

Approved: 4-30-99
Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE.

The meeting was called to order by Chairperson Phill Kline at 9:00 a.m. on March 18, 1999 in Room 514-S of the Capitol.

All members were present except: Rep. George Dean

Committee staff present: Legislative Research - Conroy, Waller, Little, West, Hollon, Nogle, Davis
Rampey, Robinson
Revisor of Statutes - Jim Wilson, Mike Corrigan
Secretary - Ann McMorris

Conferees appearing before the committee: none

Others attending: See attached list

Chair opened meeting for Committee reports on:.

Kansas Commission on Human Rights

Rep. Pottorff reported the General Government and Human Resources Budget Committee concurred with the Governor's recommendations for FY1999 and for FY2000 with observations, and language specified for the appropriations bill. (Attachment 1)

Moved by Representative Pottorff, seconded by Representative Stone, adoption of the General Government and Human Resources Budget Committee report for FY1999 and FY2000 for Kansas Commission on Human Rights. Motion carried.

Several members commended the agency for taking care of the backlog of cases and turning their way of doing business around. Also noted that this agency has become a national model of how the Human Rights Commission should be run.

Moved by Representative Spangler, seconded by Representative Ballard, to amend the report to restore the position of Education and Information Director. Motion failed. Yes 9, No 10.

Department of Human Resources

Rep. Reardon reported General Government and Human Resources Budget Committee concurred with the Governor's recommendations for FY1999 and for FY2000 with modifications and observations for the Department of Human Resources. (Attachment 2)

Moved by Representative Reardon, seconded by Representative Pottorff, adoption of the General Government and Human Resources Budget Committee report for FY1999 and FY2000 for Department of Human Resources. Motion carried.

Kansas Commission on Veterans Affairs

Rep. Shriver reported General Government and Human Resources Budget Committee concurred with the Governor's recommendations for FY1999 with notation and for FY2000 with adjustments for the Kansas Commission on Veterans Affairs. (Attachment 3)

Moved by Representative Shriver, seconded by Representative Stone, adoption of the General Government and Human Resources Budget Committee report for FY1999 and FY2000 for Kansas Commission on Veterans Affairs.

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE, Room 514-S Statehouse, at 9:00 a.m. on March 18, 1999.

Moved by Representative Neufeld, seconded by Representative Shriver, add friendly amendment to FY2000 for Kansas Commission on Veterans Affairs that prior to omnibus the committee review including Wichita Annex and present at omnibus. Motion carried.

Moved by Representative Shriver, seconded by Representative Stone, adoption of the General Government and Human Resources Budget Committee report for FY1999 and FY2000 for Kansas Commission on Veterans Affairs as amended. Motion carried.

Department of Administration (incl. Public Broadcasting)

Rep. Stone reported General Government and Human Resources Budget Committee concurred with the Governor's recommendations for FY1999 and for FY2000 with adjustments for the Department of Administration. (Attachment 4)

Moved by Representative Stone, seconded by Representative Pottorff, adoption of the General Government and Human Resources Budget Committee report for FY1999 and FY2000 for Department of Administration.

It was brought to the attention of the committee that mileage rate would be reduced to 31 cents in FY2000 and should be reflected in the FY1999 and FY2000 budgets.

Moved by Representative Neufeld, seconded by Representative Stone, amend the reports of the General Government and Human Resources Budget Committee for the Department of Administration to note that adjustments be made throughout the agency both in FY1999 and FY2000 to reflect the reduction in mileage rate. Motion carried.

Moved by Representative Stone, seconded by Representative Pottorff, adoption of the General Government and Human Resources Budget Committee report for FY1999 and FY2000 for Department of Administration as amended. Motion carried.

Representative McKechnie strongly recommended the Appropriations Committee meetings be moved to a larger room at future legislative sessions and not delay such move until the renovation of the Capitol Building project is completed. He felt that the citizens of Kansas should be able to sit in on hearings and actions of the Appropriations Committee which many cannot now due to limited space for audience.

Representative Nichols noted need for more detailed budget information from the Department of Administration on projects, for example - Topeka West Complex.

Kansas Guardianship Program

Rep. Pottorff reported General Government and Human Resources Budget Committee concurred with the Governor's recommendations for FY1999 and for FY2000 for the Kansas Guardianship Program. (Attachment 5)

Moved by Representative Pottorff, seconded by Representative Stone, adoption of the General Government and Human Resources Budget Committee report for FY1999 and FY2000 for Kansas Guardianship Program. Motion carried.

Governmental Ethics Commission

Rep. Pottorff reported General Government and Human Resources Budget Committee concurred with the Governor's recommendations for FY1999 and for FY2000 with recommendations for the Governmental Ethics Commission. (Attachment 6)

Moved by Representative Pottorff, seconded by Representative Stone, adoption of the General Government and Human Resources Budget Committee report for FY1999 and FY2000 for Governmental Ethics Commission. Motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE, Room 514-S Statehouse, at 9:00 a.m. on March 18, 1999.

State Department of Education

Representative Farmer reported the Education and Legislative Budget Committee concurred with the Governor's recommendations for FY1999 with exceptions and for FY2000 with exceptions for the State Department of Education. (Attachment 7)

Moved by Representative Farmer, seconded by Representative Allen, to adopt the Education and Legislative Budget Committee report for FY1999 with exceptions and for FY2000 with exceptions for the State Department of Education.

Substitute motion by Representative Allen, seconded by Representative Ballard, amend the Education and Legislative Budget Committee report for FY1999 with exceptions and for FY2000 with exceptions for the State Department of Education by adding \$3,835,746 from the State General Fund for special education, for a total of \$234,905,184, to fund an estimated 86.4 percent of special education excess costs, which is the same percentage as the current year. (Attachment 8)

Moved by Representative Farmer, seconded by Representative Landwehr, the amend Allen motion by adding language requesting a special committee be appointed to study special education funding during the interim. Motion carried.

Status report on 1998 SB 298 on the Teachers Certification Program which this bill initiated. (Attachment 9)

Moved by Representative Farmer, seconded by Representative Ballard, to adopt the Education and Legislative Budget Committee report for FY1999 with exceptions and for FY2000 with exceptions for the State Department of Education as amended. Motion carried.

