabilization Fund Board of Governors (Attachment 3). It was moved by Senator Lawrence, seconded by Senator Downey, that the Subcommittee report for the Health Care Stabilization Fund Board of Governors be approved. The motion carried on a voice vote.

Senator Lawrence reviewed the Subcommittee report for the Insurance Department (Attachment 4). Senator Lawrence moved, Senator Downey seconded, that the Subcommittee report for the Insurance Department be approved. The motion carried on a voice vote.

Senator Lawrence reviewed the Subcommittee report for the State Treasurer (Attachment 5). After a brief discussion among Committee members, Senator Lawrence moved, Senator Downey seconded, that the Subcommittee report for the State Treasurer be approved. The motion carried

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on March 17, 1997.

on a voice vote.

Senator Lawrence reviewed the Subcommittee report for the Governor's Department (Attachment 6). Senator Lawrence moved, Senator Ranson seconded, that the Subcommittee report for the Governor's Department be approved. The motion carried on a voice vote.

The Subcommittee report for the Lieutenant Governor was reviewed by Senator Lawrence (Attachment 7). Senator Lawrence moved, Senator Ranson seconded, that the Subcommittee report for the Lieutenant Governor be approved. The motion carried on a voice vote.

Senator Lawrence reviewed the Subcommittee report for the Legislative Division of Post Audit (Attachment 8). Senator Lawrence moved, Senator Ranson seconded, that the Subcommittee report for the Legislative Division of Post Audit be approved. The motion carried on a voice vote.

Senator Lawrence reviewed the Subcommittee report for the Legislative Coordinating Council (Attachment 9). Senator Lawrence moved, Senator Downey seconded, that the Subcommittee report for the Legislative Coordinating Council be approved. The motion carried on a voice vote.

Senator Lawrence reviewed the Subcommittee report for the Revisor of Statutes (Attachment 10). Senator Lawrence moved, Senator Downey seconded, that the Subcommittee report for the Revisor of Statutes be approved. The motion carried on a voice vote.

Senator Lawrence reviewed the Subcommittee report for the Kansas Legislative Research Department (Attachment 11). Senator Lawrence moved, Senator Downey seconded, that the Subcommittee report for the Kansas Legislative Research Department be approved. The motion carried on a voice vote.

Senator Lawrence reviewed the Subcommittee report for the Legislature (Attachment 12). Senator Lawrence moved, seconded by Senator Downey, that the Subcommittee report for the Legislature be approved. The motion carried on a voice vote.

The Chairman adjourned the meeting at 12:10 p.m.

The next meeting is scheduled for March 17, 1997 at 5:00 p.m.

SUBCOMMITTEE REPORT

Agency: Secretary of State

Bill No. 2272

Bill Sec. 17

Analyst: Pierron

Analysis Pg. No. 1071

Budget Page No. 403

Expenditure Summary	Agency Estimate FY 97	Gov. Rec. FY 97	House Subcommittee Adjustments
State Operations:			
State General Fund	\$ 1,423,207	\$ 1,909,533	\$ (550,000)
Other Special Revenue Funds	1,358,510	1,358,442	0
TOTAL	\$ 2,781,717	\$ 3,267,975	\$ (550,000)
FTE Positions	56.0	56.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	56.0	56.0	0.0

Agency Estimate/Governor's Recommendation

The agency's revised FY 1997 estimate is \$2,781,717, or \$293,614 less than the amount approved by the 1996 Legislature. Of the total FY 1997 estimate for operating expenditures, \$1,423,207 is from the State General Fund and \$1,358,510 is from special revenue funds. The estimate for spending from the State General Fund is \$41,723 above the amount approved by the 1996 Legislature, and the estimate for spending from special revenue funds is \$335,337 less than the amount approved by the 1996 Legislature. The agency estimates an overall shrinkage rate of 7.0 percent in FY 1997.

The agency is requesting a supplemental appropriation of \$63,674. Of this amount, \$21,951 was to be reappropriated to FY 1997 but was spent by the agency in FY 1996. The Secretary reports that if this supplemental is not granted, commercial fee funds would be used to subsidize activity that should be funded with State General Fund resources. The agency adds that commercial fees are authorized by statute and carefully monitored by agency customers such as business entities, bankers, CPA's and lawyers. The agency reports that the supplemental is necessary not only to correctly allocate funding to the activity with which it is statutorily identified, but also to ensure the UCC optical imaging system and other technology may be purchased as scheduled. The agency states that the commercial customers agreed to have their fees increased for the purchase of the image system and for other technology. The Secretary proposes if a supplemental appropriation is not granted, an amendment to K.S.A. 84-9-413(b). This provision allocates fees for uniform commercial code (UCC) filings, 20.0 percent to the State General Fund and 80.0 percent to the UCC Fee Fund. By allowing 100.0 percent of the fees to be dedicated to the UCC Fund, the agency will be able to continue with implementation of its technology plan.

The reduction from special revenue funds is reflected primarily in the UCC fee fund (\$277,959). That reduction is partially the result of a reduction of \$200,768 in estimated expenditures on an optical disk image system. The UCC Division reports that it plans to rewrite its computer application and implement an optical disk image system in the current and next fiscal years. Concurrently, the Corporation Division has submitted an enhancement request of \$550,000 in FY 1998 to purchase an optical image system as well.

The Governor recommends FY 1997 state operations funding of \$3,267,975, an increase of \$486,258 from the agency estimate and \$528,049 from the approved budget. The State General Fund

*Debate Ways & Means
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Attachment #1*

portion of operations is increased above the agency request by \$486,326, while special revenue funds for operations is decreased by \$68. The Governor concurs with the 56.0 FTE positions included in the agency estimate and with the agency's 7.0 percent shrinkage rate.

The \$1,909,533 recommended from the State General Fund is an increase of \$528,049 above the \$1,381,484 approved from the State General Fund by the 1996 Legislature. The \$1,358,442 recommended from the special revenue funds is \$335,405 less than the \$1,693,847 approved by the 1996 Legislature.

The Governor recommends a supplemental appropriation for the agency in FY 1997 of \$550,000 agency-wide for other operating expenditures. This supplemental was not requested in FY 1997, however, \$550,000 was requested as an enhancement in FY 1998 for purchase of an optical disk image system. The supplemental is intended to assist the agency with computer updates, and purchase of an optical disk image system.

House Subcommittee Recommendation

1. Delete \$550,000 recommended by the Governor from the State General Fund for an optical disc image system for the Corporations Division.
2. As a technical adjustment, include the Athletic Agent Fee Fund in Section 32 of H.B. 2160 for the Secretary of State.
3. The House Subcommittee recommends that the Joint Committee on Computers and Telecommunications review the agency's requests for optical disc image systems and that the matter be addressed during the Omnibus Session.

House Committee Recommendation

The House Committee concurs with the House Subcommittee.

House Recommendation

The full House has not taken action on this agency's budget.

<u>Expenditure Summary</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:		
State General Fund	\$ 1,909,533	\$ (550,000)
Other Special Revenue Funds	<u>1,358,442</u>	<u>0</u>
TOTAL	<u>\$ 3,267,975</u>	<u>\$ (550,000)</u>
 FTE Positions	 56.0	 0.0

Senate Subcommittee Recommendation

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

1. Delete \$550,000 from the State General Fund recommended for purchase of an optical disc image system. The Subcommittee recommends this request be reviewed by the Joint Committee on Computers and Telecommunications and requests a study be conducted to discover the possibility of shared usage between divisions and/or agencies of optical disc image systems. The Subcommittee requests the matter be addressed during the Omnibus Session.

Current Status Comparison

<u>Expenditure</u>	<u>Gov. Rec. FY 1997</u>	<u>House Committee Action FY 1997</u>	<u>Senate Subcommittee Action FY 1997</u>	<u>Senate Subcommittee Change from House Committee</u>
Operating Expenditures:				
State General Fund	\$ 1,909,533	\$ 1,359,533	\$ 1,359,533	\$ 0
Other Special Revenue Fund	<u>1,358,442</u>	<u>1,358,442</u>	<u>1,358,442</u>	<u>0</u>
TOTAL	<u>\$ 3,267,975</u>	<u>\$ 2,717,975</u>	<u>\$ 2,717,975</u>	<u>\$ 0</u>
 FTE Positions	 56.0	 56.0	 56.0	 0.0



 Senator Barbara Lawrence
 Subcommittee Chairperson



 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Secretary of State

Bill No. 2160

Bill Sec. 32

Analyst: Pierron

Analysis Pg. No. 1071

Budget Page No. 403

Expenditure Summary	Agency Req. FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
State Operations:			
State General Fund	\$ 2,097,040	\$ 1,503,889	\$ 0
Other Special Revenue Funds	1,330,249	1,288,901	(99,955)
TOTAL	\$ 3,427,289	\$ 2,792,790	\$ (99,955)
FTE Positions	56.0	56.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	56.0	56.0	0.0

Agency Estimate/Governor's Recommendation

The agency requests FY 1998 state operations funding of \$3,427,289, an increase of \$645,572, or 23.2 percent, above the FY 1997 estimate. The requested increase in operating expenditures for FY 1998 is proportioned as follows:

Item	Total Change
Salaries and Wages	\$ 74,455
Contractual Services	(9,879)
Commodities	0
Capital Outlay	580,996
TOTAL	\$ 645,572

Of the total FY 1998 request, \$2,097,040 is financed from the State General Fund, and \$1,330,249 is financed from agency special revenue funds without expenditure limitations. The agency requests a 7.0 percent shrinkage rate for 1998, \$40,320 for a 2.5 percent unclassified merit pay, and \$137,335 for health insurance benefits.

The Governor recommends FY 1998 state operations funding of \$2,792,790, \$634,499 less than the agency request. The Governor concurs with the agency's request for health insurance benefits and recommends \$58,688 for unclassified merit pay, \$18,368 more than the agency request. The Governor recommends \$1,956,309 for salaries and wages in FY 1998 of which \$1,072,476 is from the State General Fund and \$883,833 from special revenue funds. The recommendation includes a 1.0 percent classified base salary adjustment and a 3.5 percent unclassified merit pool (\$66,699).

House Subcommittee Recommendation

1. Delete \$99,955 (\$52,118 from the Uniform Commercial Code Fee Fund and \$47,837 from the Information and Copy Services Fee Fund) recommended by the Governor for purchase and installation of an optical disc image system in the Uniform Commercial Code Division.
2. The House Subcommittee recommends that the Joint Committee on Computers and Telecommunications review the agency's requests for optical disc image systems and that the matter be addressed during the Omnibus Session.

House Committee Recommendation

The House Committee concurs with the House Subcommittee.

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Secretary of State

Bill No. 178

Bill Sec. 32

Expenditure Summary	Gov. Rec. FY 98	Senate Subcommittee Adjustments
State Operations:		
State General Fund	\$ 1,503,889	\$ (4,653)
Other Special Revenue Funds	<u>1,288,901</u>	<u>(157,339)</u>
TOTAL	<u>\$ 2,792,790</u>	<u>\$ (161,992)*</u>
FTE Positions	56.0	0.0

* Of this amount, \$62,037 relates to deletion of the Governor's recommended pay plan.

Senate Subcommittee Recommendation

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

1. Delete \$62,037 based on the recommendation to delete funding for the 3.5 percent unclassified merit pool (\$4,653 SGF and \$57,384 other revenue funds).
2. Delete \$99,955 (\$52,118 from the Uniform Commercial Code Fee Fund and \$47,837 from the Information and Copy Services Fee Fund) recommended by the

Governor for purchase and installation of an optical disc image system in the Uniform Commercial Code Division. As recommended for the optical disc image system requested for the Corporation Division, the Subcommittee recommends that the matter be addressed during the Omnibus Session.

Fee Fund Analysis

Resource Estimate	Actual FY 1996	Senate Subcommittee Recommendation FY 1997	Senate Subcom- mittee Recommendation FY 1998
Balance Forward	\$ 550,000	\$ 550,000	\$ 1,498,967
Additional Receipts	1,359,533	1,359,533	2,461
Total Funds Available	\$ 1,909,533	\$ 1,909,533	\$ 1,501,428
Less: Expenditures	461	2,461	0
Ending Balance	<u>\$ 1,907,072</u>	<u>\$ 1,907,072</u>	<u>\$ 1,501,428</u>

Current Status Comparison

	Gov. Rec. FY 1998	House Committee Action FY 1998	Senate Subcommittee Action FY 1998	Senate Subcommittee Change from House Committee FY 1998
State Operations:				
State General Fund	\$ 1,503,889	\$ 1,503,889	\$ 1,499,236	\$ (4,653)*
Other Special Revenue Funds	1,288,901	1,188,946	1,131,562	(57,384)*
TOTAL	<u>\$ 2,792,790</u>	<u>\$ 2,692,835</u>	<u>\$ 2,630,798</u>	<u>\$ (62,037)*</u>
FTE Positions	56.0	56.0	56.0	0.0

* The entire reduction relates to the removal of the Governor's recommended employee pay plan.



 Senator Barbara Lawrence
 Subcommittee Chair



 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Attorney General

Bill No. –

Bill Sec. –

Analyst: Rampey

Analysis Pg. No. 1037

Budget Page No. 81

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 6,656,815	\$ 6,656,813	\$ 0
Aid to Local Units	4,308,222	4,308,222	0
Other Assistance	3,850,000	3,850,000	0
TOTAL	\$ 14,815,037	\$ 14,815,035	\$ 0
State General Fund:			
State Operations	\$ 4,329,713	\$ 4,329,713	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 4,329,713	\$ 4,329,713	\$ 0
FTE Positions	86.0	85.8	0.0
Unclassified Temp. Positions	3.0	0.0	0.0
TOTAL	89.0	85.8	0.0

Agency Overview

The Attorney General is a constitutional, statewide elected official who is the chief legal officer and advocate of the state and its chief law enforcement officer. The office is organized into the Department of Criminal Justice, which is comprised of the criminal litigation division, the Child Death Review Board, the victims' rights unit, the Medicaid fraud division, and the Crime Victims Compensation Board; and the Department of Civil Law, which is comprised of the divisions of civil litigation, consumer protection, and legal opinions and government counsel. The administrative services division provides support services to both departments. The Attorney General's staff is housed in the Kansas Judicial Center and in offices in the Jayhawk Tower. The agency is expected to move into the Memorial Building in the next few years.

