

Approved: 3/13/98 _____
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 9, 1998 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Legislative Research Department
Russell Mills, Legislative Research Department
April Holman, Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ann Deitcher, Committee Secretary



Conferees appearing before the committee: Tom Laing, Executive Director of InterHab OCCK

Others attending: See attached list

Senator Jordan read from the Subcommittee Report on Biennial Budget Agencies.

The Subcommittee concurs with the Governor's recommendation for the Consumer Credit Commissioner for Fiscal Years 1998 and 1999. (Attachment 1).

The Subcommittee concurs with the Governor's recommendation for the Securities Commissioner for Fiscal Year 1998.

The Subcommittee concurs with the Governor's recommendation for Fiscal Year 1999 with modifications and observations listed on pages 4 and 5.

The Subcommittee concurs with the Governor's recommendation for the Board of Barbering for Fiscal Years 1998 and 1999.

The Subcommittee concurs with the Governor's recommendation for the Behavioral Sciences Regulatory Board for the Fiscal Year of 1998 with the modification on page 6.

The Subcommittee concurs with the Governor's recommendation for Fiscal Year 1999.

The Subcommittee makes no recommendation for the Board of Cosmetology for the Fiscal Years of 1998 and 1999 until the agency provides an updated response to the 1997 performance audit.

It was moved by Senator Jordan and seconded by Senator Salmans to amend the Subcommittee Report to state that all monies from 1998 and 1999 be withheld pending the Subcommittee receipt of proper responses from the Board of Cosmetology. The motion passed on a voice vote.

The Subcommittee concurs with the Governor's recommendation for the Kansas Dental Board for Fiscal Year 1998 with the exceptions and notations listed on page 8.

The Subcommittee concurs with the Governor's recommendation for Fiscal Year 1999.

The Subcommittee concurs with the Governor's recommendation for the Board of Nursing for Fiscal Years 1998 and 1999.

The Subcommittee concurs with the Governor's recommendation for the State Board of Pharmacy for Fiscal Year 1998.

The Subcommittee concurs with the Governor's recommendation for Fiscal Year 1999 with exceptions and comments listed on page 11.

The Subcommittee concurs with the Governor's recommendation for the Board of Veterinary Examiners for Fiscal Year 1998.

The Subcommittee concurs with the Governor's recommendation for Fiscal Year 1999 with adjustments, recommendations and observations as listed on pages 13 and 14.

It was moved by Senator Jordan and seconded by Senator Salmans that the Subcommittee Report on the Biennial Budget Agencies be adopted as amended. The motion carried on a voice vote.

SB 611 **An act relating to the transfer of certain property on grounds formerly called Schilling Air Force Base Salina, KS to the Occupational Center of Central KS, Inc., Salina KS.**

Tom Laing, Executive Director of Occupational Center of Central Kansas, testified before the Committee in regard to the transfer of Schilling Air Force Base, Salina, Kansas, to OCCK. (Attachment 2).

Senator Morris moved and Senator Petty seconded the motion that SB 611 be recommended for passage. The motion carried on a roll call vote.

Senator Gilstrap moved and Senator Salmans seconded the approval of the minutes for February 20, 23, 24 and 25. The motion carried on a voice vote.

The meeting was adjourned at 11:55 a.m. The next meeting was scheduled for March 10, 1998.

SENATE WAYS AND MEANS COMMITTEE GUEST LIST

DATE: 3/9/98

NAME	REPRESENTING
Ken Baker	Ks. Governmental Consulting
Karin Ann Brown	KS Governmental Consult.
Susan Anderson	Heim + Wein
Tom Laing	InterHab - OCCK
LARRY Froelich	Board of Pharmacy
Leslie Jay	Bd. of Cosmetology
Mary Lou Davis	Ad. Officer, Bd of Cosmetology
Ann Hilkey	KC -
Barbara Hausback	K.C.K.
Susan Meyer	Guest of Sen. Gutierrez
Alyson Hausback	Page
Courtney Meyer	Page
Ashley Dilstrap	Page
Scott Dilstrap	Page
Ann Meyer	AT