Attorney General

Representative Peterson reported the Tax, Judicial and Transportation Budget Committee concurred with the Governor's recommendations for FY1999 and for FY2000 with exceptions for the Attorney General. (Attachment 10)

Moved by Representative Peterson, seconded by Representative Powell, to adopt the Tax, Judicial and Transportation Budget Committee report for FY1999 and for FY2000 for the Attorney General.

Moved by Representative Shriver, seconded by Representative Landwehr, amend FY2000 Tax, Judicial and Transportation Budget Committee Report for Attorney General, exception #5 to add "The Attorney General shall not award any grant to a county in which the county or district attorney is not complying with reporting requirements of the certification and teacher education unless such county or district attorney agrees to comply with such reporting requirements as a condition to receiving such grant." Motion carried.

Moved by Representative Peterson, seconded by Representative Powell, to adopt the Tax, Judicial and Transportation Budget Committee report for FY1999 and for FY2000 for the Attorney General as amended.. Motion carried. Representative Stone voted NO.

Next meeting will be held on March 19.

Adjournment.

Respectfully submitted,

Ann McMorris, Secretary

Attachments - 10

**HOUSE APPROPRIATIONS COMMITTEE
GUEST LIST**

DATE: March 18, 1999

| NAME | REPRESENTING |
|-------------------|--------------------------------|
| Brendy Scott | KCVA |
| Donna Beck | KCVA |
| Lea Steele | KCVA |
| Brandon Myers | KHRC |
| Mike Hollar | " |
| Carly Hines | " |
| William V. Minner | Ks. Human Rights Commission |
| Stacey Farmer | KASIB |
| TK Shively | Ks LEGAL SERVICES |
| Matt Hickam | State Long-Term Care Ombudsman |
| Pat Higgins | DofA |
| Donald Schuber | KDHR |
| William Sanders | KDHR |
| Kelly Broder | KACCT |
| Mage Hamann | Div. of the Budget |
| Louis Chabwa | Div. of the Budget |
| Carolyn Dypski | Ks St HB Assn |
| Ronald Seiber | D. of Admin |
| Neil Doerman | DA. of Attorney General |

HOUSE APPROPRIATIONS COMMITTEE
GUEST LIST

DATE: March 18, 1999

| NAME | REPRESENTING |
|-----------------|--------------|
| Julienne Masler | AG office |
| John Caspell | " " |
| Robert Meyer | SOS |
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SENATE SUBCOMMITTEE REPORT

Agency: Kansas Commission on Human Rights **Bill No. 323**

Bill Sec. 12

Analyst: Nogle

Analysis Pg. No. 1386

Budget Page No. 253

| Expenditure Summary | Agency Estimate FY 99 | Gov. Rec. FY 99 | Senate Subcommittee Adjustments |
|------------------------------|-----------------------------|---------------------|---------------------------------------|
| State Operations: | | | |
| State General Fund | \$ 1,439,671 | \$ 1,423,964 | \$ 0 |
| Special Revenue Funds | 539,030 | 539,030 | 0 |
| TOTAL | \$ 1,978,701 | \$ 1,962,994 | \$ 0 |
| FTE Positions | 37.0 | 37.0 | 0.0 |
| Unclassified Temp. Positions | 3.0 | 3.0 | 0.0 |
| TOTAL | 40.0 | 40.0 | 0.0 |

Agency Estimate/Governor's Recommendation

The agency requests FY 1999 state operations funding of \$1,978,701, the same as the amount approved by the 1998 Legislature.

The Governor recommends \$1,962,994 for FY 1999. The recommendation includes \$1,423,964 from the State General Fund and \$539,030 from federal and special revenue funds. The recommendation is a decrease of \$15,707 from the agency estimate.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not considered this budget.

Attachment 1-1
House Appropriations Committee
March 18, 1999

HOUSE BUDGET COMMITTEE REPORT

Agency: Kansas Commission on Human Rights **Bill No.** 2521 **Bill Sec.** 12

| <u>Expenditure Summary</u> | <u>Agency Estimate FY 99</u> | <u>Gov. Rec. FY 99</u> | <u>House Budget Committee Adjustments</u> |
|------------------------------|--------------------------------------|----------------------------|---|
| State Operations: | | | |
| State General Fund | \$ 1,439,671 | \$ 1,423,964 | \$ 0 |
| Special Revenue Funds | <u>539,030</u> | <u>539,030</u> | <u>0</u> |
| TOTAL | <u>\$ 1,978,701</u> | <u>\$ 1,962,994</u> | <u>\$ 0</u> |
| | | | |
| FTE Positions | 37.0 | 37.0 | 0.0 |
| Unclassified Temp. Positions | <u>3.0</u> | <u>3.0</u> | <u>0.0</u> |
| TOTAL | <u>40.0</u> | <u>40.0</u> | <u>0.0</u> |

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

Jo Ann Pottorff
Representative Jo Ann Pottorff, Chairman

Dan Johnson
Representative Dan Johnson 110-S

Melvin Minor
Representative Melvin Minor 273-W

Joe Shriver
Representative Joe Shriver 273-W

Bill McCreary
Representative Bill McCreary 175-W

Bill Reardon
Representative Bill Reardon

Lloyd Stone
Representative Lloyd Stone 155-E

SENATE SUBCOMMITTEE REPORT

Agency: Kansas Commission on Human Rights **Bill No.** **Bill Sec.**

Analyst: Nogle **Analysis Pg. No.** 1386 **Budget Page No.** 253

| <u>Expenditure Summary</u> | <u>Agency Request FY 00</u> | <u>Gov. Rec. FY 00</u> | <u>Senate Subcommittee Adjustments*</u> |
|------------------------------|---------------------------------|----------------------------|---|
| State Operations: | | | |
| State General Fund | \$ 1,616,648 | \$ 1,455,796 | \$ (44,642) |
| Special Revenue Funds | 463,450 | 473,450 | (10,967) |
| TOTAL | <u>\$ 2,080,098</u> | <u>\$ 1,929,246</u> | <u>\$ (55,609)</u> |
| FTE Positions | 38.0 | 37.0 | 0.0 |
| Unclassified Temp. Positions | 1.0 | 1.0 | 0.0 |
| TOTAL | <u>39.0</u> | <u>38.0</u> | <u>0.0</u> |

* Includes the deletion of the Governor's employee pay plan adjustment totaling \$55,609 (including \$44,642 from the State General Fund). The Subcommittee recommends no other changes to the Governor's recommendation.