Agency Estimate/Governor's Recommendation

The Attorney General's estimate for FY 1997 exceeds the approved amount by \$2,585,720, of which \$700,310 is from the State General Fund. The State General Fund difference between the approved amount and the estimate is due to two things: First, the Attorney General was allowed to carry forward from FY 1996 to FY 1997 without limit any unexpended State General Fund money. The

Senate Ways and Means Committee

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Attachment # 2

amount of the reappropriation exceeds what had been estimated by \$101,908. (The estimated reappropriation was \$93,650, but the actual total carried forward is \$195,558.) Second, the Attorney General is asking for a supplemental appropriation of \$598,402 to continue the remedies and damages phase of water litigation with Colorado. (The requested supplemental appropriation of \$598,402 would be added to the \$500,000 appropriated by the 1996 Legislature, plus a reappropriated balance of \$40,585, for a total of \$1,138,987.) The \$1,885,410 increase in other funds over what the 1996 Legislature approved is due to changes in a number of programs, including federal programs that received more funding than what was expected.

Governor's Recommendation. The Governor concurs with the Attorney General's estimate of expenditures for FY 1997, except for a rounding difference of \$2.00 in special revenue funds.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor, with the following exception:

1. Concur with the Governor's recommended supplemental appropriation of \$598,402 to continue the remedies and damages phase of water litigation with Colorado, but put the amount in a House emergency supplemental appropriations bill. According to the Attorney General's Office, the amount of money currently available in FY 1997 for water litigation expenses (\$540,585) will run out before the end of the Session, which is when the Legislature usually enacts the regular supplemental appropriations bills.

House Committee Recommendation

The House Committee concurs with the recommendation of the Subcommittee.

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Attorney General

Bill No. -

Bill Sec. -

<u>Expenditure Summary</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:		
State Operations	\$ 6,656,813	\$ 57,642
Aid to Local Units	4,308,222	0
Other Assistance	<u>3,850,000</u>	<u>0</u>
TOTAL	<u>\$ 14,815,035</u>	<u>\$ 57,642</u>
State General Fund:		
State Operations	\$ 4,329,713	\$ (250,000)
Aid to Local Units	0	0
Other Assistance	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 4,329,713</u>	<u>\$ (250,000)</u>
FTE Positions	85.8	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>2.0</u>
TOTAL	<u>85.8</u>	<u>2.0</u>

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor, with the following exception:

1. Concur with the Governor's recommended supplemental appropriation of \$598,402 to continue the remedies and damages phase of water litigation with Colorado, but put the amount in a House emergency supplemental appropriations bill. According to the Attorney General's Office, the amount of money currently available in FY 1997 for water litigation expenses (\$540,585) will run out before the end of the Session, which is when the Legislature usually enacts the regular supplemental appropriations bills.
2. Reduce expenditures for the consumer protection division from the State General Fund by \$250,000 and shift the expenditures to the Court Cost Fund, which is the fund into which fees and expenses recovered from the successful prosecution of consumer protection cases are credited. In addition, approve the additional expenditure from the Court Cost Fund of \$57,642, which will enable the Attorney General to add two unclassified temporary positions in order to expand the activities of the division.

The Attorney General has been particularly successful thus far in FY 1997 in recovering money related to violations of the Consumer Protection Act. A recent settlement with the AT&T Corp. resulted in recoveries of \$112,500, which, when

added to other recoveries, brings the total in the Fund to \$470,397. This amount is far more than the usual level of receipts, and exceeds the original estimate of available funds by \$325,000. Because the operations of the consumer protection division also depend upon funding from the State General Fund, the Subcommittee proposes that \$250,000 of the unexpected receipts to the Court Cost Fund be used to offset expenditures from the State General Fund in FY 1997. The shift recommended by the Subcommittee would leave enough money in the Fund to allow the Attorney General to pay the salaries of the two new special projects positions that have been added and also would provide an estimated balance of approximately \$85,000 to carry forward to FY 1998. The shift would reduce the State General Fund appropriation for the division from \$515,173 to \$265,173. Because the Attorney General does not expect to recoup as much money in FY 1998 as in FY 1997, the Subcommittee believes it is important to leave some money to carry forward in case the level of new receipts in FY 1998 is not realized. (The estimate of new receipts for FY 1998 is \$200,000.)

The Subcommittee's decision to approve the addition of two unclassified temporary positions is in lieu of recommending the permanent FTE positions requested by the Attorney General. The Attorney General makes a convincing case that adding more staff could result in more money recouped, but the Subcommittee wants to evaluate the activities of the consumer protection division in one year to see if this, in fact, is the case. The Subcommittee also emphasizes that the extraordinary receipts to the Fund in FY 1997 may be a windfall, not a stable, on-going source of revenue. For this reason, the status of the Court Cost Fund should be reviewed carefully by the 1998 Legislature.

Current Status Comparison

	Gov. Rec. FY 1997	House Committee Rec. FY 1997	Senate Subcommittee Rec. FY 1997	Senate Subcommittee Change from House FY 1997
All Funds:				
State Operations	\$ 6,656,813	\$ 6,656,813	\$ 6,714,455	\$ 57,642
Aid to Local Units	4,308,222	4,308,222	4,308,222	0
Other Assistance	<u>3,850,000</u>	<u>3,850,000</u>	<u>3,850,000</u>	<u>0</u>
TOTAL	<u><u>\$ 14,815,035</u></u>	<u><u>\$ 14,815,035</u></u>	<u><u>\$ 14,872,677</u></u>	<u><u>\$ 57,642</u></u>
State General Fund:				
State Operations	\$ 4,329,713	\$ 4,329,713	\$ 4,079,713	\$ (250,000)
Aid to Local Units	0	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 4,329,713</u></u>	<u><u>\$ 4,329,713</u></u>	<u><u>\$ 4,079,713</u></u>	<u><u>\$ (250,000)</u></u>
FTE Positions	85.8	85.8	85.8	0.0
Unclass. Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>2.0</u>	<u>2.0</u>
TOTAL	<u><u>85.8</u></u>	<u><u>85.8</u></u>	<u><u>87.8</u></u>	<u><u>2.0</u></u>



 Senator Barbara Lawrence
 Subcommittee Chair



 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Attorney General

Bill No. 2160

Bill Sec. 31

Analyst: Rampey

Analysis Pg. No. 1037

Budget Page No. 81

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,066,891	\$ 6,750,288	\$ 91,426
Aid to Local Units	6,942,676	6,942,676	0
Other Assistance	3,850,000	3,850,000	0
TOTAL	<u>\$ 17,859,567</u>	<u>\$ 17,542,964</u>	<u>\$ 91,426</u>
State General Fund:			
State Operations	\$ 4,599,362	\$ 4,368,655	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	<u>\$ 4,599,362</u>	<u>\$ 4,368,655</u>	<u>\$ 0</u>
FTE Positions	91.0	85.8	0.0
Unclassified Temp. Positions	3.0	3.0	2.0
TOTAL	<u>94.0</u>	<u>88.8</u>	<u>2.0</u>

Agency Request/Governor's Recommendation

For FY 1998, the Attorney General requests a total of \$17,859,567, of which \$4,599,362 is from the State General Fund. The greater part of the increase in State General Fund expenditures from the current year to FY 1998 is accounted for by almost \$170,000 for salaries and other operating expenditures associated with requested new positions. In all, 5.0 FTE new positions are requested, of which three would be funded from the State General Fund and two from other funds. Funding also is requested in the amount of \$1,060,000 to continue the remediation and damages phase of water litigation with Colorado. Aid and other assistance programs administered by the Attorney General continue into FY 1998 at generally the same or at increased levels compared to the current year.

Governor's Recommendation. The Governor recommends expenditures of \$17,542,964, of which \$4,368,655 is from the State General Fund. The recommendation from all funds is a reduction of \$316,603 from the total requested by the Attorney General. Most of the reduction (\$230,707) is from the State General Fund. Funding for salaries includes merit increases of 3.5 percent for the unclassified employees and step movement and a 1.0 percent cost-of-living increase for the agency's two classified employees. The Governor does not recommend the requested 5.0 FTE positions. The Governor generally concurs with estimated expenditures from federal and other special revenue funds, mainly making adjustments only to reflect agency operating changes such as the deletion of funding for

requested new positions. The Governor includes \$1,060,000 in his FY 1998 budget for water litigation expenses, as requested by the agency.

House Subcommittee Recommendations

The House Subcommittee concurs with the Governor, with the following exceptions:

1. Suggest that the Attorney General use unclassified temporary employees in lieu of permanent FTE positions to fill the need for additional staff in the consumer protection division. If the Attorney General can document that the additional staff have increased the recovery of money from the successful prosecution of consumer protection cases, the Legislature can consider the justification of making the positions permanent at a later date. The Attorney General requested two FTE positions for the consumer protection division at a total cost of \$91,426 for salaries and associated operating expenses. According to the Attorney General, the salaries of the positions would be funded from money recouped from consumer protection cases. The Subcommittee supports the addition of staff to enhance the agency's consumer protection activities, but is concerned that, if not enough money is recouped, the Legislature will be asked to shift funding for the positions to the State General Fund. The Subcommittee's recommendation is that the agency use unclassified temporary positions until it can demonstrate that the additional positions can be paid for from recovered money.
2. Amend the proviso to the Medicaid Fraud Prosecution Revolving Fund to expand the scope of the money that can be recovered to include money recovered from any successful prosecution of Medicaid fraud, not just cases that fall under the Medicaid Fraud Control Act, and to remove the limit that the only money the Attorney General can recover is just for expenses incurred. The effect of the change would be to allow the Attorney General to recover money for all Medicaid fraud control activities, not just those undertaken pursuant to one specific act, and to recoup additional money, such as penalties, that exceed the actual cost to the agency of successfully prosecuting Medicaid fraud cases. One rationale for the Subcommittee's recommendation is to allow the agency to be able to meet the state matching requirement for federal funds from recouped money instead of having to make an appropriation from the State General Fund. (After October 1, 1998, the state matching requirement increases from 10 percent to 25 percent.)

In addition, the Subcommittee recommends that a reporting requirement be added to the proviso, to the effect that the Attorney General must make a report to the 1998 Appropriations and Ways and Means subcommittees that review the agency's budget on the amount of recouped money credited to the Medicaid Fraud Prosecution Revolving Fund and an estimate of the money the agency has expended for Medicaid fraud control activities.

3. Recommend the introduction of a bill to remove the stipulation in current law that prohibits an employee in the Insurance Department and the Office of the Attorney General from receiving an annual salary that exceeds the salary of the Commissioner of Insurance and the Attorney General, respectively, as established by law. (The

relevant statutes are K.S.A. 40-110 for the Commissioner of Insurance and K.S.A. 75-3111 for the Attorney General.) Of the six statewide elected officials (Governor, Lieutenant Governor, Secretary of State, Attorney General, Treasurer, and Insurance Commissioner) only the Commissioner of Insurance and the Attorney General have such a limit.

House Committee Recommendation

The House Committee concurs with the recommendations of the Subcommittee.

House Recommendations

The full House has not taken action on this agency's budget.

Agency: Attorney General

Bill No. 178

Bill Sec. 31

Expenditure Summary	Agency Request FY 98	Gov. Rec. FY 98	Senate Subcommittee Adjustments FY 98
All Funds:			
State Operations	\$ 7,066,891	\$ 6,750,288	\$ (34,858) *
Aid to Local Units	6,942,676	6,942,676	0
Other Assistance	<u>3,850,000</u>	<u>3,850,000</u>	<u>0</u>
TOTAL	<u>\$ 17,859,567</u>	<u>\$ 17,542,964</u>	<u>\$ (34,858)</u>
State General Fund:			
State Operations	\$ 4,599,362	\$ 4,368,655	\$ (89,858)
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 4,599,362</u>	<u>\$ 4,368,655</u>	<u>\$ (89,858)</u>
FTE Positions	91.0	85.8	0.0
Unclassified Temp. Positions	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>
TOTAL	<u>94.0</u>	<u>88.8</u>	<u>0.0</u>

* Includes a reduction of \$126,284 (\$89,858 from the State General Fund) for the Governor's employee salary adjustments.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the Governor, with the following exceptions:

1. Delete \$126,284, including \$89,858 from the State General Fund, based on the recommendation to delete funding for the 3.5 percent unclassified merit pool (\$123,970); classified step movement (\$1,729); and the 1.0 percent classified base salary adjustment (\$585) from individual agency budgets.
2. Amend the proviso to the Medicaid Fraud Prosecution Revolving Fund to expand the scope of the money that can be recovered to include money recovered from any successful prosecution of Medicaid fraud, not just cases that fall under the Medicaid Fraud Control Act, and to remove the limit that the only money the Attorney General can recover is just for expenses incurred. The effect of the change would be to allow the Attorney General to recover money for all Medicaid fraud control activities, not just those undertaken pursuant to one specific act, and to recoup additional money, such as penalties, that exceed the actual cost to the agency of successfully prosecuting Medicaid fraud cases. One rationale for the Subcommittee's recommendation is to allow the agency to be able to meet the state matching requirement for federal funds from recouped money instead of having to make an appropriation from the State General Fund. (After October 1, 1998, the state matching requirement increases from 10 percent to 25 percent.)

In addition, the Subcommittee recommends that a reporting requirement be added to the proviso, to the effect that the Attorney General must make a report to the 1998 Appropriations and Ways and Means subcommittees that review the agency's budget on the amount of recouped money credited to the Medicaid Fraud Prosecution Revolving Fund and an estimate of the money the agency has expended for Medicaid fraud control activities.

3. The Subcommittee notes the Attorney General's request for 2.0 FTE additional positions for the death penalty prosecution unit, which currently is staffed by an attorney and an investigator. The Subcommittee is aware that the Attorney General is concerned about the burden placed on her office by the requests from local county and district attorneys for help with cases that are prosecuted locally and by the Office's direct involvement in the prosecution of cases that are not handled at the local level. (The Attorney General's Office is involved in seven capital cases and has been notified of another.)

Although the Subcommittee does not recommend the addition of the two positions (at a cost of \$121,946 from the State General Fund), it is concerned about the number of capital murder cases in which the Attorney General's Office becomes involved. The Subcommittee suggests that the Legislature wait another year to consider adding new positions in order to see if the Attorney General's involvement in capital murder cases continues to grow. If it does, the 1998 Legislature could review the death penalty unit's workload to see if additional positions are justified.

4. Increase expenditures from the Court Cost Fund by \$91,426 (from \$81,964 to \$173,390) to continue the salaries and associated costs of two unclassified temporary positions added in FY 1997. The positions are added to expand the activities of the division in order to recover more money from the successful prosecution of violations of the Consumer Protection Act.