SUBCOMMITTEE REPORT

Agency: Biennial Budget Agencies

Bill No. –

Bill Sec. –

Analyst: Various

Analysis Pg. No. 516

Budget Page No. 1259

	Agency Estimate FY 1998	Gov. Rec. FY 1998	House Subcommittee Adjustments	Agency Request FY 1999	Gov. Rec. FY 1999	House Subcommittee Adjustments
Financial Institutions Regulatory Agencies						
Bank Commissioner, State	\$ 3,940,710	\$ 3,604,322	0	\$ 4,445,688	\$ 3,803,313	0
Consumer Credit Commissioner	392,064	392,064	0	401,066	405,411	0
Credit Unions, State Dept. of	743,054	743,054	0	768,491	777,140	0
Securities Commissioner	1,742,378	1,742,478	0	1,771,669	1,770,564	28,000
TOTAL	\$ 6,818,206	\$ 6,481,918	0	\$ 7,386,914	\$ 6,756,428	28,000
Occupational and Professional Licensing Boards						
Abstracters Board of Examiners	\$ 18,759	\$ 18,759	0	\$ 19,013	\$ 19,119	0
Accountancy, Board of	235,870	235,870	0	177,584	178,964	0
Barbering, Board of Examiners	103,212	103,212	0	105,691	106,371	(1,612)
Behavioral Sciences Regulatory	363,342	380,342	0	371,612	374,780	0
Cosmetology, Board of	528,800	504,866	(504,866)	661,979	625,596	(625,596)
Dental, Kansas Board	194,248	195,848	30,000	242,577	219,707	0
Healing Arts, Board of	1,650,663	1,650,663	0	1,671,279	1,679,884	0
Hearing Aid Examiners, Board	15,514	15,514	0	14,428	14,499	0
Mortuary Arts, Board of	177,868	177,868	0	186,409	188,566	0
Nursing, Board of	1,027,460	1,019,300	0	1,187,421	1,171,391	0
Optometry Examiners, Board of	81,244	81,244	0	82,686	83,020	0
Pharmacy, State Board of	493,717	483,017	0	504,777	504,326	0
Real Estate Appraisal Board	176,949	176,949	0	172,490	174,693	0
Real Estate Commission	621,958	621,958	0	631,525	637,926	0
Technical Professions, Board of	460,145	460,145	0	464,303	469,318	0
Veterinary Examiners, Board of	219,906	216,236	0	241,540	244,153	0
TOTAL	\$ 6,369,655	\$ 6,341,791	(474,866)	\$ 6,735,314	\$ 6,692,313	(627,208)
Total Expenditures	\$ 13,187,861	\$ 12,823,709	(474,866)	\$ 14,122,228	\$ 13,448,741	(599,208)
FTE Positions	223.6	220.9	(11.0)	224.6	219.5	(11.0)

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Agency	Senate		Agency	Senate		
	Estimate	Gov. Rec.		Request	Gov. Rec.	Subcommittee
FY 1998	FY 1998	Adjustments	FY 1999	FY 1999	Adjustments	
Financial Institutions Regulatory Agencies						
Bank Commissioner, State	\$ 3,940,710	\$ 3,604,322	\$ 0	\$ 4,445,688	\$ 3,803,313	(109,569)
Consumer Credit Commissioner	392,064	392,064	0	401,066	405,411	(14,982)
Credit Unions, State Dept. of	743,054	743,054	0	768,491	777,140	(28,599)
Securities Commissioner	1,742,378	1,742,478	0	1,771,669	1,770,564	(10,049)
TOTAL	\$ 6,818,206	\$ 6,481,918	\$ 0	\$ 7,386,914	\$ 6,756,428	(163,199)
Occupational and Professional Licensing Boards						
Abstracters Board of Examiners	\$ 18,759	\$ 18,759	\$ 0	\$ 19,013	\$ 19,119	(302)
Accountancy, Board of	235,870	235,870	0	177,584	178,964	(4,156)
Barbering, Board of	103,212	103,212	0	105,691	106,371	(2,025)
Behavioral Sciences Regulatory	363,342	380,342	0	371,612	374,780	(8,352)
Cosmetology, Board of	528,800	504,866	0	661,979	625,596	(15,775)
Dental, Kansas Board	194,248	195,848	0	242,577	219,707	(3,485)
Healing Arts, Board of	1,650,663	1,650,663	0	1,671,279	1,679,884	(44,386)
Hearing Aid Examiners, Board	15,514	15,514	0	14,428	14,499	(236)
Mortuary Arts, Board of	177,868	177,868	0	186,409	188,566	(5,987)
Nursing, Board of	1,027,460	1,019,300	0	1,187,421	1,171,391	(28,988)
Optometry Examiners, Board of	81,244	81,244	0	82,686	83,020	(754)
Pharmacy, State Board of	493,717	483,017	12,950	504,777	504,326	(766)
Real Estate Appraisal Board	176,949	176,949	0	172,490	174,693	(8,064)
Real Estate Commission	621,958	621,958	0	631,525	637,926	(14,549)
Technical Professions, Board of	460,145	460,145	0	464,303	469,318	(7,227)
Veterinary Examiners, Board of	219,906	216,236	0	241,540	244,153	(4,741)
TOTAL	\$ 6,369,655	\$ 6,341,791	12,950	\$ 6,735,314	\$ 6,692,313	(149,793)
Total Expenditures	\$ 13,187,861	\$ 12,823,709	12,950	\$ 14,122,228	\$ 13,448,741	(312,992)
FTE Positions	223.6	220.9	0.0	224.6	219.5	0.0