Agency Request/Governor's Recommendation

The agency requests FY 2000 state operations funding of \$2,080,098, \$101,397 above the agency FY 1999 estimate.

The Governor recommends \$1,929,246 for FY 2000. The recommendation includes \$1,455,796 from the State General Fund and \$473,450 from federal and special revenue funds. The recommendation is a decrease of \$150,852 from the agency request.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following comments:

1. The Subcommittee would like to congratulate Mr. William Minner, Executive Director of the Human Rights Commission on receiving the Human Rights Worker of the Year award from the National Association of Human Rights Agencies.
2. The Subcommittee would like it noted that the agency currently has no backlog in cases filed with the Human Rights Commission and commends the agency for its accomplishments. An article from the Salina Journal dated September 5, 1998 stated, "Larry Rute, mediation coordinator with Kansas Legal Services, calls it a 'win-win across the board.' About 30 percent of complaints end up in mediation, which employers and employees like it because it's free, he said, and often less hostile than an investigation or court room."

3. The Subcommittee would like to refer the issue of the technology enhancement to the Joint Committee on Information Technology for review. The agency requests \$45,700 for a technology enhancement to upgrade outdated computers and software.
4. The Subcommittee recommends removal of the Governor's pay plan adjustment funds.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee with the following note:

1. The Committee notes that the agency reported it can now complete the technology enhancement for \$45,700 without any additional enhancement funding.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole ⁰ has not considered this budget.

HOUSE BUDGET COMMITTEE REPORT

Agency: Kansas Commission on Human Rights **Bill No. 2519**

Bill Sec. 39

| <u>Expenditure Summary</u> | <u>Agency Request FY 00</u> | <u>Gov. Rec. FY 00</u> | <u>House Budget Committee Adjustments</u> |
|------------------------------|---------------------------------|----------------------------|---|
| State Operations: | | | |
| State General Fund | \$ 1,616,648 | \$ 1,455,796 | \$ 0 |
| Special Revenue Funds | 463,450 | 473,450 | 0 |
| TOTAL | <u>\$ 2,080,098</u> | <u>\$ 1,929,246</u> | <u>\$ 0</u> |
| FTE Positions | 38.0 | 37.0 | 0.0 |
| Unclassified Temp. Positions | 1.0 | 1.0 | 0.0 |
| TOTAL | <u>39.0</u> | <u>38.0</u> | <u>0.0</u> |

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following observations:

1-5

1. The Budget Committee would like to congratulate Mr. William Minner, Executive Director of the Human Rights Commission on receiving the Human Rights Worker of the Year award from the National Association of Human Rights Agencies.
2. The Budget Committee notes that the agency currently has no backlog in cases filed with the Human Rights Commission. The agency backlog peaked in FY 1995 with a total of 2,667 cases waiting to be addressed. Due to a change in policy, there are no unaddressed cases in the agency. The agency has also reduced its processing time from a high of 21.1 months in FY 1995 to 7.6 months in FY 1998. The agency estimates that the processing time will be reduced to 5.8 months in FY 1999 and FY 2000.
3. The Budget Committee recommends that the unlimited reappropriation for State General Funds to the agency be changed to a limited reappropriation for \$0. This will allow the agency to utilize the Kansas Savings Incentive Program (KSIP). The unlimited appropriation that currently exists does not allow the agency to utilize KSIP because it sets no benchmark from which to measure earnings. The \$0 limit allows the agency to maximize KSIP funding. The appropriations bill should read:

Provided that any unencumbered balance in the state operations amount in excess of \$100 as of June 30, 1998 is hereby reappropriated for fiscal year 2000: Provided, however that expenditures from such reappropriated balance shall not be made without the approval of the State Finance Council.


Representative Jo Ann Pottorff, Chairman



Representative Dan Johnson


Representative Melvin Minor

Representative Joe Shriver

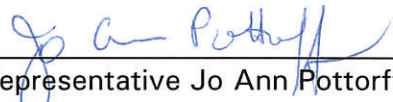

Representative Bill McCreary


Representative Bill Reardon


Representative Lloyd Stone

DEPARTMENT OF HUMAN RESOURCES

Fiscal Years 1999 and 2000


Representative Jo Ann Pottorff, Chair


Representative Dan Johnson


Representative Bill McCreary


Representative Melvin Minor


Representative Bill Reardon


Representative Joe Shriver


Representative Lloyd Stone

SENATE SUBCOMMITTEE REPORT

Agency: Department of Human Resources

Bill No. –

Bill Sec. –

Analyst: Nogle

Analysis Pg. No. 682

Budget Page No. 227

| <u>Expenditure Summary</u> | <u>Agency Estimate FY 99</u> | <u>Gov. Rec. FY 99</u> | <u>Senate Subcommittee Adjustments</u> |
|------------------------------|--------------------------------------|-------------------------------------|--|
| All Funds: | | | |
| State Operations | \$ 48,890,244 | \$ 48,890,244 | \$ 36,615 |
| Aid to Local Units | 337,224 | 337,224 | 0 |
| Other Assistance | <u>159,447,312</u> | <u>159,447,312</u> | <u>0</u> |
| Subtotal—Operating | \$ 208,674,780 | \$ 208,674,780 | \$ 36,615 |
| Capital Improvements | <u>173,500</u> | <u>173,500</u> | <u>0</u> |
| TOTAL | <u><u>\$ 208,848,280</u></u> | <u><u>\$ 208,848,280</u></u> | <u><u>\$ 36,615</u></u> |
| | | | |
| All Funds: | | | |
| State Operations | \$ 2,204,097 | \$ 2,204,097 | \$ 0 |
| Aid to Local Units | 337,224 | 337,224 | 0 |
| Other Assistance | <u>2,616,405</u> | <u>2,616,405</u> | <u>0</u> |
| Subtotal—Operating | \$ 5,157,726 | \$ 5,157,726 | \$ 0 |
| Capital Improvements | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL | <u><u>\$ 5,157,726</u></u> | <u><u>\$ 5,157,726</u></u> | <u><u>\$ 0</u></u> |
| | | | |
| FTE Positions | 1,002.5 | 1,001.5 | 0.0 |
| Unclassified Temp. Positions | <u>65.0</u> | <u>65.0</u> | <u>0.0</u> |
| TOTAL | <u><u>1,067.5</u></u> | <u><u>1,066.5</u></u> | <u><u>0.0</u></u> |

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 1999 operating expenditures of \$208,674,780 is a decrease of \$4,457,843 from the approved budget. This is due to a decrease in the estimated unemployment benefits to be paid out in FY 1999.