Current Status Comparison

Expenditure	Gov. Rec. FY 1998	House Committee Rec. FY 1998	Senate Subcommittee Rec. FY 1998	Senate Subcommittee Change from House Committee
All Funds:				
State Operations	\$ 6,750,288	\$ 6,841,714	\$ 6,715,430*	\$ (126,284)
Aid to Local Units	6,942,676	6,942,676	6,942,676	0
Other Assistance	3,850,000	3,850,000	3,850,000	0
TOTAL	\$ 17,542,964	\$ 17,634,390	\$ 17,508,106	\$ (126,284)
State General Fund:				
State Operations	\$ 4,368,655	\$ 4,368,655	\$ 4,278,797	\$ (89,858)
Aid to Local Units	0	0	0	0
Other Assistance	0	0	0	0
TOTAL	\$ 4,368,655	\$ 4,368,655	\$ 4,278,797	\$ (89,858)
FTE Positions	85.8	85.8	85.8	0.0
Unclass. Temp. Positions	3.0	5.0	5.0	0.0
TOTAL	88.8	90.8	90.8	0.0

* Includes a reduction of \$126,284 (\$89,858 from the State General Fund) for the Governor's employee salary adjustments.



 Senator Barbara Lawrence
 Subcommittee Chair



 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Health Care Stabilization Fund
Board of Governors

Bill No. -

Bill Sec. -

Analyst: Mah

Analysis Pg. No. 1,064

Budget Page No. 233

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Governor's Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 3,042,703	\$ 3,003,905	\$ 0
Other Assistance	27,391,384	27,391,384	0
TOTAL	\$ 30,434,087	\$ 30,395,289	\$ 0
FTE Positions	16.0	16.0	--
Unclassified Temp. Positions	0.0	0.0	--
TOTAL	16.0	16.0	--

Agency Estimate/Governor's Recommendation

The Board's revised current year estimate reflects a net increase of \$22,571 from the total amount approved by the 1996 Legislature. There is an anticipated reduction of \$4,616 in claim payments against the Health Care Stabilization Fund. This reduction is offset by the requested increase of \$27,187 for state operations, including \$12,580 for salaries and wages. The additional moneys would pay for upgrading the salaries of three employees and for the full cost of longevity payments to the Board's eligible classified employees. Longevity costs were not fully funded last year based on a policy that was initiated by the Governor. A total of \$83 was approved, which is \$3,454 less than the full funding of \$3,537. With regard to salaries upgrades, a classified accountant position was upgraded from an Accountant II to an Accountant III and the salaries of the Board's unclassified Chief Attorney and unclassified Executive Director were upgraded. The Executive Director started getting the higher salary this last September. The other two upgrades were implemented a few months earlier (June). The following table shows the change in base salary (excluding fringe benefit costs) for the three employees from actual FY 1996 to the amount reflected in the revised current year estimate.

	<u>Actual FY 1996</u>	<u>Revised FY 1997</u>	<u>Difference</u>
Accountant	\$ 29,861	\$ 32,808	\$ 2,947 or 9.9 percent
Chief Attorney	49,449	59,020	\$ 9,571 or 19.4 percent
Executive Director	66,387	71,194	\$ 4,807 or 7.2 percent

Senate Ways and Means Committee

Date 3-17-97

Attachment # 3

When the Board was part of the Insurance Department, it was exempt as other elected official offices are from a law that requires the Governor to approve the salaries of unclassified employees. The employees were treated the same as classified employees in that they got a pay raise equivalent to step movement (a 2.5 percent increase each year that was based on the employee's anniversary hire date). Generally, unclassified employees in other state agencies are granted by the Governor increases based on policy established by the Legislature, which last year provided for a 2.5 percent increase for the last half of FY 1997. Even though the Board now is required by law (K.S.A. 75-2935b) to have the salary of all its unclassified employees approved by the Governor, it has not done so. Further inquiry has revealed that the Department of Administration, Division of Personnel, has not required that the Board comply with the law. Instead, the salary upgrades mentioned above for unclassified employees were entered into the system based only on the Board's approval. For other unclassified employees, the Board budgeted for pay raises that are equivalent to step movement for classified employees. Therefore, these employees are budgeted to get approximately a 2.5 percent increase for the full year instead of for only the latter half of FY 1997.

Governor's Recommendation. The Governor makes only one adjustment, which is to reduce the Board's revised current year estimate for salaries and wages by \$38,798. Because the Board is currently paying salaries that are not fully funded by the Governor, it will have to generate savings either from employee turnover or by reducing its other operating expenditures.

House Subcommittee Recommendation

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

1. Review the Board's budget if necessary during the Omnibus Session or before if possible to make adjustments based on information that is expected to be obtained from a request for information that has been sent by this House Subcommittee to the Secretary of the Department of Administration. During the review of the Board's budget, the Subcommittee learned that, when the Board was part of the Insurance Department, it was exempt from the law that requires the Governor to approve the salaries of its unclassified employees by virtue of the fact that the Board was part of the department of an elected state official. On January 1, 1995, the Board became a separate state agency whose employees no longer are part of the Insurance Department. The statutes that create the Board as a separate agency are silent as to who sets the salaries of the Board's employees. In practice, the Board has been setting the salaries.

Except when specific exemptions are made, such as for the staffs of elected state officials or for persons whose salaries are set by statute, K.S.A. 75-2935b requires that the salaries of unclassified employees be approved by the Governor and that, furthermore, the salaries shall not be paid until the Governor has approved them.

In spite of the requirement of law, none of the salaries of the Board has been reviewed or approved by the Governor since the Board became a separate agency. This situation came to the Subcommittee's attention during its review of the Board's budget when the Subcommittee was informed that, since the 1996 Session, the Board approved for FY 1997 base salary increases for two of its unclassified staff that

amounted to an increase of \$9,571 (19.4 percent) in one case and an increase of \$4,807 (7.2 percent) in another.

This Subcommittee has sent a letter to the Secretary of Administration asking for documentation showing that the salaries of the Board's unclassified employees have been approved by the Governor. If there is no such documentation, the Subcommittee has asked for documentation of the policy being followed by which these employees are being exempted from the requirement.

House Committee Recommendation

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

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Health Care Stabilization Fund **Bill No. -** **Bill Sec. -**
Board of Governors

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Governor's Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 3,042,703	\$ 3,003,905	\$ 0
Other Assistance	27,391,384	27,391,384	0
TOTAL	<u>\$ 30,434,087</u>	<u>\$ 30,395,289</u>	<u>\$ 0</u>
FTE Positions	16.0	16.0	-
Unclassified Temp. Positions	0.0	0.0	-
TOTAL	<u>16.0</u>	<u>16.0</u>	<u>-</u>

Senate Subcommittee Recommendation

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

1. During the review of the Board's budget, the Subcommittee learned that, when the Board was part of the Insurance Department, it was exempt from the law that requires the Governor to approve the salaries of its unclassified employees by virtue of the fact that the Board was part of the department of an elected state official. On January 1, 1995, the Board became a separate state agency whose employees no longer are part of the Insurance Department. The statutes that create the Board as a separate agency are silent as to who sets the salaries of the Board's employees. In practice, the Board has been setting the salaries.

Except when specific exemptions are made, such as for the staffs of elected state officials or for persons whose salaries are set by statute, K.S.A. 75-2935b requires that the salaries of unclassified employees be approved by the Governor and that, furthermore, the salaries shall not be paid until the Governor has approved them.

In spite of the requirement of law, none of the salaries of the Board has been reviewed or approved by the Governor since the Board became a separate agency. This situation came to the Subcommittee's attention during its review of the Board's budget when the Subcommittee was informed that, since the 1996 Session, the Board approved for FY 1997 base salary increases for two of its unclassified staff that amounted to an increase of \$9,571 (19.4 percent) in one case and an increase of \$4,807 (7.2 percent) in another.

A letter was sent to the Secretary of Administration by the House Appropriations Subcommittee assigned to the Board's budget asking for documentation showing that the salaries of the Board's unclassified employees have been approved by the Governor or for documentation of the policy being followed by which these employees are being exempted from the requirement. The Secretary responded by saying that the Governor and the Department of Administration have been concerned since the two year period that the Board was separated from the Insurance Department. During the budget formulation process for the 1997 Session, the Governor expressed his concern over large salary increases for certain unclassified employees of the Board. In the Secretary's opinion, the jurisdiction over the salaries still remains with the Commissioner of Insurance, but the Governor would prefer to be the one providing the oversight. Therefore, this Subcommittee supports a bill that has been introduced by the House Appropriations Committee to clarify that the salaries of unclassified employees of the Board are subject to the Governor's approval (H.B. 2527). Also, the Subcommittee wants to review the Board's budget during the Omnibus Session, when the Subcommittee is more likely to know whether adjustments to the Governor's recommendation that are being requested by the Board for salaries and wages are necessary.



Senator Barbara Lawrence, Chairperson



Senator Christine Downey

Current Status Comparison

<u>Expenditure</u>	<u>Gov. Rec. FY 1997</u>	<u>House Committee Rec. FY 1997</u>	<u>Senate Subcommittee Rec. FY 1997</u>	<u>Senate Change from House</u>
All Funds:				
State Operations	\$ 3,003,905	\$ 3,003,905	\$ 3,003,905	\$ 0
Aid to Local Units	0	0	0	0
Other Assistance	<u>27,391,384</u>	<u>27,391,384</u>	<u>27,391,384</u>	<u>0</u>
Subtotal - Operating	\$ <u>30,395,289</u>	\$ <u>30,395,289</u>	\$ <u>30,395,289</u>	\$ <u>0</u>
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 30,395,289</u>	<u>\$ 30,395,289</u>	<u>\$ 30,395,289</u>	<u>\$ 0</u>
State General Fund:				
State Operations	\$ 0	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
FTE Positions	16.0	16.0	16.0	0.0
Unclass. Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>	<u>0.0</u>

SUBCOMMITTEE REPORT

Agency: Health Care Stabilization Fund
Board of Governors

Bill No. 2160

Bill Sec. 35

Analyst: Mah

Analysis Pg. No. 1,064

Budget Page No. 233

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Governor's Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 3,063,007	\$ 3,026,919	\$ 0
Other Assistance	26,759,775	26,759,775	0
TOTAL	<u>\$ 29,822,782</u>	<u>\$ 29,786,694</u>	<u>\$ 0</u>
FTE Positions	16.0	16.0	-
Unclassified Temp. Positions	0.0	0.0	-
TOTAL	<u>16.0</u>	<u>16.0</u>	<u>-</u>

Agency Request/Governor's Recommendation

For FY 1998, the Board requests \$29,822,782 in expenditures from the Health Care Stabilization Fund, of which \$26,759,775 is for claim payments and \$3,063,007 is for state operations. Included in the request are moneys to provide for the salary upgrades that began in the current year. The salary request also includes the usual step movement for classified employees and a merit pool of approximately 2.5 percent for unclassified employees. Total dollars spent for remaining state operations are expected to drop by \$50 in FY 1998. Less moneys (\$5,000) are needed for one-time capital outlay purchases. Instead, the moneys would be used to cover anticipated inflation adjustments totaling \$4,950 for the Board's other operating costs. With regard to claim payments, the Board indicates that the number of claims and settlements against the Health Care Stabilization Fund is unpredictable. In FY 1995, claim settlements were significantly less than originally anticipated. This was not the case for FY 1996 when settlements were \$2.1 million more than originally anticipated. Costs were significantly higher because of settlements related to the University of Kansas Medical Center heart transplant program.

Governor's Recommendation. The only adjustment that the Governor makes to the Board's FY 1998 request is a reduction of \$36,088 for salaries and wages. Included in the recommendation is a 1.0 percent base salary adjustment for classified employees and a merit pool of 3.5 percent for unclassified employees. However, it does not fully fund the salaries the Board is paying in FY 1997. Therefore, the recommendation will require the Board to generate savings either from employee turnover or by reducing its other operating expenditures.

Turnover Rates. The agency anticipates no salary turnover savings in FY 1997 or FY 1998. Actual FY 1996 expenditures reflect turnover savings of \$51,953 or 8.8 percent, of which most is because the Board has never filled one of its approved FTE positions. Under the Governor's

commendation, there is an implied turnover rate of 6.2 percent (\$38,366) in FY 1997 and 6.4 percent (\$41,544) in FY 1998.

House Subcommittee Recommendation

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

1. The House Subcommittee makes the same recommendation that it made for FY 1997 with regard to reviewing the Board's budget during the Omnibus Session or before if possible in order to make adjustments based on information that is being requested from the Department of Administration on the Governor's approval of salaries paid to the Board's unclassified employees.
2. Make any technical corrections to the appropriations bill necessary to correctly reflect the Governor's recommendation.

House Committee Recommendation

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

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Health Care Stabilization Fund Bill No. 178 Bill Sec. 35
 Board of Governors

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Governor's Rec. FY 98</u>	<u>Senate* Subcommittee Adjustments</u>
Fee Fund:			
State Operations	\$ 3,063,007	\$ 3,026,919	\$ (18,654)
Other Assistance	26,759,775	26,759,775	0
TOTAL	<u>\$ 29,822,782</u>	<u>\$ 29,786,694</u>	<u>\$ (18,654)</u>
 FTE Positions	 16.0	 16.0	 --
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>--</u>
TOTAL	<u>16.0</u>	<u>16.0</u>	<u>--</u>

* Includes a reduction of \$18,654 from the Health Care Stabilization Fund for the Governor's employee salary adjustments.

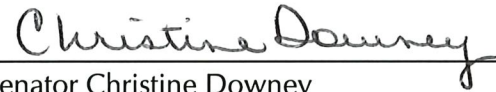
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation, with the following comment and adjustment:

1. The Senate Subcommittee makes the same recommendation that it made for FY 1997 with regard to reviewing the Board's budget during the Omnibus Session to consider adjustments for salaries paid to the Board's unclassified employees.
2. Delete \$18,654 from the Health Care Stabilization Fund based on the recommendation to delete funding for the 3.5 percent unclassified merit pool (\$9,758); classified step movement (\$2,974); longevity bonus payment (\$4,000); and the 1.0 percent base salary adjustment for classified employees (\$1,922) from individual agency budgets.
3. Make any technical corrections to the appropriations bill necessary to correctly reflect the Governor's recommendation.



Senator Barbara Lawrence, Chairperson



Senator Christine Downey

Current Status Comparison

Expenditure	Gov. Rec. FY 1998	House Committee Rec. FY 1998	Senate* Subcommittee Rec. FY 1998	Senate Change from House
All Funds:				
State Operations	\$ 3,026,919	\$ 3,026,919	\$ 3,008,265	\$ (18,654)
Aid to Local Units	0	0	0	0
Other Assistance	<u>26,759,775</u>	<u>26,759,775</u>	<u>26,759,775</u>	<u>0</u>
Subtotal - Operating	\$ 29,786,694	\$ 29,786,694	\$ 29,768,040	\$ (18,654)
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 29,786,694</u>	<u>\$ 29,786,694</u>	<u>\$ 29,768,040</u>	<u>\$ (18,654)</u>
State General Fund:				
State Operations	\$ 0	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 0	\$ 0	\$ 0	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
FTE Positions	16.0	16.0	16.0	0.0
Unclass. Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>16.0</u>	<u>16.0</u>	<u>16.0</u>	<u>0.0</u>

* Includes a reduction of \$18,654 from the Health Care Stabilization Fund for the Governor's employee salary adjustments.