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Attachment 1-2

Agency Estimate/Governor's Recommendation

All Agencies

Although funding for these agencies has already been authorized by the Legislature for FY 1998 and FY 1999, the law allows agencies to request adjustments to the approved expenditure limitations. Only agencies requesting adjustments to their previously approved budgets for FY 1998 or FY 1999 are discussed below. All adjustments made by the Governor which appear in the table above but are not discussed in the paragraphs below are due to health insurance rates, unclassified merit increases, classified step movement, longevity payments, retirement reductions, and base salary adjustments.

Financial Institutions Regulatory Agencies

Bank Commissioner, State

House Committee Recommendation. The House Committee concurs with the Governor's recommendations for FY 1998 and FY 1999.

Consumer Credit Commissioner

FY 1998. The Consumer Credit Commissioner does not request any adjustments for FY 1998. The Governor concurs.

House Subcommittee Recommendation. The House Subcommittee concurs with the Governor's recommendation for FY 1998.

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

Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the Governor's recommendation for FY 1998.

FY 1999. The Consumer Credit Commissioner requests an expenditure limitation increase of \$2,500 for FY 1999. The requested increase is to raise the level of funding to Housing and Credit Counseling, Inc. (HCCI) from \$10,000 to \$12,500. The Legislature approved an increase from \$10,000 to \$12,500 for FY 1998 for HCCI. HCCI is a non-profit organization that provides financial counseling services to consumers by providing family budget counseling, as well as educational seminars on consumer credit and finance. The request will provide grants for households that are unable to pay the \$20 one-time counseling fee. According to the Commissioner, this expenditure will further the responsibility of this agency to meet consumer credit educational needs and will be directed at households that are experiencing severe difficulties in their finances.

The Governor concurs. The Governor also recommends a 1.5 percent base salary adjustment (\$3,079), excluding fringe benefits, and an unclassified merit pool (\$1,959), excluding fringe benefits, for salaries and wages in FY 1999.

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House Subcommittee Recommendation. The House Subcommittee concurs with the Governor's recommendation for FY 1999.

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

Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the recommendation of the Governor.

Credit Unions, State Department of

House Committee Recommendation. The House Committee concurs with the Governor's recommendations for FY 1998 and FY 1999.

Securities Commissioner

FY 1998. The Office of the Securities Commissioner does not request any adjustments for FY 1998. The Governor concurs.

House Subcommittee Recommendation. The House Subcommittee concurs with the recommendation of the Governor.

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

Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the Governor's recommendation for FY 1998.

FY 1999. The Office of the Securities Commissioner requests an expenditure limitation increase of \$68,600 to expand Investor Education services through implementation of an "Investor Awareness Campaign." According to the Commissioner, the overall strategic purpose for the Investor Awareness Campaign is to inform Kansas investors about service provided by the Commissioner and to encourage them to investigate the credentials and background of securities brokers and investment advisers before doing business with them. The Governor does not recommend this item. In salaries and wages, the Governor recommends a 1.5 percent base salary adjustment (\$14,246), excluding fringe benefits, and an unclassified merit pool (\$10,017), excluding fringe benefits, in FY 1999.

House Subcommittee Recommendation. The House Subcommittee concurs with the Governor in FY 1998 and adds \$28,000 for Investor Education through the implementation of an "Investor Awareness Campaign" in FY 1999.