The Governor concurs with the agency estimate.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following modifications and observations:

1. Increase the expenditure limitation of the Occupational Safety and Health Administration (OSHA) Fee Fund by \$36,615. The Subcommittee recommends raising the expenditure limitation on the federal OSHA Fund from the \$392,385 recommended by the Governor to \$429,000 (\$36,615 increase) due to an increase in funding for the OSHA Consultation program. The OSHA Consultation program allows facilities to invite the Department of Human Resources to inspect their facility, rate their OSHA compliance, and suggest changes. The Consultation program does not levy fines for violations. The Department of Labor then pays the Department of Human Resources a consultation fee for its work. The agency is required to provide a 10 percent match. The increased match cost associated with the increase of the expenditure limitation will be absorbed by the agency's operating budget.
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HOUSE BUDGET COMMITTEE REPORT

Agency: Department of Human Resources

Bill No. –

Bill Sec. –

Analyst: Nogle

Analysis Pg. No. 682

Budget Page No. 227

| <u>Expenditure Summary</u> | <u>Agency Estimate FY 99</u> | <u>Gov. Rec. FY 99</u> | <u>House Budget Committee Adjustments</u> |
|------------------------------|----------------------------------|----------------------------|---|
| All Funds: | | | |
| State Operations | \$ 48,890,244 | \$ 48,890,244 | \$ 36,615 |
| Aid to Local Units | 337,224 | 337,224 | 0 |
| Other Assistance | <u>159,447,312</u> | <u>159,447,312</u> | <u>0</u> |
| Subtotal—Operating | \$ 208,674,780 | \$ 208,674,780 | \$ 36,615 |
| Capital Improvements | <u>173,500</u> | <u>173,500</u> | <u>0</u> |
| TOTAL | <u>\$ 208,848,280</u> | <u>\$ 208,848,280</u> | <u>\$ 36,615</u> |
| All Funds: | | | |
| State Operations | \$ 2,204,097 | \$ 2,204,097 | \$ 0 |
| Aid to Local Units | 337,224 | 337,224 | 0 |
| Other Assistance | <u>2,616,405</u> | <u>2,616,405</u> | <u>0</u> |
| Subtotal—Operating | \$ 5,157,726 | \$ 5,157,726 | \$ 0 |
| Capital Improvements | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL | <u>\$ 5,157,726</u> | <u>\$ 5,157,726</u> | <u>\$ 0</u> |
| FTE Positions | 1,002.5 | 1,001.5 | 0.0 |
| Unclassified Temp. Positions | <u>65.0</u> | <u>65.0</u> | <u>0.0</u> |
| TOTAL | <u>1,067.5</u> | <u>1,066.5</u> | <u>0.0</u> |

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 1999 operating expenditures of \$208,674,780 is a decrease of \$4,457,843 from the approved budget. This is due to a decrease in the estimated unemployment benefits to be paid out in FY 1999.

The Governor concurs with the agency estimate.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following modifications and observations:

1. Increase the expenditure limitation on the OSHA Fee Fund by \$36,615. The Budget Committee recommends raising the expenditure limitation on the federal Occupational Safety and Health Administration (OSHA) fund from \$392,385 recommended by the Governor to \$429,000 (\$36,615 increase) due to an increase in funding for the OSHA Consultation program. The OSHA Consultation program allows facilities to invite the Department of Human Resources to inspect their facility, rate their OSHA compliance, and suggest changes. The Consultation program does not levy fines for violations. The Department of Labor then pays the Department of Human Resources a consultation fee for their work. The agency is required to provide a 10 percent match. The increased match cost with the increase of the expenditure limitation will be absorbed by the agency through their operating budget.

SENATE SUBCOMMITTEE REPORT

Agency: Department of Human Resources

Bill No. 326, 325

Bill Sec. 51, 20

Analyst: Nogle

Analysis Pg. No. 682

Budget Page No. 227

| <u>Expenditure Summary</u> | <u>Agency Request FY 00</u> | <u>Gov. Rec. FY 00</u> | <u>Senate Subcommittee Adjustments*</u> |
|------------------------------|-------------------------------------|-------------------------------------|---|
| All Funds: | | | |
| State Operations | \$ 48,170,297 | \$ 47,507,078 | \$ (1,430,228) |
| Aid to Local Units | 340,224 | 340,224 | 0 |
| Other Assistance | <u>164,455,136</u> | <u>162,517,252</u> | <u>0</u> |
| Subtotal-Operating | \$ 212,965,657 | \$ 210,364,554 | \$ 0 |
| Capital Improvements | <u>405,000</u> | <u>355,000</u> | <u>0</u> |
| TOTAL | <u><u>\$ 213,370,657</u></u> | <u><u>\$ 210,719,554</u></u> | <u><u>\$ (1,430,228)</u></u> |
| State General Fund: | | | |
| State Operations | \$ 2,220,869 | \$ 1,569,845 | \$ (37,004) |
| Aid to Local Units | 340,224 | 340,224 | 0 |
| Other Assistance | <u>2,437,884</u> | <u>500,000</u> | <u>0</u> |
| Subtotal Operating | \$ 4,998,977 | \$ 2,410,069 | \$ (37,004) |
| Capital Improvements | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL | <u><u>\$ 4,998,977</u></u> | <u><u>\$ 2,410,069</u></u> | <u><u>\$ (37,004)</u></u> |
| FTE Positions | 1,002.5 | 997.5 | 0.0 |
| Unclassified Temp. Positions | <u>65.0</u> | <u>65.0</u> | <u>0.0</u> |
| TOTAL | <u><u>1,067.5</u></u> | <u><u>1,062.5</u></u> | <u><u>0.0</u></u> |