SUBCOMMITTEE REPORT

Agency: Insurance Department

Bill No. 2272

Bill Sec. 20

Analyst: Mah

Analysis Pg. No. 1,048

Budget Page No. 279

<u>Expenditure Summary</u>	<u>Agency Est. FY 97</u>	<u>Governor's Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 11,545,281	\$ 11,458,881	\$ 0
Local Aid	4,402,754	4,402,754	0
Other Assistance	31,099,524	31,099,524	0
Capital Improvements	<u>190,000</u>	<u>190,000</u>	<u>0</u>
TOTAL	<u>\$ 47,237,559</u>	<u>\$ 47,151,159</u>	<u>\$ 0</u>
FTE Positions	161.5	161.5	--
Unclassified Temp. Positions	<u>2.0</u>	<u>2.0</u>	<u>--</u>
TOTAL	<u>163.5</u>	<u>163.5</u>	<u>--</u>

Agency Est./Governor's Recommendation

The Department estimates total FY 1997 expenditures of \$47,237,559, a reduction of \$11,954,130 from the \$59,191,689 authorized by the 1996 Legislature. As reflected in the table above, revised estimated expenditures from the Workers' Compensation Fund are expected to be \$12.4 million less than originally anticipated. The Department estimates that claim payments from the Workers' Compensation Fund will be \$11.2 million less (from \$42,000,000 to \$30,824,062) and administrative costs (including legal fees) will be \$1.2 million less. This drop in expenditures has been an awaited occurrence brought about in part because of reform by the 1993 Legislature of workers' compensation laws. The Department thought that expenditures for workers' compensation claims would drop after FY 1996, but instead they started dropping in FY 1996. Other major changes to the approved budget include asking that the 1997 Legislature increase the expenditure limitation on the Insurance Department Service Regulation Fund by \$100,027. Receipts to the Fund finance the Department's Insurance Company Regulation program, where most of the agency's employees work (137.2 out of 161.5 FTE positions). The Department says it wants the additional moneys in order to change turnover savings for salaries from the 5.0 percent rate (\$253,984) approved by the 1996 Legislature to a 3.0 percent rate (\$151,303), indicating that the adjustment is necessary because salary costs will be higher than the amount in the approved budget. One reason why salaries will be higher is because the Department gave its unclassified employees a 2.5 percent increase for all of FY 1997, instead of the last half of FY 1997 funded by the 1996 Legislature. In addition, the Department's revised estimate for salaries fully funds longevity costs for eligible classified employees, which based on the Governor's recommendation were not fully funded by the 1996 Legislature. A total of \$5,569 was approved for classified employee longevity costs, which is \$24,518 less than the revised estimate of \$30,087 for all of the Department's employees with ten or more years of service. Costs are higher than the approved budget in part because the Department budgets the longevity bonus not only for classified employees, but also for unclassified

Senate Ways and Means Committee

Date 3-17-97

Attachment # 4

employees. The Department indicates that eligibility for the bonus is the same for the unclassified employees as it is by law for classified employees.

The Department's revised current year estimate also reflects a drop of 2.0 FTE positions and a shift of resources to printing and capital outlay purchases. Last session, the Department indicated that 2.0 FTE positions could be eliminated if legislation passed that repealed a statute which permitted insurance companies the option of depositing securities in a state operated vault. Reported savings from no longer having to staff and rent the state vault were approximately \$92,541 annually. The House and Senate appropriation committees agreed early in the 1996 Session to not adjust the Department's budget even if the legislation passed (1996 S.B. 450), which it eventually did.

While the Department's revised budget estimate now properly reflects the no longer needed 2.0 FTE positions, the downward FTE adjustment is offset by adding 2.0 new unclassified temporary positions for a Senior Health Insurance Counseling for Kansas (SHICK) program that the Department will administer for the Department on Aging. The Insurance Department won the bid for a contract to administer the program, which the Department on Aging sought in order to privatize services it had offered through a federal grant. The purpose of the program is to provide all Medicare beneficiaries living in Kansas with local trained and certified volunteer counselors who are able to provide counseling and assistance with questions concerning Medicare, Medicare supplemental insurance, long-term care insurance, available prescription drug coverage, and other health insurance related issues. The Insurance Department took over the program on October 1, 1996. Federal moneys will continue to come to the Department on Aging, which will then be paid to the Insurance Department. While the Department on Aging continues to be the actual federal grant recipient, staff from the Insurance Department indicates that this could change in future years and that the agency is committed to the program even if federal funding diminishes or stops. The Insurance Department estimates in a preliminary proposal that it will receive \$134,106 to provide the services for the contracted period in the current year. About half the moneys (\$58,841) will be used for the salaries of the two new unclassified temporary positions mentioned above and for half the salary for an existing 1.0 FTE position. The proposal does not take into account that the existing 1.0 FTE position is already fully funded in the Department's budget from another revenue source. Remaining moneys totaling \$75,265 will be used for a grant to organizations that are responsible for overseeing the activities of the program's local volunteers (\$56,406) and for the Department's communications, travel, rent, and other costs for administering the program (\$18,859).

Governor's Recommendation. The Governor makes no significant changes from the Department's revised current year estimate, except that he deletes \$47,985 that was budgeted for capital outlay expenditures. The Department had planned to spend more on computer equipment than was approved last year, but keep within its allotted resources by spending less on its other approved nonsalary expenditures. The Governor basically concurs with the Department's request for additional moneys for salaries and wages for its Insurance Company Regulation program. He uses a turnover savings rate of 3.1 percent, which is only slightly different than the Department's proposed new rate of 3.0 percent. The Governor's recommendation funds the 2.5 percent salary increase that the Department gave to its unclassified employees for the full year instead of for just the last half of FY 1997, as was funded by the 1996 Legislature. The Governor makes no change to funding that is included for the full cost of longevity bonuses for classified employees, which is required under current law. However, the Governor deletes moneys that were budgeted to pay longevity bonuses to unclassified employees. The net effect of the Governor's adjustments is that the expenditure limitation on the Insurance Department Service Regulation Fund would need to be raised by \$33,146 instead of by the requested \$100,027. Also, with regard to the 1.0 existing FTE position which was both fully funded in the Department's budget from the Insurance Department Service Regulation Fund and funded half again from new SHICK revenues, the Governor deletes funding so that the position is no longer over funded. However, under

the Governor's recommendation, all funding for the position would come from the Insurance Department Service Regulation Fund. Because the position has been changed so that it now serves as the director of the Department's new SHICK program, which is half of its assigned duties, the Legislature may wish to shift part of the salary cost to the new SHICK revenues, which was the Department's intent. (It would increase expenditures from the new SHICK revenues by \$18,989 and reduce them from the Insurance Department Service Regulation Fund by the same amount.)

House Subcommittee Recommendation

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

1. Shift \$18,989 for salaries and wages of an existing 0.5 FTE position from the Insurance Department Service Regulation Fund to the Senior Health Insurance Counseling for Kansans (SHICK) Fund. The duties of the position have recently changed and the recommendation provides for financing the position from the source for which it now has assigned duties.
2. Concur with the Joint Building Committee which recommends that the Department use a portion of its already approved resources for capital improvements to purchase and install in FY 1997 materials needed to provide lightning protection for its Topeka office building. According to the Department of Administration, Division of Architectural Services, total cost is estimated at only \$3,740 for four rods, clamps, and other necessary materials. The Department already has the flexibility to expend moneys for this new project through the use of an established capital improvements fund, which has an expenditure limitation of "no limit".
3. Make any technical corrections to the appropriations bill necessary to correctly reflect the Governor's recommendation.

House Committee Recommendation

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

House Recommendation


The full House has not taken action on this agency's budget.

<u>Expenditure Summary</u>	<u>Agency Request FY 97</u>	<u>Governor's Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 11,545,281	\$ 11,458,881	\$ (14,157)
Local Aid	4,402,754	4,402,754	0
Other Assistance	31,099,524	31,099,524	0
Capital Improvements	190,000	190,000	0
TOTAL	<u>\$ 47,237,559</u>	<u>\$ 47,151,159</u>	<u>\$(14,157)</u>
FTE Positions	161.5	161.5	--
Unclassified Temp. Positions	2.0	2.0	--
TOTAL	<u>163.5</u>	<u>163.5</u>	<u>--</u>

Senate Subcommittee Recommendation

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

1. Shift \$18,989 for salaries and wages of an existing 0.5 FTE position from the Insurance Department Service Regulation Fund to the Senior Health Insurance Counseling for Kansans (SHICK) Fund. The duties of the position have recently changed and the recommendation provides for financing the position from the source for which it now has assigned duties..
2. Delete \$14,157, which is expenditure authority above the level approved by the 1996 Legislature for the Insurance Department Service Regulation Fund. The reason for the increase is that these employees received a 2.5 percent increase for all of FY 1997, not for just the last half as was funded by the 1996 Legislature. Because the Legislature did not fund the increases for the full year, the Subcommittee sees no reason to approve the additional expenditure authority requested.
3. Make any technical corrections to the appropriations bill necessary to correctly reflect the Governor's recommendation.



 Senator Barbara Lawrence, Chairperson



 Senator Christine Downey

Current Status Comparison

Expenditure	Gov. Rec. FY 1997	House Committee Rec. FY 1997	Senate Subcommittee Rec. FY 1997	Senate Change from House
All Funds:				
State Operations	\$ 11,458,881	\$ 11,458,881	\$ 11,444,724	\$ (14,157)
Aid to Local Units	4,402,754	4,402,754	4,402,754	0
Other Assistance	31,099,524	31,099,524	31,099,524	0
Subtotal - Operating	\$ 46,961,159	\$ 46,961,159	\$ 46,947,002	\$ (14,157)
Capital Improvements	190,000	190,000	190,000	0
TOTAL	\$ 47,151,159	\$ 47,151,159	\$ 47,137,002	\$ (14,157)
State General Fund:				
State Operations	\$ 0	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0	0
Other Assistance	0	0	0	0
Subtotal - Operating	\$ 0	\$ 0	\$ 0	\$ 0
Capital Improvements	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0
FTE Positions	161.5	161.5	161.5	0.0
Unclass. Temp. Positions	2.0	2.0	2.0	0.0
TOTAL	163.5	163.5	163.5	0.0

SUBCOMMITTEE REPORT

Agency: Insurance Department

Bill No. 2160

Bill Sec. 34

Analyst: Mah

Analysis Pg. No. 1,048

Budget Page No. 279

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Governor's Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 11,640,969	\$ 11,583,971	\$ 0
Local Aid	4,446,782	4,446,782	0
Other Assistance	28,639,975	28,639,975	0
Capital Improvements	<u>206,437</u>	<u>206,437</u>	<u>0</u>
TOTAL	<u>\$ 44,934,163</u>	<u>\$ 44,877,165</u>	<u>\$ 0</u>
FTE Positions	161.5	161.5	--
Unclassified Temp. Positions	<u>2.0</u>	<u>2.0</u>	<u>--</u>
TOTAL	<u>163.5</u>	<u>163.5</u>	<u>--</u>

Agency Request/Governor's Recommendation

For FY 1998, the Department requests expenditures of \$44,934,163, a reduction of \$2,303,396 from the revised current year estimate of \$47,237,559. The Department anticipates that workers' compensation claim payments and administration costs will drop (from \$35,091,550 to \$32,332,425). The request would finance 161.5 FTE positions and the 2.0 unclassified temporary positions added in the current year. No new FTE positions are being requested. However, the Department does the same thing for FY 1998 that it did for FY 1997. Half the salary for an existing 1.0 FTE position that now would be assigned to the new SHICK program is funded from the SHICK revenues and then also funded from another revenue source. Included in the request is step movement for classified employees and a merit pool of 2.5 percent for unclassified employees. The Department includes moneys in its Insurance Company Regulation program which appear to annualize for FY 1998 the full cost of a 2.5 percent increase that unclassified employees got for part of FY 1997. However, records from the Department of Administration indicate that all of the Department's unclassified employees, whose salaries are set by the Commissioner and are not subject to approval by the Governor, got the 2.5 percent increase at the beginning of FY 1997. The inclusion of additional moneys is appropriate for state agencies that gave the increase for just the last half of FY 1997 because they will have to pay the higher rate of salary the entire year in FY 1998, not just for last half of it as in FY 1997. The need for the additional moneys for this state agency is questionable because the agency already included additional funding in FY 1997 to give employees the increase for the entire year. The Legislature may wish to inquire about the need for the additional moneys in order to be clear on the salary changes that it is being asked to fund. Also, as was done for FY 1997, the longevity bonus is funded in FY 1998 for both classified and unclassified employees meeting years-of-service requirements. Further, the request includes moneys for capital outlay purchases (\$361,566), of which almost all is for computer equipment. Included in the capital

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outlay request are 50 personal or laptop computers (\$124,513), one new AS 400 or similar minicomputer (\$50,000), and components for an optical imaging system (\$79,570). The Department indicates that the moneys requested will complete its technology initiative that started in FY 1996 when the agency made shifts within its approved budget to free up resources so that it could buy additional personal computers. The 1996 Legislature approved funding for continuing the initiative in FY 1997. The Department indicated to the 1996 Legislature that it wanted to expand its personal computer network with the goal of providing every staff member of the agency with access to a personal computer. Almost all of the capital outlay expenditures for the computer equipment are reflected in the Department's Insurance Company Regulation program.

Governor's Recommendation. The Governor recommends the usual step movement for classified employees as well as a 1.0 percent base salary adjustment. For unclassified employees, he funds a 3.5 percent salary increase instead of the 2.5 percent that was requested. He makes no adjustment to delete moneys that are included by the Department apparently to annualize for FY 1998 the full year cost of a 2.5 percent unclassified employee salary increase that was intended to start the last half of FY 1997. The Governor does reduce the amount of moneys that were budgeted for longevity pay, the intent being to fund longevity pay that was budgeted for classified employees, but not to fund it for unclassified employees. He also makes the same adjustment that he made in FY 1997 with regard to the 1.0 existing FTE position that was inadvertently over funded. The Legislature may wish to consider making the same funding shift that was described for FY 1997, which would increase expenditures from new SHICK revenues and reduce expenditures from the Insurance Department Service Regulation Fund for the part-time salary cost of the existing FTE position that is now assigned to the Department's new SHICK program, which, under the Governor's recommendation, would be a shift of \$26,002. The Governor makes no other adjustments to the Department's proposed budget except to delete funding for requested enhancements described below.