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

Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the recommendations of the Governor, with the following modifications and observations:

1. Add \$42,300 for an Investor Awareness Campaign. Following is a breakdown of expenditures:

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"Awareness" Campaign Plan		
Office of the Securities Commissioner		
Public Information Services (\$28,000)		
Selected statewide telephone "yellow page" advertisements	\$	10,000
Investor Education pamphlets and materials		9,000
Speaker's Bureau travel and supplies		1,000
Special Events (investor workshops; display booths at "senior" fairs and other special events)		2,000
Special "Investor Alerts" (radio/TV/newspapers)		6,000
Targeted Communications (\$14,300)		
"Awareness" direct-mail letters/fliers to:		
Recently-retired and "soon to be retired" Kansans	\$	12,800
Accountants, attorneys, and law enforcement officials		1,500
TOTAL	<u>\$</u>	<u>42,300</u>

- The Subcommittee anticipates a Governor's Budget Amendment for Year 2000 repairs. A study has been completed by C.T.A. (the state's Year 2000 consultant), but costs for the repairs are not available at this time.

Occupational and Professional Licensing Boards

Abstracters Board of Examiners

House Committee Recommendation. The House Committee concurs with the Governor's recommendations for FY 1998 and FY 1999.

Accountancy, Board of

House Committee Recommendation. The House Committee concurs with the Governor's recommendations for FY 1998 and FY 1999.

Barbering, Board of

FY 1998. The Board requests no enhancements. The Governor concurs.

House Subcommittee Recommendation. The House Subcommittee concurs.

House Committee Recommendation. The House Committee concurs with the recommendations of the Subcommittee for FY 1998.

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Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the Governor's recommendation for FY 1998.

FY 1999. The Board requests an increase of \$4,351 for salaries and wages (\$1,612), the increase in examination fees in the area of contractual services (\$800) and new office furniture in the area of capital outlay ((\$1,939).

The Governor recommends full funding for the agency's requested FY 1999 enhancements.

House Subcommittee Recommendation. The House Subcommittee delays funding of \$1,612 for salaries and wages due to the unresolved status of H.B. 2720 which would transfer all inspections to the Department of Health and Environment.

House Committee Recommendation. The House Committee concurs with the Subcommittee's recommendations for FY 1999.

Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the Governor's recommendations.

Behavioral Sciences Regulatory Board

FY 1998. The Governor recommends an increased expenditure limitation of \$17,000 for Year 2000 conversion costs which the agency did not request.

House Subcommittee Recommendation. The House Subcommittee concurs with the Governor and asks for a report from the Department of Administration prior to omnibus on the actual needs and the estimated costs for a Year 2000 conversion for this agency.

House Committee Recommendation. The House Committee concurs with the Subcommittee.

Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the recommendation of the Governor, with the following modification:

1. The Subcommittee heard testimony that the Board is fully cognizant of its problems with lengthy delays in issuing licenses. The Board has attempted to address these problems by meeting monthly instead of quarterly and by delegating authority to staff to issue licenses except in cases of a denial. The Subcommittee also heard testimony that the Board is working to address the problems identified in the post audit report by moving toward automation in issuing licenses.

FY 1999. The agency did not request any adjustment.

The Governor's recommendation includes \$8,352 for state employee salary adjustments.

House Subcommittee Recommendation. The House Subcommittee concurs with the recommendation of the Governor.

House Committee Recommendation. The House Committee concurs with the Subcommittee.

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Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the recommendation of the Governor.

Cosmetology, Board of

FY 1998. The Board requests an increase of \$53,784 to upgrade two existing positions and hire an unclassified temporary inspector (\$16,031) and for postage and printing for large bulk mailing and additional office space (\$37,753).

The Governor recommends \$15,000 for the consultation of a new computer system and \$14,850 to change three part-time inspectors to full-time.

House Subcommittee Recommendation. The House Subcommittee does not recommend any funding for the agency for FY 1998 due to concerns regarding the agency's response to the Performance Audit of June 1997 as well as the unresolved status of H.B. 2720 and H.B. 2714. The Subcommittee's detailed review of the agency's response to the Performance Audit brought grave concerns over the agency's capabilities. Additionally, the possible impacts that H.B. 2720 and H.B. 2714 could have on the agency causes the Subcommittee to not recommend any funding for the agency, awaiting the outcome of those bills. The Subcommittee notes that not recommending any funding for the agency until Omnibus reflects a responsibility toward public health and the Subcommittee's concern that the agency is incapable of effectively managing its affairs.