* Includes a reduction of \$1,492,893 (\$42,004 from the State General Fund) for the Governor's employee salary adjustment. Excluding the recommendation to omit the Governor's employee salary adjustment, the Subcommittee recommends \$62,615 more than the Governor's recommendation. Of that amount, \$5,000 is from the State General Fund.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation with the following modifications and observations:

1. The Worker's Compensation Fee fund currently has an unappropriated balance of \$2.0 million. The agency has indicated that 10 percent of expenditures from that fund are the necessary balance. To date, that amount would be approximately

\$700,000. The Subcommittee proposes no reduction to the balance at this time in recognition of the fiscal impact that responding to the Post Audit recommendations will have on the agency. The agency will take steps to implement the recommendations of the Division of Post Audit. Post Audit has recommended that the agency proceed with its database migration project, make electronic transmission of workers' compensation data a priority by allocating appropriate staff time and resources and replacing outdated computers, improve data collection and database development on claims, and make policy changes to the fraud unit. The actual cost of implementing those recommendations should be available before the end of the 1999 Legislative session. The agency has currently budgeted \$400,000 in KSIP funds to fund the database migration project. The Subcommittee notes that SB 219 addresses some of these issues and recommends review of this item at omnibus, when the costs of compliance with the post audit are known.

2. Increase the expenditure limitation on the OSHA fee fund by \$57,615. The Subcommittee recommends raising the expenditure limitation on the OSHA fund from the \$392,385 recommended by the Governor to \$450,000 (\$57,615 increase) to accommodate an increase in estimated OSHA Consultation Program funds. The OSHA Consultation program allows facilities to invite the Department of Human Resources to inspect their facility, rate their OSHA compliance and suggest changes. The Consultation program does not levy fines for violations. The Department of Labor then pays the Department of Human resources a consultation fee its their work. The agency is required to provide a 10 percent match. The increased match cost with the increase of the expenditure limitation will be absorbed by the agency's operating budget.
3. The Subcommittee recommends that the Capital Improvements Subcommittee review and approve an additional \$20,000 from the Penalty and Interest fund for the purchase of buildings on 400 block of SW Jackson in Topeka, for a total cost of \$250,000. The agency's original request was \$230,000, which the Governor recommended. Subsequent negotiations have increased the cost to \$250,000. The agency will use \$100,000 in federal funds from the sale of two buildings in Ottawa (FY 1998) and Coffeyville (FY 1997), and \$150,000 from the Penalty and Interest Fund. The agency currently pays \$57,000 annually for rent and the Subcommittee believes that the purchase of the buildings will result in a cost savings for the agency.
4. The Subcommittee is pleased with coordination of the Welfare to Work program and notes that as of January 1999, the program had been in operation for two months, had received 416 referrals and had enrolled 108 participants in some sort of job training or education program. The Subcommittee looks forward to an update from the agency after the completion of the NCSL study to evaluate work training programs in the state.
5. Add \$5,000 from the State General Fund for the Commission on Disability Concerns. The Subcommittee recommends an additional \$5,000 from the State General Fund for travel expenditures for the Commission on Disability Concerns and encourages the program to continue to utilize alternative forms of commission meetings. The additional \$5,000 will allow the program to maintain its current services level.

6. The Subcommittee notes that while it does not recommend funding the African American Advisory Commission salary appeal to increase the base salaries of the executive director and education coordinator, it recognizes the commission's concern regarding recruitment and retention of qualified staff. The commission expressed concern that funding for the two appealed positions is not comparable to other state and private positions with the same requirements. The Subcommittee recognizes a similar concern with equitable salary increases for the other commissions, which did not ask for those increases for FY 2000.
 7. Delete \$1,492,843 (including \$42,004 from the State General Fund) to remove the Governor's recommended pay plan adjustment.
 8. Make technical adjustments to the Appropriations Bill to accurately reflect the Governor's intent.
-

HOUSE BUDGET COMMITTEE REPORT

Agency: Department of Human Resources

Bill No. 2519, 2513

Bill Sec. 51, 20

Analyst: Nogle

Analysis Pg. No. 682

Budget Page No. 227

| <u>Expenditure Summary</u> | <u>Agency Request FY 00</u> | <u>Gov. Rec. FY 00</u> | <u>House Budget Committee Adjustments</u> |
|------------------------------|---------------------------------|----------------------------|---|
| All Funds: | | | |
| State Operations | \$ 48,170,297 | \$ 47,507,078 | \$ 0 |
| Aid to Local Units | 340,224 | 340,224 | 0 |
| Other Assistance | <u>164,455,136</u> | <u>162,517,252</u> | <u>0</u> |
| Subtotal-Operating | \$ 212,965,657 | \$ 210,364,554 | \$ 0 |
| Capital Improvements | <u>405,000</u> | <u>355,000</u> | <u>20,000</u> |
| TOTAL | <u>\$ 213,370,657</u> | <u>\$ 210,719,554</u> | <u>\$ 20,000</u> |
| State General Fund: | | | |
| State Operations | \$ 2,220,869 | \$ 1,569,845 | \$ 0 |
| Aid to Local Units | 340,224 | 340,224 | 0 |
| Other Assistance | <u>2,437,884</u> | <u>500,000</u> | <u>0</u> |
| Subtotal Operating | \$ 4,998,977 | \$ 2,410,069 | \$ 0 |
| Capital Improvements | <u>0</u> | <u>0</u> | <u>0</u> |
| TOTAL | <u>\$ 4,998,977</u> | <u>\$ 2,410,069</u> | <u>\$ 0</u> |
| FTE Positions | 1,002.5 | 997.5 | 0.0 |
| Unclassified Temp. Positions | <u>65.0</u> | <u>65.0</u> | <u>0.0</u> |
| TOTAL | <u>1,067.5</u> | <u>1,062.5</u> | <u>0.0</u> |

Agency Request/Governor's Recommendation

The agency's request for FY 2000 operating expenditures of \$212,965,657 is an increase of \$4,290,877 from the FY 1999 estimate.

The Governor recommends \$210,364,554 for FY 2000, an increase of \$1,689,774 from the FY 1999 recommendation. The Governor recommends \$2,410,069 from the State General Fund and \$207,954,485 from other funds.