Request for Enhancements. The Department requests \$22,000 from the Insurance Department Service Regulation Fund for a token ring switch and new computer operating system software. The \$22,000 is priority No. 2 of two items shown in the FY 1998 budget as enhancements to current services. The Department says that the additional computer equipment was not part of the Department's original plan for bringing the agency into the computer technology age, but that a token ring switch will prevent the shutdown of all computers in the Department when a network device mishap occurs. The Department also reports that the vendor for the Department's current computer operating system software plans to no longer provide support for the software, which is becoming obsolete.

Listed as priority No. 1 of the Department's requested two enhancement items are moneys totaling \$38,000 from the Insurance Department Service Regulation Fund for paying by contract a person who is responsible for restructuring and administering the Department's market conduct surveillance system. The Department indicates that the item would be an ongoing expense in future years and that it has already entered into a contract to start the project in FY 1997. Market conduct examinations are done to monitor the business practices of insurance companies in order to stop unfair or illegal activity, including reviewing claims to see that they are handled properly and that the rates being charged coincide with rates actually approved. These examinations are separate from those done to check the financial solvency of insurance companies. The market conduct examinations are done by pulling together a team from various divisions of the Department's Insurance Company Regulation program, team members varying based on the company being examined. Costs of the examination are charged back to the company being examined and the fee moneys deposited in the Department's Insurance Company Examination Fund. According to the Department, market conduct surveillance activities have been weak in the past because of failure to follow national guidelines and to use proper statistical methods when conducting the examinations. The Department believes that the restructuring and

enhancements to its market conduct activities are necessary to provide additional protection to consumers.

Governor's Recommendation. The Governor deletes all funding for the above two requested enhancements. He indicates that he has no objection to the enhancements if the Department can fund them from savings it generates within the recommend amount of expenditures for FY 1998.

Turnover Rates. The Department anticipates agencywide turnover savings of approximately 2.5 percent for FY 1998 (\$161,616) and 2.9 percent for the current year (\$181,295). Agencywide turnover savings in actual FY 1996 were approximately 6.7 percent. In regard to the Insurance Company Regulation program where most of the Department's employees work, the rate would be 2.5 percent in FY 1998 (\$130,879) and 3.0 percent in the current year (\$151,303). As mentioned earlier in this analysis, the 3.0 percent rate for the current year is a change from the 5.0 percent rate approved by the 1996 Legislature. Actual turnover savings for this program were 3.6 percent in FY 1996 (\$177,354). (Prior to FY 1996, records indicate that turnover was 5.8 percent or higher each year for at least five years.)

Governor's Recommendation. The Governor basically concurs with the agency's requested turnover savings rates in FY 1998 and the current year. He recommends agencywide turnover savings of approximately 2.5 percent for FY 1998 (\$164,150) and 3.0 percent for the current year (\$185,293). The specific turnover savings rate that he uses for the Insurance Company Regulation program, as indicated earlier, is 3.1 percent for the current year. For FY 1998, the rate is 2.5 percent, which is the same as the recommended overall rate for the agency.

House Subcommittee Recommendation

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

1. Make the same financing shift that was described in the FY 1997 subcommittee report for the salary of a 0.5 FTE position, whose duties recently have changed so that it should now be funded from the Senior Health Insurance Counseling for Kansans (SHICK) Fund instead of the Insurance Department Service Regulation Fund. (A total of \$26,002 in salary expenses is shifted from the Insurance Department Service Regulation Fund to the SHICK Fund for FY 1998.)
2. Make any technical corrections to the appropriations bill necessary to correctly reflect the Governor's recommendation.

House Committee Recommendation

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

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Insurance Department

Bill No. 178

Bill Sec. 34

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Governor's Rec. FY 98</u>	<u>Senate* Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 11,640,969	\$ 11,583,971	\$ (192,207)
Local Aid	4,446,782	4,446,782	0
Other Assistance	28,639,975	28,639,975	0
Capital Improvements	206,437	206,437	0
TOTAL	<u>\$ 44,934,163</u>	<u>\$ 44,877,165</u>	<u>\$ (192,207)</u>
FTE Positions	161.5	161.5	--
Unclassified Temp. Positions	2.0	2.0	--
TOTAL	<u>163.5</u>	<u>163.5</u>	<u>--</u>

* Includes a reduction of \$192,207 from special revenue funds for the Governor's employee salary adjustments.

Senate Subcommittee Recommendation


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

1. Make the same financing shift that was described in the FY 1997 subcommittee report for the salary of a 0.5 FTE position, whose duties recently have changed so that it should now be funded from the Senior Health Insurance Counseling for Kansans (SHICK) Fund instead of the Insurance Department Service Regulation Fund. (A total of \$26,002 in salary expenses is shifted from the Insurance Department Service Regulation Fund to the SHICK Fund for FY 1998.)
2. The Subcommittee understands that the House Appropriations Committee has introduced a bill (H.B. 2476) that would remove the stipulation in current law (K.S.A. 40-110) which prohibits an employee in the Insurance Department from receiving an annual salary that exceeds the salary of the Commissioner of Insurance as established by law. (The Commissioner's salary is currently \$63,192, excluding the cost of fringe benefits.) The Subcommittee supports the introduction of the bill.

3. In its review of budgets, the Subcommittee noted that this and other state agencies have requested optical imaging equipment. The Subcommittee wants the Joint Committee on Computers and Telecommunications to study during the 1997 interim the feasibility of a centralized optical imaging service for all state agencies. A centralized service would prevent duplication of services and create significant cost savings.
4. Delete \$192,207 from special revenue funds based on the recommendation to delete funding for the 3.5 percent unclassified merit pool (\$129,660); classified step movement (\$24,901); longevity bonus payment (\$24,303); and the 1.0 percent base salary adjustment for classified employees (\$13,343) from individual agency budgets.
5. Make any technical corrections to the appropriations bill necessary to correctly reflect the Governor's recommendation.



Senator Barbara Lawrence, Chairperson



Senator Christine Downey

Current Status Comparison

Expenditure	Gov. Rec. FY 1998	House Committee Rec. FY 1998	Senate* Subcommittee Rec. FY 1998	Senate Change from House
All Funds:				
State Operations	\$ 11,583,971	\$ 11,583,971	\$ 11,391,764	\$ (192,207)
Aid to Local Units	4,446,782	4,446,782	4,446,782	0
Other Assistance	28,639,975	28,639,975	28,639,975	0
Subtotal - Operating	\$ 44,670,728	\$ 44,670,728	\$ 44,478,521	\$ (192,207)
Capital Improvements	206,437	206,437	206,437	0
TOTAL	\$ 44,877,165	\$ 44,877,165	\$ 44,684,958	\$ (192,207)
State General Fund:				
State Operations	\$ 0	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0	0
Other Assistance	0	0	0	0
Subtotal - Operating	\$ 0	\$ 0	\$ 0	\$ 0
Capital Improvements	0	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0	\$ 0
FTE Positions	161.5	161.5	161.5	0.0
Unclass. Temp. Positions	2.0	2.0	2.0	0.0
TOTAL	163.5	163.5	163.5	0.0

* Includes a reduction of \$192,207 from special revenue funds for the Governor's employee salary adjustments.

SUBCOMMITTEE REPORT

Agency: State Treasurer

Bill No. –

Bill Sec. –

Analyst: Porter

Analysis Pg. No. 1081

Budget Page No. 464

Expenditure	Agency Estimate FY 97	Gov. Rec. FY 97	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 3,201,870	\$ 3,200,094	\$ 0
Aid to Local Units	97,085,911	97,085,911	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 100,287,781	\$ 100,286,005	\$ 0
Debt Service	<u>221,596</u>	<u>221,596</u>	<u>0</u>
TOTAL	<u>\$ 100,509,377</u>	<u>\$ 100,507,601</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 2,149,414	\$ 2,148,508	\$ 0
Aid to Local Units	82,043,811	82,043,811	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal – Operating	\$ 84,193,225	\$ 84,192,319	\$ 0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 84,193,225</u>	<u>\$ 84,192,319</u>	<u>\$ 0</u>
Other Funds:			
State Operations	\$ 1,052,456	\$ 1,051,586	\$ 0
Aid to Local Units	15,042,100	15,042,100	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal – Operating	\$ 16,094,556	\$ 16,093,686	\$ 0
Debt Service	<u>221,596</u>	<u>221,596</u>	<u>0</u>
TOTAL	<u>\$ 16,316,152</u>	<u>\$ 16,315,282</u>	<u>\$ 0</u>
FTE Positions	57.5	57.5	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>57.5</u>	<u>57.5</u>	<u>0.0</u>

Senate Ways and Means Committee

Date *3-17-97*

Attachment # *5*

Agency Estimate/Governor's Recommendation

The agency's revised state operations expenditures estimate for FY 1997 is \$3,201,870, or \$101,062 more than the amount approved by the 1996 Legislature. The estimate includes \$27,597 more than the anticipated level of State General Fund financing, which reflects the expenditure of approved FY 1996 funding carried forward to FY 1997. As do all elected officials, the State Treasurer has authorization to spend State General Fund amounts carried forward from the previous fiscal year. Therefore, this amount is not shown in the "Change From Approved Budget" table above. The increase of \$101,062 in special revenue fund expenditures reflects the expenditure of \$126,054 more than the approved amount for the Pooled Money Investment Board (the Pooled Money Investment Portfolio Fee Fund and the Municipal Investment Pool Fee Fund), offset by reductions in expenditures from other special revenue funds.

The Governor recommends FY 1997 state operations funding of \$3,200,094, a reduction of \$1,776 from the agency estimate for State General Fund financing. The reduction reflects adjustments to the estimate for salaries and wages fringe benefits.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor.

House Committee Recommendation

The House Committee concurs with the recommendations of the Governor.

House Recommendation

The full House has not taken action on this agency's budget.

Agency: State Treasurer

Bill No. --

Bill Sec. --

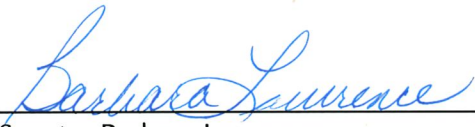
Expenditure	Gov. Rec. FY 97	Senate Subcommittee Adjustments
All Funds:		
State Operations	\$ 3,200,094	\$ 0
Aid to Local Units	97,085,911	0
Other Assistance	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 100,286,005	\$ 0
Debt Service	<u>221,596</u>	<u>0</u>
TOTAL	<u>\$ 100,507,601</u>	<u>\$ 0</u>
State General Fund:		
State Operations	\$ 2,148,508	\$ 0
Aid to Local Units	82,043,811	0
Other Assistance	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 84,192,319	\$ 0
Debt Service	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 84,192,319</u>	<u>\$ 0</u>
FTE Positions	57.5	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>57.5</u>	<u>0.0</u>

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

Current Status Comparison

Expenditure	Gov. Rec. FY 1997	House Committee Action FY 1997	Senate Committee Action FY 1997	House Change from Senate
All Funds:				
State Operations	\$ 3,200,094	\$ 0	\$ 0	0
Aid to Local Units	97,085,911	0	0	0
Other Assistance	0	0	0	0
Subtotal - Operating	\$ 100,286,005	\$ 0	\$ 0	\$ 0
Capital Improvements	221,596	0	0	0
TOTAL	\$ 100,507,601	\$ 0	\$ 0	\$ 0
State General Fund:				
State Operations	\$ 2,148,508	\$ 0	\$ 0	0
Aid to Local Units	82,043,811	0	0	0
Other Assistance	0	0	0	0
Subtotal - Operating	\$ 84,192,319	\$ 0	\$ 0	\$ 0
Capital Improvements	0	0	0	0
TOTAL	\$ 84,192,319	\$ 0	\$ 0	\$ 0
FTE Positions	57.5	0.0	0.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0	0.0
TOTAL	57.5	0.0	0.0	0.0



 Senator Barbara Lawrence
 Subcommittee Chairperson



 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: State Treasurer

Bill No. 2160

Bill Sec. 33

Analyst: Porter

Analysis Pg. No. 1081

Budget Page No. 464

Expenditure	Agency Request FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 3,413,926	\$ 3,262,088	\$ 18,000
Aid to Local Units	104,462,100	99,537,006	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 107,876,026	\$ 102,799,094	\$ 18,000
Debt Service	<u>53,419</u>	<u>53,419</u>	<u>0</u>
TOTAL	<u>\$ 107,929,445</u>	<u>\$ 102,852,513</u>	<u>\$ 18,000</u>
State General Fund:			
State Operations	\$ 2,155,946	\$ 2,110,802	\$ 0
Aid to Local Units	89,020,000	84,094,906	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal -- Operating	\$ 91,175,946	\$ 86,205,708	\$ 0
Debt Service	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 91,175,946</u>	<u>\$ 86,205,708</u>	<u>\$ 0</u>
Other Funds:			
State Operations	\$ 1,257,980	\$ 1,151,286	\$ 18,000
Aid to Local Units	15,442,100	15,442,100	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal -- Operating	\$ 16,700,080	\$ 16,593,386	\$ 18,000
Debt Service	<u>53,419</u>	<u>53,419</u>	<u>0</u>
TOTAL	<u>\$ 16,753,499</u>	<u>\$ 16,646,805</u>	<u>\$ 18,000</u>
FTE Positions	57.5	56.5	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>57.5</u>	<u>56.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests FY 1998 state operations funding of \$3,413,926, an increase of \$212,056, or 6.6 percent, above the FY 1997 estimate of \$3,201,870. The majority of the increase (\$173,744) is for program enhancements. The request includes turnover savings of \$88,253, or 3.9 percent.

5-5

The Governor recommends FY 1998 state operations funding of \$3,262,088, a reduction of \$151,838 from the agency request. The Governor's recommendation includes step movement, a 1.0 percent base salary increase, and funding for longevity bonus payments for classified employees and a 3.5 percent unclassified merit pool. The recommendation includes fringe benefit adjustments and a 4.0 percent turnover rate. The Governor does not recommend any of the budget enhancements requested for FY 1998, but concurs with the agency's request for OOE exclusive of enhancements.