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

Senate Subcommittee Recommendation. The Senate Subcommittee makes no recommendation regarding enhancements requested by the Board of Cosmetology until the agency provides an updated response to the 1997 performance audit. Once the Subcommittee has had an opportunity to review the agency's proposed remedies to the issues which surfaced as a result of the performance audit, the Subcommittee will revisit the issue of funding for this agency during Omnibus.

FY 1999. The Board requests an increase of \$168,157 of an additional Secretary II position and to change four part-time inspector positions to full-time (\$64,813) and for a new computer system, fax machine and new office equipment (\$103,344).

The Governor recommends \$100,000 for a new computer system and \$31,323 to upgrade three part-time inspectors to full-time.

House Subcommittee Recommendation. The House Subcommittee does not recommend any funding for the agency for FY 1999 for the same reasons as stated for FY 1998.

House Committee Recommendation. The House Committee concurs with the recommendation of the Subcommittee.

Senate Subcommittee Recommendation. The Senate Subcommittee does not make any recommendations regarding funding for the Board of Cosmetology for FY 1999 for the same reasons as stated in FY 1998.

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Dental, Kansas Board

FY 1998. The agency requests no change from the \$194,248 approved by the 1997 Legislature.

The Governor recommends an increase of \$1,600 over the approved budget to fund the agency's year 2000 repairs.

House Subcommittee Recommendation. The House Subcommittee concurs with the Governor's recommendation with the following additions:

1. Increase the agency's expenditure limitation by \$30,000 to pay for unusually high legal fees in FY 1998.
2. Request a Governor's Budget Amendment increasing the agency's expenditure limitation by \$30,000.

House Committee Recommendation. The House Committee concurs with the House Subcommittee.

Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the Governor's recommendation with the following exceptions and notations:

1. The Subcommittee notes that the agency has experienced unusually high legal costs in the current fiscal year as a result of an increase in investigations and prosecutions of code violations. The agency attributes this to the presence of a more active Dental Board and a more enlightened public. As a result of the unusually high legal costs for FY 1998, the agency requested an expenditure limitation increase of \$30,000 for this year. The Subcommittee anticipates a Governor's Budget Amendment increasing the expenditure limitation.
2. The Subcommittee notes with concern the legal counsel available to small agencies such as the Dental Board from the Attorney General's office. The Subcommittee recommends a review of the Attorney General's services to small agencies such as the Dental Board.

FY 1999. The agency requests an expenditure limitation increase of \$46,313 to fund the salary and benefits for two additional part-time inspectors. The Board voted to add the two inspectors in order to meet their goal of having each office inspected at least once a year. The current staff of one inspector has not been able to inspect some western offices in three years.

The Governor recommends an increase of \$23,000 to allow the agency to contract for inspections in the western half of the state. The Governor does not recommend the additional requested FTE. The Governor's FY 1999 recommendation also includes \$1,835 for a 1.5 percent classified base salary increase and a 4.0 percent unclassified merit pool, as well as \$1,600 to fund the agency's year 2000 repairs.

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House Subcommittee Recommendation. The House Subcommittee concurs with the Governor's recommendation.

House Committee Recommendation. The House Committee concurs with the House Subcommittee.

Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the Governor's recommendation.

Healing Arts, Board of

House Committee Recommendation. The House Committee concurs with the recommendations of the Governor for FY 1998 and FY 1999.

Hearing Aid Examiners, Board of

House Subcommittee Recommendation. The House Subcommittee concurs with the Governor for FY 1998 and FY 1999.

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

Mortuary Arts, Board of

House Committee Recommendation. The House Committee concurs with the Governor's recommendation for FY 1998 and FY 1999.

Nursing, Board of

FY 1998. The agency requested an increased expenditure limitation of \$33,160 for FY 1998, this includes \$5,660 for an upgraded phone system and \$27,500 for a Year 2000 computer upgrade.

The Governor recommends \$25,000 for the computer upgrade.

House Subcommittee Recommendation. The House Subcommittee concurs with the recommendation of the Governor.

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

Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the recommendation of the Governor.

FY 1999. The agency requested an increased expenditure limitation of \$201,230 for FY 1999, this includes \$5,300 for phone improvement, \$3,480 for office space rent, and \$192,450 for a Year 2000 computer upgrade.