House Budget Committee Recommendations

The Budget Committee concurs with the Governor's recommendation with the following modifications and observations:

1. Add \$20,000 from the Penalty and Interest Fund for building purchase. The Budget Committee recommends an additional \$20,000 from the Penalty and Interest fund for the purchase of buildings in the 400 block of Southwest Jackson, in Topeka, for a total cost of \$250,000. The agency's original request was \$230,000, which the Governor approved. Subsequent negotiations have increased the cost to \$250,000. The agency will use \$100,000 in federal funds from the sale of two buildings in Ottawa (FY 1998) and Coffeyville (FY 1997), and \$150,000 from the Penalty and Interest Fund. The agency currently pays \$57,000 annually for rent and the Budget Committee believes that the purchase of the buildings will result in a cost savings for the agency. The Joint Committee on State Building Construction approved this expenditure.
2. The Budget Committee requests that the Governor consider issuing a Governor's Budget Amendment for \$50,000 from the Penalty and Interest Fund to remodel 401 SW Topeka, Topeka.
3. The Budget Committee notes that S.B. 219 addresses some of the issues in the 1999 post audit. The bill makes administrative changes to the Workers Compensation Act, imposing an administrative penalty in an amount of up to \$500 per violation plus \$100 per week for each week that the necessary database information is not provided to the Director of Workers Compensation.
4. The Budget Committee recognizes that the Governor's recommended funding for the Welfare to Work program is not sufficient, but recommends no change at this time. The Budget Committee looks forward to reviewing the results of the NCSL study of workforce programs.
5. The Budget Committee recommends a technical adjustment to accurately reflect the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: Kansas Commission on Veterans Affairs **Bill No. 323**

Bill Sec. 18

Analyst: Davis

Analysis Pg. No. 666

Budget Page No. 317

| Expenditure Summary | Agency Estimate FY 99 | Gov. Rec. FY 99 | Senate Subcommittee Adjustments |
|------------------------------|-----------------------------|-----------------------------|---------------------------------------|
| All Funds: | | | |
| State Operations | \$ 7,088,601 | \$ 7,166,029 | \$ 14,560 |
| Aid to Local Units | 0 | 0 | 0 |
| Other Assistance | 0 | 0 | 0 |
| Subtotal - Operating | <u>\$ 7,088,601</u> | <u>\$ 7,166,029</u> | <u>\$ 14,560</u> |
| Capital Improvements | 8,832,857 | 8,624,658 | 0 |
| TOTAL | <u><u>\$ 15,921,458</u></u> | <u><u>\$ 15,790,687</u></u> | <u><u>\$ 14,560</u></u> |
| State General Fund: | | | |
| State Operations | \$ 3,515,040 | \$ 3,561,630 | \$ 14,560 |
| Aid to Local Units | 0 | 0 | 0 |
| Other Assistance | 0 | 0 | 0 |
| Subtotal - Operating | <u>\$ 3,515,040</u> | <u>\$ 3,561,630</u> | <u>\$ 14,560</u> |
| Capital Improvements | 0 | 0 | 0 |
| TOTAL | <u><u>\$ 3,515,040</u></u> | <u><u>\$ 3,561,630</u></u> | <u><u>\$ 14,560</u></u> |
| FTE Positions | 227.8 | 225.8 | 1.0 |
| Unclassified Temp. Positions | 1.0 | 1.0 | 0.0 |
| TOTAL | <u><u>228.8</u></u> | <u><u>226.8</u></u> | <u><u>1.0</u></u> |

Agency Estimate/Governor's Recommendation

The agency's revised FY 1999 estimate for operating expenditures is \$7,088,601. This is an increase of \$148,780 or 2.1 percent from the amount approved by the 1998 Legislature. The agency's revised request includes:

- **State General Fund**
 - **Supplemental appropriation request** of \$125,000 (SGF) to establish a **Community Based Outpatient Clinic (CBOC)** at the KSH at Fort Dodge
 - Requested funds are for capital outlay
 - Operational costs will be funded through increased federal VA reimbursements
 - Clinic would facilitate the VA goal of providing medical treatment to veterans within 50 miles of their home
- **Special Revenue Funds**
 - Expenditure limitation increase of \$17,771 requested in the KSH Fee Fund to pay for salaries and wages for the driver for the **CBOC**

- Expenditure limitation increase of \$4,020 requested in the Kansas Commission on Veterans Affairs (KCVA) Fund for other operating expenditures
- Additional spending of \$1,989 from the Benefit and Gift Fund at KSH. While subject to legislative appropriation, the Benefit and Gift Fund is treated as a no limit appropriation
- **Capital Improvements**
 - Request for additional \$58,960 from the State Institutions Building Fund for capital improvements for the **CBOC** at the KSH
 - Request for additional \$202,234 from the State Institutions Building Fund for capital improvements at the Wichita Annex to the Kansas Veterans Home. Operating expenditures for the 60-bed nursing facility are requested as an enhancement in FY 2000

The Governor's recommendation for FY 1999 operating expenditures is \$7,166,029. This is an increase of \$226,208 from the amount approved by the 1998 Legislatures, and an increase of \$77,428 (1.1 percent from the agency's revised request). The Governor's recommendation includes:

- **Community Based outpatient Clinic**
 - \$209,400 for operations
 - \$149,735 from the **SGF**
 - \$26,665 from the State Budget Stabilization Fund
 - \$33,000 from fees generated from VA reimbursement
 - \$58,960 (State Institutions Building Fund) for capital improvements
- **Salaries and Wages**
 - \$5.6 million (\$4.7 million from the SGF)
 - reduction of 2.0 FTE in Veterans Services
 - to more accurately reflect program staffing (funding shifted to other operating expenditures)
 - \$21,855 from the SGF to reduce shrinkage from 4.5 percent to 3.0 percent in the Veterans Services program

Senate Subcommittee Recommendation

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

1. Add \$14,560 (SGF) and 1.0 FTE to the Kansas Soldiers Home at Fort Dodge. The Subcommittee recommends that one of the positions eliminated in the Veterans Services Program in FY 1999 and FY 2000 by the Governor be restored as a chaplain position at the Kansas Soldiers' Home at Fort Dodge. The Subcommittee notes that the average age of the 262 residents of the Soldiers' Home is 76 and recognizes that the elimination of the chaplain position at Fort Dodge has caused great concern among that population. The Subcommittee recommends that the Commission be given the flexibility to either hire a chaplain or contract for the services of a chaplain, whichever would provide the best service to the Home.
2. The Subcommittee notes that the Governor's recommendation includes \$20,000 for general rehabilitation and repair capital improvements at the Kansas Veterans Home

at Winfield in FY 2000. However, the Commission informed the Subcommittee that \$52,000 was needed to repair the leaking roof on the Treatment Building as soon as possible. The Subcommittee recommends that the Subcommittee on Capital Improvements review the agency's request to repair the roof of the Treatment building. The Subcommittee recommends that the Subcommittee on Capital Improvements fund this project from the State Institutions Building Fund.