House Subcommittee Recommendation

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

1. Authorize additional expenditures of \$18,000 from the Unclaimed Property Expense Fund for a new computer application that would allow the Treasurer to code, track, and retrieve stock and bond information, safe deposit box information, auditing data, holder reporting information, and owner claims. Because this would allow the Treasurer to identify potential holders of unclaimed property that have not been identified previously, the Treasurer anticipates that this would increase the unclaimed property receipts to the State General Fund by \$1 million annually. Actual FY 1996 unclaimed property receipts to the State General Fund totaled \$7.7 million, and are estimated to be \$10 million in both FY 1997 and FY 1998.
2. The Subcommittee notes that the Treasurer requested the transfer of \$5 million from the State General Fund to the Unclaimed Mineral Proceeds Trust Fund in FY 1998 to pay claims. Following changes to the Unclaimed Property statutes in 1994, the State received a one-time payment of \$20,000,000. The Treasurer requested that \$10,000,000 be set aside to cover potential claims from other states. The 1994 Legislature transferred \$5,000,000 into the Unclaimed Mineral Proceeds Trust Fund to pay claims from other states and provided for the transfer of another \$5,000,000 from the SGF upon the request of the Treasurer and the approval of the State Finance Council. As of December 1996, claims totaling approximately \$4.5 million have been paid from the fund. Two large claims totaling approximately \$4.5 million remain, as well as some smaller claims. The State Treasurer states that the additional \$5 million transfer authorized by the 1994 Legislature is now needed to pay these claims.

Although it appears that the Governor may have intended to authorize this transfer, no transfer language appears in the appropriations bill, and it does not appear that the Governor's State General Fund revenue estimates included in Volume 1 of *The Governor's Budget Report* include the transfer. The Subcommittee recommends that this issue be explored further and notes that a Governor's Budget Amendment or further action during the 1997 Omnibus Session may be appropriate for this item.

House Committee Recommendation

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

1. Delete 1.9 FTE positions and \$60,074 (including \$41,277 from the State General Fund) based on the recommendation to delete a total of 5.0 percent of the FTE positions (from the level approved by the 1995 Legislature for FY 1996) from each agency budget in FY 1998.
2. The House Committee recommends that the FY 1998 demand transfers be capped at 1.5 percent above actual FY 1997 transfers. The Governor had recommended that the transfers be capped at 2.5 percent above the FY 1997 level. The following table notes the difference between the amounts of the transfers under current law, the Governor's recommendation, and the House Committee recommendation.
3. Make a technical adjustment to the bill.

AID TO LOCAL UNITS -- SGF DEMAND TRANSFERS

	Actual FY 1997	Current Law FY 1998 Based on Nov. 1996 Consensus Est. (Demand Transfers) and Agency Estimates	Gov. Rec. FY 1998 (2.5 Percent Above Actual FY 1997)	Difference Between Gov. Rec. and Current Law (Est.)	House Committee Rec. (1.5 Percent Above Actual FY 1997)	Difference Between House Committee Rec. and Gov. Rec.
Demand Transfers						
LAVTRF	\$ 46,948,958	\$ 50,695,000	\$ 48,122,683	\$ (2,572,317)	\$ 47,653,192	\$ (469,491)
CCRSF	35,094,853	38,325,000	35,972,223	(2,352,777)	35,621,276	(350,947)
Subtotal--SGF Demand Transfers	\$ 82,043,811	\$89,020,000*	\$ 84,094,906	\$ (4,925,094)	\$ 83,274,468	\$ (820,438)

* Under current law, the FY 1998 demand transfers reflect an 8.5 percent increase above FY 1997 actual transfers.

House Recommendation

The full House has not taken action on this agency's budget.

Expenditure	Gov. Rec. FY 98	Senate Subcommittee Adjustments
All Funds:		
State Operations	\$ 3,262,088	\$ (17,245)*
Aid to Local Units	99,537,006	0
Other Assistance	0	0
Subtotal - Operating	\$ 102,799,094	\$ (17,245)
Debt Service	53,419	0
TOTAL	<u>\$ 102,852,513</u>	<u>\$ (17,245)</u>
State General Fund:		
State Operations	\$ 2,110,802	\$ (22,014)**
Aid to Local Units	84,094,906	0
Other Assistance	0	0
Subtotal -- Operating	\$ 86,205,708	\$ (22,014)
Debt Service	0	0
TOTAL	<u>\$ 86,205,708</u>	<u>\$ (22,014)</u>
FTE Positions	56.5	0.0
Unclassified Temp. Positions	0.0	0.0
TOTAL	<u>56.5</u>	<u>0.0</u>

* Reflects the net total resulting from deleting the pay plan and adding \$57,000 from all funds.

** Reflects the net total resulting from deleting the pay plan (\$51,104 SGF) and adding \$29,000.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor with the following adjustments:

1. Authorize additional expenditures of \$18,000 from the Unclaimed Property Expense Fund for a new computer application that would allow the Treasurer to code, track, and retrieve stock and bond information, safe deposit box information, auditing data, holder reporting information, and owner claims. Because this would allow the Treasurer to identify potential holders of unclaimed property that have not been identified previously, the Treasurer anticipates that this would increase the unclaimed property receipts to the State General Fund by \$1 million annually.

Actual FY 1996 unclaimed property receipts to the State General Fund totaled \$7.7 million, and are estimated to be \$10 million in both FY 1997 and FY 1998.

2. The Subcommittee notes that the Treasurer requested the transfer of \$5 million from the State General Fund to the Unclaimed Mineral Proceeds Trust Fund in FY 1998 to pay claims. Following changes to the Unclaimed Property statutes in 1994, the State received a one-time payment of \$20,000,000. The Treasurer requested that \$10,000,000 be set aside to cover potential claims from other states. The 1994 Legislature transferred \$5,000,000 into the Unclaimed Mineral Proceeds Trust Fund to pay claims from other states and provided for the transfer of another \$5,000,000 from the SGF upon the request of the Treasurer and the approval of the State Finance Council. As of December 1996, claims totaling approximately \$4.5 million have been paid from the fund. Two large claims totaling approximately \$4.5 million remain, as well as some smaller claims. The State Treasurer states that the additional \$5 million transfer authorized by the 1994 Legislature is now needed to pay these claims.

Although it appears that the Governor may have intended to authorize this transfer, no transfer language appears in the appropriations bill, and it does not appear that the Governor's State General Fund revenue estimates included in Volume 1 of *The Governor's Budget Report* include the transfer. The Subcommittee recommends that the Consensus Estimating Group include this \$5 million transfer out of the State General Fund in its next consensus estimate.

3. Delete \$74,245 (including \$51,014 from the State General Fund), based on the recommendation to delete funding for the 3.5 percent unclassified merit pool (\$25,030); classified step movement (\$20,548); longevity bonus payments (\$16,671); and the 1.0 percent classified base salary adjustment (\$11,996) from individual agency budgets.
4. Add \$29,000 from the State General Fund and authorize additional expenditures of \$10,000 from the Bond Services Fee Fund in FY 1998 to allow the Treasurer's Office to convert its existing UNIX system to a LAN system, which the agency states would enhance program functions and operations and replace the manual tracking and retrieval of some bonds. Costs include \$5,000 for a Pentium 166 MHZ file server, \$2,500 for Novelle LAN software, \$7,500 for laser printers, and \$24,000 for eight Pentium personal computers and software.

Current Status Comparison

Expenditure	Gov. Rec. FY 1998	House Committee Action FY 1998	Senate Committee Action FY 1998	Senate Change from House
All Funds:				
State Operations	\$ 3,262,088	\$ (42,074)	\$ (17,245)*	\$ 24,829
Aid to Local Units	99,537,006	(820,438)	0	820,438
Other Assistance	0	0	0	0
Subtotal - Operating	\$ 102,799,094	\$ (862,512)	\$ (17,245)	\$ 845,267
Capital Improvements	53,419	0	0	0
TOTAL	\$ 102,852,513	\$ (862,512)	\$ (17,245)	\$ 845,267
State General Fund:				
State Operations	\$ 2,110,802	\$ (41,277)	\$ (22,014)**	\$ 19,263
Aid to Local Units	84,094,906	(820,438)	0	820,438
Other Assistance	0	0	0	0
Subtotal - Operating	\$ 86,205,708	\$ (861,715)	\$ (22,014)	\$ 839,701
Capital Improvements	0	0	0	0
TOTAL	\$ 86,205,708	\$ (861,715)	\$ (22,014)	\$ 839,701
FTE Positions	56.5	(1.9)	0.0	1.9
Unclass. Temp. Positions	0.0	0.0	0.0	0.0
TOTAL	56.5	(1.9)	0.0	1.9

* Reflects the net total resulting from deleting the pay plan (\$74,245) and adding \$57,000 from all funds.

** Reflects the net total resulting from deleting the pay plan (\$51,104 SGF) and adding \$29,000.



 Senator Barbara Lawrence
 Subcommittee Chairperson



 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Governor's Department

Bill No. –

Bill Sec. –

Analyst: Conroy

Analysis Pg. No. 1028

Budget Page No. 189

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,662,182	\$ 1,662,182	\$ 0
State General Fund	1,581,955	1,581,955	0
FTE Positions	28.5	28.5	0.0
Unclassified Temp. Positions	<u>5.9</u>	<u>5.9</u>	<u>0.0</u>
TOTAL	<u><u>34.4</u></u>	<u><u>34.4</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

A revised FY 1997 budget estimate is submitted which is financed by \$1,581,955 from the State General Fund and \$80,227 from special revenue funds. The agency estimate is \$150,560 (State General Fund \$150,574) less than the agency is authorized to spend. Included within the agency estimate in the current year is \$1,426,407 for the Administration Program, \$148,493 for the operation and management of the Governor's residence, and \$87,282 for the operation of the Wichita satellite office. The revised estimate in FY 1997 includes 28.5 FTE positions, the same level as approved by the 1996 Legislature.

The Governor's recommendation for FY 1997 is \$1,662,182 or the same as the agency requested. The Governor concurs with the agency request for a total of 28.5 FTE positions. The Governor does recommend special revenue financed expenditures of \$80,227 or the same as the agency requested. The Governor's recommendation concurs with the requested expenditures for the Administration Program, operation of the Governor's residence, and the Wichita satellite office.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

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

Senate Ways and Means Committee

Date *3-17-97*

Attachment # *6*

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Governor's Department

Bill No. --

Bill Sec. --

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,662,182	\$ 1,662,182	\$ 0
State General Fund	1,581,955	1,581,955	0
FTE Positions	28.5	28.5	0.0
Unclassified Temp. Positions	5.9	5.9	0.0
TOTAL	34.4	34.4	0.0

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Current Status Comparison

<u>Expenditure</u>	<u>Gov. Rec. FY 1997</u>	<u>House Committee Action FY 1997</u>	<u>Senate Subcommittee Action FY 1997</u>	<u>Senate Sub. Change from House Comm. FY 1997</u>
State Operations:				
All Funds	\$ 1,662,182	\$ 1,662,182	\$ 1,662,182	\$ 0
State General Fund	1,581,955	1,581,955	1,581,955	0
FTE Positions	28.5	28.5	28.5	0.0
Unclass. Temp. Positions	5.9	5.9	5.9	0.0
TOTAL	34.4	34.4	34.4	0.0

Barbara Lawrence

Senator Barbara Lawrence
Subcommittee Chairperson

Christine Downey

Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Governor's Department

Bill No. 2160

Bill Sec. 29

Analyst: Conroy

Analysis Pg. No. 1028

Budget Page No. 189

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,719,463	\$ 1,729,716	\$ 0
State General Fund	1,717,463	1,727,716	0
FTE Positions	28.5	28.5	0.0
Unclassified Temp. Positions	<u>5.4</u>	<u>5.4</u>	<u>0.0</u>
TOTAL	<u><u>33.9</u></u>	<u><u>33.9</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The FY 1998 budget request of the agency is financed by \$1,717,463 from the State General Fund and \$2,000 from special revenue funds. Expenditures for salaries and wages total \$1,312,944, an increase of \$89,148 or 7.3 percent above the revised FY 1997 estimate. The estimated number of positions is 28.5, the same as the current year level. Nonsalary expenses total \$406,519 or \$31,867 less than the agency requested for FY 1997. The agency requests \$1,470,595 for the Administration Program, \$158,103 for the operation and management of the Governor's residence, and \$90,765 for the Wichita satellite office. Special revenue resources of \$2,549 would be available to finance expenditures in excess of those identified in the requested budget.

The Governor recommends expenditures of \$1,729,716 for FY 1998 of which \$1,727,716 is financed from the State General Fund and \$2,000 from special revenue funds. The Governor concurs with the agency's request of financing for 28.5 FTE positions. The Governor includes \$35,172 (excluding fringe benefits) for a 3.5 percent unclassified merit pool. The Governor recommends \$1,479,512 for the Administration Program, \$158,812 for the operation and management of the Governor's residence, and \$91,392 for the Wichita satellite office. The Governor concurs with the agency's request of \$406,519 for nonsalary expenditures in FY 1998.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

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

1. Delete \$14,775 (all from the State General Fund) and a 0.5 FTE position for a 5.0 percent of the total FTE positions from the FY 1996 amount from each agency budget in FY 1998.

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Governor's Department

Bill No. 178

Bill Sec. 29

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,719,463	\$ 1,729,716	\$ (41,109)*
State General Fund	1,717,463	1,727,716	(41,109)
FTE Positions	28.5	28.5	0.0
Unclassified Temp. Positions	5.4	5.4	0.0
TOTAL	<u>33.9</u>	<u>33.9</u>	<u>0.0</u>

* The entire deletion relates to the removal of the Governor's recommended pay plan.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustment:

1. Delete \$41,109 (all from the State General Fund), based on the recommendation to delete funding for an unclassified merit pool of 3.5 percent (\$41,109).

Current Status Comparison

Expenditure	Gov. Rec. FY 1998	House Committee Action FY 1998	Senate Subcommittee Action FY 1998	Senate Sub. Change from House Comm. FY 1998
State Operations:				
All Funds	\$ 1,729,716	\$ 1,714,941	\$ 1,688,607	\$ (26,334)*
State General Fund	1,727,716	1,712,941	1,686,607	(26,334)*
FTE Positions	28.5	28.0	28.5	0.5
Unclas. Temp. Positions	5.4	5.4	5.4	0.0
TOTAL	<u>33.9</u>	<u>33.4</u>	<u>33.9</u>	<u>0.5</u>

* Of this adjustment, \$41,109 relates to the removal of the Governor's recommended pay plan.



 Senator Barbara Lawrence
 Subcommittee Chairperson



 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Lieutenant Governor

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 1033

Budget Page No. 357

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 120,703	\$ 120,251	\$ 0
FTE Positions	3.0	3.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The revised FY 1997 budget estimate is \$24,088 less than the amount authorized by the 1996 Legislature, including the reappropriation. The current year request includes \$95,551 for salaries and wages and \$25,152 for nonsalary expenditures. The Lieutenant Governor is not taking a salary from the office. However, as provided in K.S.A. 75-3103, the Lieutenant Governor is being reimbursed \$1,875 annually.