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The Governor recommends \$175,000 for the computer upgrade. The Governor's recommendation includes \$28,988 for state employee salary adjustments.

House Subcommittee Recommendation. The House Subcommittee concurs with the recommendation of the Governor.

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

Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the Governor's recommendation.

Optometry Examiners, Board of

House Committee Recommendation. The House Committee concurs with the Governor's recommendations for FY 1998 and FY 1999.

Pharmacy, State Board of

FY 1998. The agency requests an expenditure limitation increase of \$30,700. This will fund salary and benefits to increase a part-time Office Assistant I position to full-time (\$15,500) as well as travel expenses resulting from increased state responsibility for oxygen distributor inspections (\$10,000). The Food & Drug Administration (FDA) now requests that states license and inspect oxygen distributors in Kansas. Kansas has not made yearly inspections in the past because the FDA made them. Now with the increased responsibility for inspections, the agency needs additional funds for travel as well as additional staff time for paperwork associated with the inspections. The increased expenditure limitation will also fund a 10 percent raise (\$5,200) for the Executive Secretary.

The Governor recommends an increase of \$20,000 for travel and other operating expenses in FY 1998. The Governor does not recommend the increase in salary for the Executive Secretary or the additional FTE position.

House Subcommittee Recommendation. The House Subcommittee concurs with the Governor's FY 1998 recommendation with the following exceptions and comments:

1. The Subcommittee notes that the inspection and licensing of the 75 oxygen distributors will result in \$22,500 in additional annual receipts to the agency at the current licensing fee of \$300.
2. The Subcommittee directs the Board of Pharmacy to report back to the Legislature before the Omnibus session with a time frame identifying when the agency will be required by the FDA to take over the inspection of oxygen distributors. The Subcommittee directs the Board of Pharmacy not to undertake inspections until and unless required by the FDA.
3. The Subcommittee directs the Board of Pharmacy to identify the costs of the following proposals and report back to the Legislature before the Omnibus session.

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- a. Giving a *Kansas Pharmacy Law Book* to each Kansas licensed Pharmacist instead of requiring them to purchase the book from the Kansas Pharmacy Association.
- b. Establishing a Kansas Board of Pharmacy Web Page and E Mail.
- c. Conducting educational programs directly to pharmacists including informational presentations of regulations, statutes and procedural changes as well as the conventional provision of information during inspections visits.

House Committee Recommendation. The House Committee concurs with the House Subcommittee.

Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the Governor's recommendation with the following exceptions and comments:

1. Add \$12,950 for the agency's proposal to supply *Kansas Pharmacy and Related Law* books to each Kansas pharmacist.

FY 1999. The agency requests the same increase as for FY 1998 (above). The request increases the agency's FY 1999 expenditure limitation to \$504,777.

The Governor recommends an increase of \$25,000 for travel and other operating expenses in FY 1999, as well as \$5,249 for a 1.5 percent base classified salary adjustment and a 4.0 percent unclassified merit pool.

House Subcommittee Recommendation. The House Subcommittee concurs with the Governor's FY 1999 recommendation with the following exceptions and comments:

1. The Subcommittee notes that the inspection and licensing of the 75 oxygen distributors will result in \$22,500 in additional annual receipts to the agency at the current licensing fee of \$300.
2. The Subcommittee directs the Board of Pharmacy to report back to the Legislature before the Omnibus session with a time frame identifying when the agency will be required by the FDA to take over the inspection of oxygen distributors. The Subcommittee directs the Board of Pharmacy not to undertake inspections until and unless required by the FDA.
3. The Subcommittee directs the Board of Pharmacy to identify the costs of the following proposals and report back to the Legislature before the Omnibus session.
 - a. Giving a *Kansas Pharmacy Law Book* to each Kansas licensed Pharmacist instead of requiring them to purchase the book from the Kansas Pharmacy Association.
 - b. Establishing a Kansas Board of Pharmacy Web Page and E Mail.
 - c. Conducting educational programs directly to pharmacists including informational presentations of regulations, statutes and procedural changes as well as the conventional provision of information during inspections visits.

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House Committee Recommendation. The House Committee concurs with the House Subcommittee.

Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the Governor's recommendation with the following exceptions and comments:

1. Add \$12,950 for the agency's proposal to supply *Kansas Pharmacy and Related Law* books to each Kansas pharmacist.
2. The Subcommittee notes with concern the legal counsel available to small agencies from the Attorney General's office. The Subcommittee recommends a review of the Attorney General's services to small agencies.