- The Subcommittee requests a Governor's Budget Amendment for additional remodeling and architectural fees needed for Halsey Hall at the Kansas Soldiers' Home. The Commission informed the Subcommittee that despite the efforts of members of the Subcommittee on the Commission's behalf a year ago to bring the Halsey Hall remodeling costs to within the \$200,0000 appropriated by the Governor in FY 1999, regulations of the Department of Health and Environment require that additional work be done. The Commission reported needs of an additional \$68,000.

BUDGET COMMITTEE REPORT

Agency: Kansas Commission on Veterans Affairs **Bill No.**

Bill Sec. 18

Analyst: Davis

Analysis Pg. No. 666

Budget Page No. 317

| Expenditure Summary | Agency Estimate FY 99 | Gov. Rec. FY 99 | House Budget Committee Adjustments |
|------------------------------|-----------------------------|----------------------|--|
| All Funds: | | | |
| State Operations | \$ 7,088,601 | \$ 7,166,029 | \$ 0 |
| Aid to Local Units | 0 | 0 | 0 |
| Other Assistance | 0 | 0 | 0 |
| Subtotal - Operating | \$ 7,088,601 | \$ 7,166,029 | \$ 0 |
| Capital Improvements | 8,832,857 | 8,624,658 | 0 |
| TOTAL | <u>\$ 15,921,458</u> | <u>\$ 15,790,687</u> | <u>\$ 0</u> |
| State General Fund: | | | |
| State Operations | \$ 3,515,040 | \$ 3,561,630 | \$ 0 |
| Aid to Local Units | 0 | 0 | 0 |
| Other Assistance | 0 | 0 | 0 |
| Subtotal - Operating | \$ 3,515,040 | \$ 3,561,630 | \$ 0 |
| Capital Improvements | 0 | 0 | 0 |
| TOTAL | <u>\$ 3,515,040</u> | <u>\$ 3,561,630</u> | <u>\$ 0</u> |
| FTE Positions | 227.8 | 225.8 | 0.0 |
| Unclassified Temp. Positions | 1.0 | 1.0 | 0.0 |
| TOTAL | <u>228.8</u> | <u>226.8</u> | <u>0.0</u> |

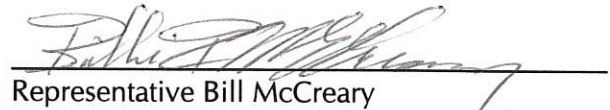
House Budget Committee Recommendation

The Budget Committee concurs with the Governor and adds the following notation:


1. The Budget Committee notes that the Commission has requested a Governor's Budget Amendment for additional remodeling costs and architectural fees in FY 1999 for Halsey Hall at the Kansas Soldiers' Home at Fort Dodge. The Commission requested \$68,000 to cover the cost of additional work required by state regulations to install new coolers and freezers in the outside wall.


Representative JoAnn Pottorff, Chair



Representative Dan Johnson


Representative Bill McCreary


Representative Melvin Minor


Representative Bill Reardon


Representative Joe Shriver


Representative Lloyd Stone

SUBCOMMITTEE REPORT

Agency: Kansas Commission on Veterans Affairs **Bill No. 326**

Bill Sec. 52

Analyst: Davis

Analysis Pg. No. 666

Budget Page No. 317

| <u>Expenditure Summary</u> | <u>Agency Request FY 00</u> | <u>Gov. Rec. FY 00</u> | <u>Senate Subcommittee Adjustments</u> |
|------------------------------|-------------------------------------|-----------------------------|--|
| All Funds: | | | |
| State Operations | \$ 15,563,933 | \$ 11,051,230 | \$ (85,031) * |
| Aid to Local Units | 0 | 0 | 0 |
| Other Assistance | 0 | 20,000 | 0 |
| Subtotal - Operating | <u>\$ 15,563,933</u> | <u>\$ 11,071,230</u> | <u>\$ (85,031)</u> |
| Capital Improvements | 6,277,158 | 5,729,430 | 0 |
| TOTAL | <u><u>\$ 21,841,091</u></u> | <u><u>\$ 16,800,660</u></u> | <u><u>\$ (85,031)</u></u> |
| State General Fund: | | | |
| State Operations | \$ 6,245,084 | \$ 4,972,121 | \$ (888) |
| Aid to Local Units | 0 | 0 | 0 |
| Other Assistance | 0 | 20,000 | 0 |
| Subtotal - Operating | <u>\$ 6,245,084</u> | <u>\$ 4,992,121</u> | <u>\$ (888)</u> |
| Capital Improvements | 0 | 0 | 0 |
| TOTAL | <u><u>\$ 6,245,084</u></u> | <u><u>\$ 4,992,121</u></u> | <u><u>\$ (888)</u></u> |
| FTE Positions | 497.8 | 334.8 | 1.0 |
| Unclassified Temp. Positions | 1.0 | 0.0 | 1.0 |
| TOTAL | <u><u>498.8</u></u> | <u><u>334.8</u></u> | <u><u>2.0</u></u> |

* Includes a reduction of \$178,648 (\$94,505 SGF) for the Governor's recommended pay plan. Absent the pay plan reduction, the Subcommittee's recommendation is an increase of \$93,617 from the Governor's recommendation.