The Governor's recommendation for FY 1997 is \$120,251 or \$452 less than the agency requested. The entire reduction relates to adjustments for fringe benefit calculations. The Governor recommends \$25,152 for nonsalary expenditures, the same in total as requested by the agency. However, the Governor increases capital outlay by \$760 and commodities by \$545 and offsets contractual services by a like amount.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

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

Senate Ways and Means Committee

Date *3-17-97*

Attachment # *7*

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Lieutenant Governor	Bill No. --		Bill Sec. --
<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 120,703	\$ 120,251	\$ 0
FTE Positions	3.0	3.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Current Status Comparison

<u>Expenditure</u>	<u>Gov. Rec. FY 1997</u>	<u>House Committee Action FY 1997</u>	<u>Senate Subcommittee Action FY 1997</u>	<u>Senate Sub. Change from House Comm. FY 1997</u>
State Operations:				
State General Fund	\$ 120,251	\$ 120,251	\$ 120,251	\$ 0
FTE Positions	3.0	3.0	3.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0	0.0
TOTAL	3.0	3.0	3.0	0.0



 Senator Barbara Lawrence
 Subcommittee Chairperson



 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Lieutenant Governor

Bill No. 2160

Bill Sec. 30

Analyst: Conroy

Analysis Pg. No. 1033

Budget Page No. 357

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 140,063	\$ 123,847	\$ 0
FTE Positions	3.0	3.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Request/Governor's Recommendation

The FY 1998 budget request totals \$140,063, of which \$99,481 (or 71.0 percent) is for salaries of the 3.0 staff positions and the \$1,875 reimbursement for the Lieutenant Governor and \$40,582 is for other operating expenditures, primarily for travel, communications, and three replacement personal computers (\$7,200).

The Governor recommends \$123,847 for FY 1998, which is \$16,216 less than the agency requested. The Governor's adjustments include fringe benefit recalculations, his pay plan proposal for FY 1998, and reductions (\$3,449) in other operating expenditures. The Governor concurs with the requested \$7,200 for three replacement personal computers.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

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

1. Delete \$5,910 (State General Fund) and a 0.2 FTE position for a total of 5.0 percent of the total FTE positions from the FY 1996 amount from each agency budget in FY 1998.

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Lieutenant Governor	Bill No. 178	Bill Sec. 30	
<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 140,063	\$ 123,847	\$ (2,681)*
FTE Positions	3.0	3.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

* The entire deletion relates to the removal of the Governor's recommended pay plan.

Senate Subcommittee Recommendation

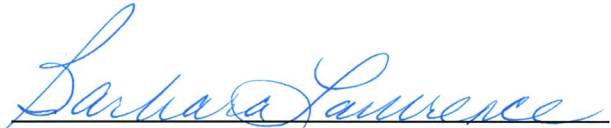
The Senate Subcommittee concurs with the Governor's recommendations with the following adjustment:

1. Delete \$2,681 (all from the State General Fund), based on the recommendation to delete funding for an unclassified merit pool of 3.5 percent (\$2,681).

Current Status Comparison

<u>Expenditure</u>	<u>Gov. Rec. FY 1998</u>	<u>House Committee Action FY 1998</u>	<u>Senate Subcommittee Action FY 1998</u>	<u>Senate Sub. Change from House Comm. FY 1998</u>
State Operations:				
State General Fund	\$ 123,847	\$ 117,937	\$ 121,166	\$ 3,229*
FTE Positions	3.0	2.8	3.0	0.2
Unclass. Temp. Positions	0.0	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>2.8</u>	<u>3.0</u>	<u>0.2</u>

* Of this adjustment, \$2,681 relates to the removal of the Governor's recommended pay plan.



Senator Barbara Lawrence
Subcommittee Chairperson



Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Legislative Division of Post Audit

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 1020

Budget Page No. 349

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,485,135	\$ 1,485,135	\$ 0
FTE Positions	20.0	20.0	0.0
Unclassified Temp. Positions	2.0	2.0	0.0
TOTAL	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The revised agency estimate of FY 1997 expenditures from the State General Fund is \$61,044 less than authorized by the 1996 Legislature, including the reappropriation. Expenditures from the non-reportable Audit Services Fund are estimated at \$302,237. The agency request includes 20.0 FTE positions, the same number as currently approved.

The Governor's recommendation for FY 1997 is \$1,485,135, the same as the agency requested.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Recommendation

The full House has not taken action on this agency's budget.

Senate Ways and Means Committee

Date 3-17-97

Attachment # 8

Agency: Legislative Division of Post Audit

Bill No. -

Bill Sec. -


<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,485,135	\$ 1,485,135	\$ 0
FTE Positions	20.0	20.0	0.0
Unclassified Temp. Positions	2.0	2.0	0.0
TOTAL	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Current Status Comparison

	<u>Gov. Rec. FY 1997</u>	<u>House Committee Action FY 1997</u>	<u>Senate Subcommittee Action FY 1997</u>	<u>Senate Subcommittee Change from House FY 1997</u>
State Operations:				
State General Fund	\$ 1,485,135	\$ 1,485,135	\$ 1,485,135	\$ 0
FTE Positions	20.0	20.0	20.0	0.0
Unclass. Temp. Positions	2.0	2.0	2.0	0.0
TOTAL	<u>22.0</u>	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>



 Senator Barbara Lawrence
 Subcommittee Chair



 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Legislative Division of Post Audit

Bill No. 2160

Bill Sec. 28

Analyst: Conroy

Analysis Pg. No. 1020

Budget Page No. 349

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,534,001	\$ 1,694,462	\$ (146,300)
State General Fund	1,534,001	1,628,162	(80,000)
FTE Positions	20.0	20.0	0.0
Unclassified Temp. Positions	2.0	2.0	0.0
TOTAL	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The FY 1998 budget request of the Division of Post Audit is financed entirely by the State General Fund in the amount of \$1,534,001. Requested non-reportable expenditures from the Audit Services Fund in FY 1998 are \$344,052. The General Fund request is an increase of \$48,866 or 3.3 percent above the agency's revised current year estimate. Of the requested increase, \$42,216 is for salaries and benefits of the present 20.0 FTE positions. The agency request reflects step movement , longevity, and fringe benefit adjustments for the existing agency staff. As directed by the Legislative Coordinating Council, the agency budget does not provide for a general salary increase. Other operating expenditures increase by \$6,650 in FY 1998 from \$413,686 to \$420,336.

The Governor for FY 1998 recommends \$1,694,462 or \$160,461 more than the agency requested. The Governor's adjustments include fringe benefit recalculations and his pay plan proposal for FY 1998, which for this agency, includes a 3.5 percent unclassified merit pool. The recommendation includes \$3,265 for a merit salary pool for the one employee not assigned to the basic state pay plan. The Governor recommends \$566,636 for other operating expenditures in FY 1998, or \$146,300 above the agency request in FY 1998.

For FY 1998, the Governor recommends that the financing of selected audits be funded within this agency's budget rather than the state agency which is the focus of the audit. The Governor adds \$146,300 (\$80,000 State General Fund) for the financing of these audits in FY 1998. The Governor does recommend the shift of funds from the agency being audited to the Division of Post Audit's budget. The following table reflects the specific audits contained within the Governor's recommendations.

Audit Subject	Gov. Rec. Audit Funding	
	State General Fund	All Funds
Lottery	\$ --	\$ 16,000
Racing	--	5,500
Revenue	--	10,000
KPERS	--	34,800
Highway Patrol	40,000	40,000
Health and Environment	40,000	40,000
TOTAL	<u>\$ 80,000</u>	<u>\$ 146,300</u>

House Subcommittee Recommendation

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

1. Delete \$146,300 (\$80,000 State General Fund) to reflect the removal of financing from this agency's budget for the costs of selected state agency audits. The Subcommittee recommends that the audits continue, but the expenditure of funds for these audits (as is the current practice) be reflected in the budget of the state agency that is being audited. The expenditure of resources for the audits should be counted within the budgets of the various state agency budgets not within the budget of the auditing agency. The Subcommittee recommends that the various House subcommittees that have the following budgets: Lottery (\$16,000); Racing and Gaming (\$5,500); Department of Revenue (\$10,000); KPERS (\$34,800); Highway Patrol (\$40,000); and Health and Environment (\$40,000); consider adding the audit costs to their FY 1998 budget recommendations.

House Committee Recommendation

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

House Recommendation

The full House has not taken action on this agency's budget.

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,534,001	\$ 1,694,462	\$ (188,607)*
State General Fund	1,534,001	1,628,162	(122,307)
FTE Positions	20.0	20.0	0.0
Unclassified Temp. Positions	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>
TOTAL	<u><u>22.0</u></u>	<u><u>22.0</u></u>	<u><u>0.0</u></u>

* Of this amount \$42,307 relates to the removal of the Governor's recommended pay plan.

Senate Subcommittee Recommendation

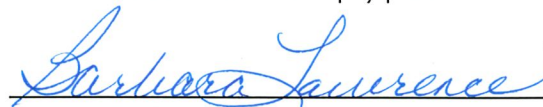
The Senate Subcommittee concurs with the Governor's recommendations, with the following adjustments:

1. Delete \$42,307 (all from the State General Fund), based on the recommendation to delete funding for an unclassified merit pool of 3.5 percent (\$34,170), and the longevity bonus payment (\$8,137) from individual agency budgets.
2. Delete \$146,300 (\$80,000 State General Fund) to reflect the removal of financing from this agency's budget for the costs of selected state agency audits. The Subcommittee recommends that the audits continue, but the expenditure of funds for these audits (as is the current practice) be reflected in the budget of the state agency that is being audited. The expenditure of resources for the audits should be counted within the budgets of the various state agency budgets not within the budget of the auditing agency. The Subcommittee recommends that the various House subcommittees that have the following budgets: Lottery (\$16,000); Racing and Gaming (\$5,500); Department of Revenue (\$10,000); KPERS (\$34,800); Highway Patrol (\$40,000); and Health and Environment (\$40,000); consider adding the audit costs to their FY 1998 budget recommendations.

Current Status Comparison

	Gov. Rec. FY 1998	House Committee Action FY 1998	Senate Subcommittee Action FY 1998	Senate Subcommittee Change from House FY 1998
State Operations:				
All Funds	\$ 1,694,462	\$ 1,548,162	\$ 1,505,855	\$ (42,307)*
State General Fund	1,628,162	1,548,162	1,505,855	(42,307)*
FTE Positions	20.0	20.0	22.0	0.0
Unclass. Temp. Positions	2.0	2.0	2.0	0.0
TOTAL	<u>22.0</u>	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>

* The entire amount of \$42,307 relates to the removal of the Governor's recommended pay plan.



 Senator Barbara Lawrence
 Subcommittee Chair

 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Legislative Coordinating Council

Bill No. –

Bill Sec. –

Analyst: Conroy

Analysis Pg. No. 1012

Budget Page No. 347

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 555,167	\$ 555,167	\$ 0
FTE Positions	10.0	10.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	<u>11.0</u>	<u>11.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The FY 1997 revised budget submitted by the Legislative Coordinating Council (LCC) is \$555,167 or \$4,764 less than the currently authorized amount by the 1996 Legislature, including reappropriations. The FY 1997 estimate includes \$27,500 for an actuarial study of post-retirement benefits of the Kansas Public Employees Retirement System (KPERS) and \$30,000 for an evaluation of the state hospital closure process, both as approved by the 1996 Legislature.

The Governor for FY 1997 recommends \$555,167, the same as the agency request.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Recommendation

The full House has not taken action on this agency's budget.

Senate Ways and Means Committee

Date *3-17-97*

Attachment # *9*

<u>Expenditure Summary</u>	<u>Agency Estimate FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 555,167	\$ 555,167	\$ 0
FTE Positions	10.0	10.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	<u>11.0</u>	<u>11.0</u>	<u>0.0</u>

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Current Status Comparison

	<u>Gov. Rec. FY 1997</u>	<u>House Committee Action FY 1997</u>	<u>Senate Subcommittee Action FY 1997</u>	<u>Senate Subcommittee Change from House FY 1997</u>
State Operations:				
State General Fund	\$ 555,167	\$ 555,167	\$ 555,167	\$ 0
FTE Positions	10.0	10.0	10.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0	0.0
TOTAL	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>	<u>0.0</u>


 Senator Barbara Lawrence
 Subcommittee Chair


 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Legislative Coordinating Council

Bill No. 2160

Bill Sec. 26

Analyst: Conroy

Analysis Pg. No. 1012

Budget Page No. 347

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 511,708	\$ 521,907	\$ 0
FTE Positions	10.0	10.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	<u>11.0</u>	<u>11.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's FY 1998 budget request of \$511,708 is \$43,459 less than the revised agency estimate for FY 1997. The reduction reflects the one time expenditure in FY 1997 of \$57,500 for an actuarial audit of KPERS post-retirement benefits and hospital closure, both as approved by the 1996 Legislature. Excluding the adjustment for the two studies, salaries and wages increase \$13,600 and other operating expenditures increase \$441. As directed by the LCC, the budget request includes step increases for the 8 employees who are paid in accordance with the basic state pay plan, but no provision is made for a general salary increase.

The Governor for FY 1998 recommends \$521,907 or \$10,199 more than the agency requested. The Governor's adjustments include fringe benefit recalculations and his pay plan proposal for FY 1998, which for this agency, includes a 3.5 percent unclassified merit pool. The recommendation includes a merit salary pool (\$4,957) for employees who are not assigned to the basic state pay plan.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Recommendation

The full House has not taken action on this agency's budget.

<u>Expenditure Summary</u>	<u>Agency Request FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 511,708	\$ 521,907	\$ (23,571)*
FTE Positions	10.0	10.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
TOTAL	11.0	11.0	0.0

* The entire deletion relates to the removal of the Governor's recommended pay plan.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustment:

1. Delete \$23,571 (all from the State General Fund), based on the recommendation to delete funding for an unclassified merit pool of 3.5 percent (\$18,616), and the longevity bonus payment (\$4,955) from individual agency budgets.

Current Status Comparison

	<u>Gov. Rec. FY 1998</u>	<u>House Committee Action FY 1998</u>	<u>Senate Subcommittee Action FY 1998</u>	<u>Senate Subcommittee Change from House FY 1998</u>
State Operations:				
State General Fund	\$ 521,907	\$ 521,907	\$ 498,336	\$ (23,571)*
FTE Positions	10.0	10.0	10.0	0.0
Unclass. Temp. Positions	1.0	1.0	1.0	0.0
TOTAL	11.0	11.0	11.0	0.0

* The entire reduction relates to the removal of the Governor's pay plan.