Real Estate Appraisal Board

House Committee Recommendation. The House Committee concurs with the Governor's recommendation for FY 1998 and FY 1999.

Real Estate Commission

House Committee Recommendation. The House Committee concurs with the Governor's recommendation for FY 1998 and FY 1999.

Technical Professions, Board of

FY 1998 and FY 1999. No enhancements are requested. The Governor concurs.

House Subcommittee Recommendation. The House Subcommittee concurs with the Governor's recommendations.

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

Veterinary Examiners, Board of

FY 1998. The Board of Veterinary Examiners requests a new 1.0 FTE Investigator/Inspector for FY 1998 and consequently authority to expend \$3,670 (Fee Fund) to finance the position for the remainder of the current year. (Note: Granting of this request would increase the Board's approved budget to \$219,906 for FY 1998, an increase of 1.7 percent.) The agency states that the 1998 revisions to the Kansas Veterinary Practice Act have increased the agency's responsibilities. Additional duties of veterinary premises inspections and registrations, as well as an increased caseload of complaint investigations and hearing preparations, have necessitated the utilization of part-time temporary staffing.

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The agency reports, however, that the needs are neither part-time nor temporary. The requested increase in expenditures (\$3,670) will finance the last two months of FY 1998.

For FY 1998, the Governor recommends an expenditure limitation of \$216,239 which provides \$4,117 (including fringe benefits) for 1.5 percent base salary adjustment and a 2.5 percent unclassified merit pool. The Governor does not recommend the requested additional 1.0 FTE position for FY 1998.

House Subcommittee Recommendation. The House Subcommittee concurs with the Governor's recommendation for FY 1998.

House Committee Recommendation. The House Committee concurs with the Subcommittee's recommendations for FY 1998.

Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the Governor's recommendation for FY 1998.

FY 1999. The Board requests the same new 1.0 FTE position noted above and also requests funding of \$21,928 to finance the position for all of FY 1999. If this increase were granted, the FY 1999 approved budget would be \$241,893, increase of 9.8 percent above that approved by the 1997 Legislature.

The Governor concurs with the agency's request for a new 1.0 FTE Investigator/Inspector and recommends an expenditure limitation of \$244,153. The recommendation is an increase of \$27,917 (12.9 percent) over the FY 1998 recommendation of \$216,239.

House Subcommittee Recommendation. The House Subcommittee concurs with the Governor's recommendation for FY 1999.

House Committee Recommendation. The House Committee concurs with the Subcommittee's recommendations for FY 1999.

Senate Subcommittee Recommendation. The Senate Subcommittee concurs with the Governor's recommendation, with the following adjustments, recommendations, and observations:

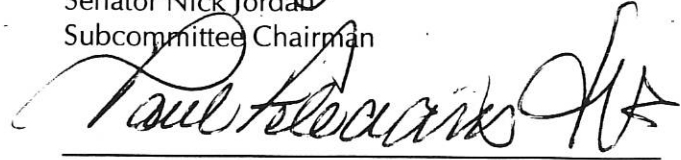
1. Since 1994, the Board of Veterinary Examiners has improved its performance in regulating the 2,080 veterinarians licensed in Kansas. Before 1994, the laws and regulations governing the practice of veterinary medicine were not uniformly applied. No poor performing veterinarians were disciplined in any way. Starting in 1994, 11 persons either had their license revoked, restricted, fined, or denied. Two premises have been closed under new minimum standards. Documentation has been utilized to investigate complaints. This has led to an increasing number of persons willing to file complaints and an increasing number of field investigations. Before 1994, there were 10-15 complaints filed each year; now approximately 20-40 complaints are filed and investigated each year. Before 1994, there were perhaps one field investigation, now there are an average of 10-12 field investigations conducted annually. An investigation used to take 30-90 days; now it takes 30-60 days.
2. The Subcommittee is concerned that the ending balance for the Veterinary Licensing Fee Fund has become large, \$376,878 for FY 1998 and \$349,339 for FY 1999. The Subcommittee would like to see that balance reduced. The Subcommittee

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recommends that instead of lowering the fee rate for one year, that the Board of Veterinary Examiners recommend a means to decrease the balance and report back to the Subcommittee during the next legislative session.



Senator Nick Jordan
Subcommittee Chairman



Senator Paul Feleciano, Jr.



Senator Gary Salmans

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March 6, 1998

Senator Dave Kerr, Chairperson

Testimony to Senate Ways and Means Committee:

Good morning, my name is ^{Tom Laing}~~Gary Cook~~. I am the President/CEO of the Occupational Center of Central Kansas (OCCK), located in Salina, Kansas. I appreciate this opportunity to present testimony on behalf of OCCK and its local/area board of directors. It was at the request of the OCCK Board that SB 611 has been developed. Obviously this testimony is in support of SB 611.

Let me give you a brief explanation of what OCCK does.

It provides services to people who are disabled. The majority of the services it provides are to people from north central Kansas though it does carry out activities that support other areas of Kansas. OCCK is recognized by the Kansas Department of Social and Rehabilitation Services as the Community Developmental Disability Organization (CDDO) for nine counties in north central Kansas. This provides the base of responsibility for services to people who are mentally retarded/developmentally disabled. In addition to the services it provides to people who are mentally retarded/developmentally disabled it provides a comprehensive array of community supports to all persons who experience disability. These range of supports include

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employment, residential, CDDO activities, personal supports, technology access, children and family supports, and business and governmental resource consultation. We serve in excess of 250 children and their families, 300 adults and over 50 businesses and local governmental entities each year.

Background:

The property described in SB 611 at 1710 W. Schilling Road, Salina, Kansas was previously part of the Schilling Air Force Base prior to its de-activation in the mid-1960's. At the time of its de-activation it was Quitclaim Deeded to the State of Kansas. By 1969 it was determined by the State of Kansas that the State did not need the property for its purposes.

OCCK's ability to begin delivery of services starting in 1970, as assisted by an establishment grant from the Kansas Department of Vocational Rehabilitation, necessitated finding a suitable location. The fact that the State was no longer in need of the Schilling Road property and OCCK was seeking a location adequate to begin services provided the basis for the 1969 introduction of HB 1161. The passage of HB 1161 allowed the State of Kansas to Quitclaim Deed the Schilling Road property to the Occupational Center of Central Kansas. An Agreement of Retransfer from the State of

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Kansas to the Occupational Center of Central Kansas was recorded on October 4, 1969.

OCCK has operated its services from the 1710 W. Schilling Road location since 1970. Additionally we have expanded services to multiple sites throughout north central Kansas.

OCCK's history of services focuses on its original purpose. There is every reason to believe that OCCK will be continuing to meet and expand on that purpose as we enter the new millennium.

Reason for Requested Legislation:

The fulfillment of the OCCK Board of Directors stewardship role dictates that they look into the future. That look into the future is the reason SB 611 has been requested. It is felt, that in order to be responsive to its mission, OCCK must be in a position to take advantage of opportunities that allow for expanded and possibly innovative development activities.

In the past OCCK was not able to partner with other parts of the community when it came to the use of its Schilling Road property. Over a decade ago OCCK had the opportunity to establish a partnership with a company that would have provided jobs for people that are developmentally disabled. This

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opportunity was lost due to OCCK not having an unrestricted title to the property. As we look to the future there undoubtedly will be opportunities to partner with parts of the community whether they be educational, medical or business in nature. Any one of these or a combination of more than one of these could make innovative partners in the delivery of community services to people who are disabled.

Should we choose to expand our facilities at 1710 W. Schilling Road we would need to seek financial assistance. Our experience has been that this can include governmental funds, private grants, subsidized loans, commercial loans or a combination of these. In all instances property ownership becomes an issue. Interest in effecting these avenues of financing either alone or with a partner have been limited by the current title restriction. Additionally, we have not been able to value the Schilling Road property as an asset and use it as collateral for expansion or improvement loans. We do see this as a potential liability as we face a future that will surely include the need for added space. Again, waiting to the last minute to correct this problem would simply lead to lost opportunities. Something that is correctable if action is taken now rather than in an untimely fashion later. I believe our skills as future thinkers has produced a 28 year history of progressive service delivery development for the people of Kansas. We expect future decades to continue to reflect our commitment.

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OCCK does not have any immediate plans that demand this course of action.

However, it is only good stewardship on OCCK Board's part to plan for the future. The farther we get from the original date of the transfer of the property the more difficult it will be to deal with this as an issue.

We ask your support in the passage of this bill.

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