 Senator Barbara Lawrence
 Subcommittee Chair



 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Revisor of Statutes

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 1024

Budget Page No. 401

<u>Expenditure Summary</u>	<u>Agency Est. FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,107,096	\$ 2,107,096	\$ 0
FTE Positions	25.8	25.8	--
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>--</u>
TOTAL	<u><u>25.8</u></u>	<u><u>25.8</u></u>	<u><u>--</u></u>

Agency Estimate/Governor's Recommendation

The revised FY 1997 agency estimate is \$2,107,096 or \$137,897 less than authorized by the 1996 Legislature, including the reappropriated amount.

The Governor's recommendation for FY 1997 is \$2,107,096, the same as the agency requested.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Recommendation

The full House has not taken action on this agency's budget.

Senate Ways and Means Committee

Date *3-17-97*

Attachment # *10*

Agency: Revisor of Statutes

Bill No. --

Bill Sec. --

<u>Expenditure Summary</u>	<u>Agency Est. FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,107,096	\$ 2,107,096	\$ 0
FTE Positions	25.8	25.8	--
Unclassified Temp. Positions	0.0	0.0	--
TOTAL	<u>25.8</u>	<u>25.8</u>	<u>--</u>

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation.

Current Status Comparison

	<u>Gov. Rec. FY 1997</u>	<u>House Committee Action FY 1997</u>	<u>Senate Subcommittee Action FY 1997</u>	<u>Senate Subcommittee Change from House FY 1997</u>
State Operations:				
State General Fund	\$ 2,107,096	\$ 2,107,096	\$ 2,107,096	\$ 0
FTE Positions	25.8	25.8	25.8	0.0
Unclass. Temp. Positions	0.0	0.0	0.0	0.0
TOTAL	<u>25.8</u>	<u>25.8</u>	<u>25.8</u>	<u>0.0</u>



 Senator Barbara Lawrence
 Subcommittee Chair



 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Revisor of Statutes

Bill No. 2160

Bill Sec. 26

Analyst: Conroy

Analysis Pg. No. 1024

Budget Page No. 401

<u>Expenditure Summary</u>	<u>Agency Req. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,153,645	\$ 2,173,653	\$ 0
FTE Positions	25.8	25.8	--
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>--</u>
TOTAL	<u><u>25.8</u></u>	<u><u>25.8</u></u>	<u><u>--</u></u>

Agency Request/Governor's Recommendation

The FY 1998 budget request of the Revisor of Statutes is \$2,153,645, or \$46,549 above the revised expenditure estimate for FY 1997. **The Governor for FY 1998 recommends** \$2,173,653 or \$20,008 more than the agency requested. The Governor's adjustment include fringe benefit recalculations and his pay plan proposal for FY 1998, which for this agency, includes a 3.5 percent unclassified merit pool. The recommendation includes \$5,651 for a merit salary pool for employees who are not assigned to the basic state pay plan.

Salaries and Wages. The FY 1998 request for salaries and wages totals \$1,548,462, an increase of \$41,027 or 2.7 percent above the FY 1997 revised estimate. As directed by the Legislative Coordinating Council, no provision is made for a general salary increase. **The Governor** makes adjustments to reflect his pay plan proposal for FY 1998, which includes a 3.5 percent unclassified merit pool.

Printing. The FY 1998 request includes \$382,583 for printing costs for the publication of the replacement volume for the Kansas Statutes Annotated (Volume 6 and 6A), cumulative supplements and the general index volume to the Kansas Statues Annotated. The FY 1997 estimate for printing costs is \$378,661. **The Governor concurs** with the agency request.

Computer Services. For FY 1998 the agency request includes \$167,387 for computer services, largely provided by the Division of Information Systems and Communications, and for acquisition, maintenance and normal replacement of existing computer hardware and software. **The Governor concurs** with the agency request.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Revisor of Statutes

Bill No. 178

Bill Sec. 26(c)

<u>Expenditure Summary</u>	<u>Agency Req. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,153,645	\$ 2,173,653	\$ (66,529)*
FTE Positions	25.8	25.8	--
Unclassified Temp. Positions	0.0	0.0	--
TOTAL	<u>25.8</u>	<u>25.8</u>	<u>--</u>

* The entire deletion relates to the removal of the Governor's recommended pay plan.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Deletes \$66,529 (all from the State General Fund), based on the recommendation to delete funding for an unclassified merit pool of 3.5 percent (\$51,845), and the longevity bonus payment (\$14,684) from individual agency budgets.

Current Status Comparison

	Gov. Rec. FY 1998	House Committee Action FY 1998	Senate Subcommittee Action FY 1998	Senate Subcommittee Change from House FY 1998
State Operations:				
State General Fund	\$ 2,173,653	\$ 2,173,653	\$ 2,107,124	\$ (66,529)*
FTE Positions	37.0	37.0	37.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0	0.0
TOTAL	<u>37.0</u>	<u>37.0</u>	<u>37.0</u>	<u>0.0</u>

* The entire deletion relates to the removal of the Governor's recommended pay plan.



 Senator Barbara Lawrence
 Subcommittee Chair



 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Kansas Legislative Research
Department

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 1016

Budget Page No. 351

<u>Expenditure Summary</u>	<u>Agency Est. FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,198,825	\$ 2,231,012	\$ 0
FTE Positions	37.0	37.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>37.0</u>	<u>37.0</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

The agency's revised FY 1997 estimate is \$2,134,706, or \$74,081 less than the currently authorized amount by the 1996 Legislature, including reappropriations. This reduction is largely due to turnover in two positions on the fiscal staff and a savings of approximately \$35,000 (net) resulting from adjustment of service contracts associated with the agency's Census Unit.

The Governor recommends FY 1997 state operations funding of \$2,134,706, the same as the agency's estimate. The Governor also concurs with the agency's requested FTE positions at 37.0.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Recommendation

The full House has not taken action on this agency's budget.

Senate Ways and Means Committee

Date *3-17-97*

Attachment # *11*

Agency: Kansas Legislative Research Department

Bill No. -

Bill Sec. -

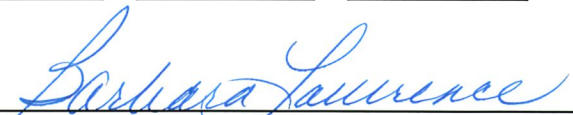
<u>Expenditure Summary</u>	<u>Agency Est. FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,198,825	\$ 2,231,012	\$ 0
FTE Positions	37.0	37.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>37.0</u>	<u>37.0</u>	<u>0.0</u>

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Current Status Comparison

	<u>Gov. Rec. FY 1997</u>	<u>House Committee Action FY 1997</u>	<u>Senate Subcommittee Action FY 1997</u>	<u>Senate Subcommittee Change from House FY 1997</u>
State Operations:				
State General Fund	\$ 2,231,012	\$ 2,231,012	\$ 2,231,012	\$ 0
FTE Positions	37.0	37.0	37.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0	0.0
TOTAL	<u>37.0</u>	<u>37.0</u>	<u>37.0</u>	<u>0.0</u>


 Senator Barbara Lawrence
 Subcommittee Chair


 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Kansas Legislative Research
Department

Bill No. 2160

Bill Sec. 26

Analyst: Conroy

Analysis Pg. No. 1016

Budget Page No. 351

<u>Expenditure Summary</u>	<u>Agency Req. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,198,925	\$ 2,231,012	\$ 0
FTE Positions	37.0	37.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>37.0</u>	<u>37.0</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

The agency requests FY 1998 state operation funding of \$2,198,925, an increase of 3.0 percent or \$64,219 above the FY 1997 estimate.

For FY 1998 the Governor recommends \$2,231,012, or \$32,087 more than the agency requested. The increase reflects the Governor's pay plan proposal of a 3.5 percent unclassified merit pool. The Governor's recommendation includes \$10,977 in the merit pool for employees who are not assigned to the basic state plan. The Governor concurs with the agency's nonsalary expenditure request of \$143,424, of which \$30,600 is for microcomputer replacement and supporting software and equipment.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Kansas Legislative Research Department

Bill No. 178

Bill Sec. 26(b)

<u>Expenditure Summary</u>	<u>Agency Req. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,198,925	\$ 2,231,012	\$ (89,527)*
FTE Positions	37.0	37.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>37.0</u>	<u>37.0</u>	<u>0.0</u>

* The entire deletion relates to the removal of the Governor's recommended plan.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. Delete \$89,527 (all from the State General Fund), based on the recommendation to delete funding for an unclassified merit pool of 3.5 percent (\$68,661), and the longevity bonus payment (\$20,866) from individual agency budgets.

Current Status Comparison

	<u>Gov. Rec. FY 1998</u>	<u>House Committee Action FY 1998</u>	<u>Senate Subcommittee Action FY 1998</u>	<u>Senate Subcommittee Change from House FY 1998</u>
State Operations:				
State General Fund	\$ 2,231,012	\$ 2,231,012	\$ 2,141,485	\$ (89,527)*
FTE Positions	37.0	37.0	37.0	0.0
Unclass. Temp. Positions	0.0	0.0	0.0	0.0
TOTAL	<u>37.0</u>	<u>37.0</u>	<u>37.0</u>	<u>0.0</u>

Barbara Lawrence

Senator Barbara Lawrence
Subcommittee Chair

Christine Downey

Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Legislature

Bill No. 2272

Bill Sec. 39

Analyst: Conroy

Analysis Pg. No. 1007

Budget Page No. 353

<u>Expenditure Summary</u>	<u>Agency Est. FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
All Funds	\$ 10,083,411	\$ 10,083,411	\$ 0
State General Fund	9,495,099	9,495,099	0
FTE Positions	38.0	38.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>38.0</u>	<u>38.0</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

The FY 1997 budget estimate for the Legislature as submitted with the approval of the Legislative Coordinating Council (LCC) is \$10,083,411 or \$390,828 less than the amount authorized by the 1996 Legislature, including reappropriations.

The Governor's recommendation for FY 1997 is \$10,083,411, the same as the agency request. The Governor concurs with the agency's request for 38.0 FTE positions in FY 1997.

Contested Election Claims. The LCC approved payment of claims in the amount of \$41,630 from the State General Fund for attorney fees (\$40,000) and court costs (\$1,630) in connection with the Jones/Shriver 1994 contested election for the House of Representatives. The Governor concurs with the agency's request for claims payments in FY 1997.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Recommendation

The full House has not taken action on this agency's budget.

Senate Ways and Means Committee

Date *3-17-97*

Attachment # *12*

<u>Expenditure Summary</u>	<u>Agency Est. FY 97</u>	<u>Gov. Rec. FY 97</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
All Funds	\$ 10,083,411	\$ 10,083,411	\$ 0
State General Fund	9,495,099	9,495,099	0
FTE Positions	38.0	38.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>38.0</u>	<u>38.0</u>	<u>0.0</u>

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

Current Status Comparison

<u>Expenditure</u>	<u>Gov. Rec. FY 1997</u>	<u>House Committee Action FY 1997</u>	<u>Senate Subcommittee Action FY 1997</u>	<u>House Committee Change from Senate Subcommittee</u>
Operating Expenditures:				
All Funds	\$ 10,083,411	\$ 10,083,411	\$ 10,083,411	\$ 0
State General Fund	9,495,099	9,495,099	9,495,099	0
FTE Positions	38.0	38.0	38.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0	0.0
TOTAL	<u>38.0</u>	<u>38.0</u>	<u>38.0</u>	<u>0.0</u>


 Senator Barbara Lawrence
 Subcommittee Chairperson


 Senator Christine Downey

SUBCOMMITTEE REPORT

Agency: Legislature

Bill No. 2160

Bill Sec. 27

Analyst: Conroy

Analysis Pg. No. 1007

Budget Page No. 353

<u>Expenditure Summary</u>	<u>Agency Req. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
Operating Expenditures:			
All Funds	\$ 10,171,985	\$ 10,338,158	\$ 0
State General Fund	10,030,785	10,196,958	0
FTE Positions	38.0	38.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>38.0</u>	<u>38.0</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

The FY 1998 budget request for the Legislature as submitted by the LCC totals \$10,171,985, of which \$10,030,785 is from the State General Fund and \$141,200 is from special revenue funds.

The Governor recommends a budget of \$10,338,158 for FY 1998, or \$166,173 more than the agency requested. The Governor's recommendation includes \$10,196,958 from the State General Fund and \$141,200 in special revenue funds.

Salaries and Allowances. The FY 1998 budget contains no general increases in the salaries of legislative employees or of the members or in the daily subsistence allowances of members. Under current law, salaries of legislators and of the legislative leadership are increased commensurately with the average increase to each step pursuant to any adjustment of the civil service plan. The daily subsistence rate is increased in accord with changes in the amount allowable under federal law and regulations for federal executive branch employees while serving away from home in Topeka.

The Governor for FY 1998 recommends total salaries and wages of \$6,395,143 or \$166,173 more than the agency requested. The Governor's adjustments include fringe benefit recalculations and his pay plan proposal for FY 1998, which includes a 3.5 percent unclassified merit pool. The recommendation includes \$130,029 for a merit salary pool for employees, including legislators (who also receive a 3.5 percent increase).

Other Operating Expenditures. The agency in FY 1998 requests \$3,943,015 for other operating expenditures or \$51,741 more than in FY 1997 (or \$93,371 less than in FY 1997 excluding the claims payment).

The Governor concurs with the agency's request for other operating expenditures.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Recommendation

The full House has not taken action on this agency's budget.

Agency: Legislature	Bill No. 178	Bill Sec. 27	
<u>Expenditure Summary</u>	<u>Agency Req. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures:			
All Funds	\$ 10,171,985	\$ 10,338,158	\$(163,785)*
State General Fund	10,030,785	10,196,958	(163,785)
FTE Positions	38.0	38.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u>38.0</u>	<u>38.0</u>	<u>0.0</u>

* Entire reduction relates to the removal of the Governor's recommended pay plan.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustment:

1. Delete \$163,785 (all from the State General Fund), based on the recommendation to delete funding for an unclassified merit pool of 3.5 percent (\$163,785).

Current Status Comparison

Expenditure	Gov. Rec. FY 1998	House Committee Action FY 1998	Senate Subcommittee Action FY 1998	Senate Subcommittee Change from House Committee
Operating Expenditures:				
All Funds	\$ 10,338,158	\$ 10,338,158	\$ 10,174,373	\$(163,785)*
State General Fund	10,196,958	10,196,958	10,033,176	(163,785)
FTE Positions	38.0	38.0	38.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0	0.0
TOTAL	<u>38.0</u>	<u>38.0</u>	<u>38.0</u>	<u>0.0</u>

* Entire reduction relates to the removal of the Governor's recommended pay plan in FY 1998.



Senator Barbara Lawrence
Subcommittee Chairperson



Senator Christine Downey