Agency Request/Governor's Recommendation

The agency's FY 2000 operating expenditures request of \$15,563,933 is an increase of \$8,475,332 or 119.6 percent over FY 1999. The request includes:

- **State General Fund**
 - \$6,245,084 or 40.1 percent of the total FY 2000 operating request
- **Special Revenue Funds**
 - \$9,318,849 or 59.9 percent of the total FY 2000 operating request
- **Salaries and Wages**

- \$12,036,314 (including \$2,064,021 in fringe benefits) for 497.8 FTE positions and 1.0 Unclassified Temporary Position, an increase of \$6,415,547 (114.1 percent) over the FY 1999 estimate
- **Enhancement Requests** of \$2,542,224 (\$938,934 from the State General Fund)
- **Kansas Veterans Home at Winfield First-Year Operating Expenditures** of \$8,719,566
 - including \$3,402,377 from the **State General Fund** (39.0 percent of the total Kansas Veterans Home (KVH) operating request)
 - \$5,317,189 from the KVH Fee Fund (61.0 percent of total KVH operating request)
 - \$2,182,278 and 41.0 FTE positions enhancement request for operation of the Wichita Annex

The Governor recommends total operations funding of \$11,071,230 including:

- \$4,992,121 from the State General Fund
- \$8,897,293 for salaries and wages
- \$4,100,724 for the first year of operations at the Kansas Veterans Home
 - The Governor's recommendation makes adjustments for later opening dates of two of the Home's buildings.
- \$20,000 for two grants of \$10,000 each
 - The World War II Veterans War Memorial in Washington, DC
 - The National Women War Veterans Memorial

| FY 2000 Enhancements | | | | | | |
|---|-------------------|---------------------|-------------|---------------------------|-----------------|------------|
| Enhancement | Agency Request | | | Governor's Recommendation | | |
| | SGF | All Funds | FTE | SGF | All Funds | FTE |
| Development of Residential Community - KSH | \$ 0 | \$ 230,100 | 0.0 | \$ 0 | \$ 0 | 0.0 |
| Wichita Annex - KVH | 928,934 | 2,182,278 | 41.0 | 0 | 0 | 0.0 |
| Overtime for Veterans Service Representatives | 10,000 | 10,000 | 0.0 | 5,412 | 5,412 | 0.0 |
| Persian Gulf War Health Initiative Program | 0 | 119,847 | 0.0 | 0 | 0 | 0.0 |
| TOTAL—FY 2000 Enhancement Request | \$ 938,934 | \$ 2,542,225 | 41.0 | \$ 5,412 | \$ 5,412 | 0.0 |

Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the Governor with the following modifications:

1. Add \$50,000 (SGF) and 1.0 unclassified temporary position for continuation of the Persian Gulf War Health Initiatives Program (PGWHIP). The Subcommittee also recommends that the Commission be allowed to reappropriate FY 1999 funding for the program to FY 2000. The Subcommittee believes that the work being done in this program is an invaluable service to Kansas veterans of the Persian Gulf War. The Subcommittee notes with great concern that assistance for these veterans is not

forthcoming from the federal government. The Subcommittee further notes that the survey conducted by the PGWHIP has been completed and results are currently being analyzed and a report is imminent. The Subcommittee notes that the preliminary results show a startling correlation between service in the Persian Gulf War and illness in veterans (Attachment 1). The Subcommittee believes that the \$50,000 recommended will provide funding for the program to continue into FY 2000, and that the Commission will find outside sources of funding for the further continuation of this important program. The continued funding will allow the program to develop and maintain a register and for further investigation and fulfillment of the needs identified by the study.

2. The Subcommittee expresses concern about the negative effects of 1993 H.B. 2211 (K.S.A. 75-6801) which requires the elimination of 1.0 FTE position for every four retirements. The high level of services provided by agencies such as the Kansas Commission on Veterans Affairs may be eroded by this policy. Those employees who are responsible for direct patient care at the Kansas Soldiers' Home and the Kansas Veterans Home are exempted from this requirement pursuant to 1998 H.B. 2678. However, the employees providing services to veterans at the agency's area offices are not exempt. The policy is resulting in those offices being short staffed. The Subcommittee expresses support for S.B. 327 which repeals this law.
3. The Subcommittee notes that the construction of the Kansas Veterans Home at Winfield is a fluid project, with changes necessitated by delays at the federal Department of Veterans Administration (VA). The VA construction grant allows for up to a 10 percent variance in bids from the initial estimated grant request. The state would have to provide 35 percent of that variance as a match in order to receive the federal dollars. The Subcommittee includes the revised project bidding schedule for the Committee's review (Attachment 2).
4. Add \$43,617 (SGF) and 1.0 FTE to the Kansas Soldiers Home at Fort Dodge. The Subcommittee recommends that one of the positions eliminated in the Veterans Services Program in FY 1999 and FY 2000 by the Governor be restored as a chaplain position at the Kansas Soldiers' Home at Fort Dodge for the reasons discussed in the FY 1999 Subcommittee Recommendations. The Subcommittee recommends that the Commission be given the flexibility to either hire a chaplain or contract for the services of a chaplain, whichever would provide the best service to the Home.
5. The Subcommittee requests a Governor's Budget Amendment for \$50,000 for capital improvements to fund the construction of a water treatment plant at the Soldiers' Home. The Governor included \$200,000 to address the issue of the Home's contaminated wells; however the Commission has determined that the best option is to construct a water treatment plant. The Commission informed the Subcommittee that an additional \$50,000 will be required to construct a water treatment facility. Over the years, four wells at the Soldiers' Home have become contaminated with nitrates. The Home is less than one-half mile east of a livestock facility with over 50,000 head of cattle. The Home has continued to dig wells farther away from the livestock facility but as it does so, it is digging closer to known test wells reported contaminated by a large fertilizer plant to the north of the Home.

- 6. Delete \$178,648 (including \$94,505 from the State General Fund) for the Governor's recommended pay plan adjustments for a 2.5 percent classified step movement (\$11,718), longevity bonus payments (\$73,698), a 1.0 percent classified base salary adjustment (\$47,095) and a 3.5 percent unclassified merit pool (\$10,340).

BUDGET COMMITTEE REPORT

Agency: Kansas Commission on Veterans Affairs **Bill No.**

Bill Sec. 52

Analyst: Davis

Analysis Pg. No. 666

Budget Page No. 317

| <u>Expenditure Summary</u> | <u>Agency Request FY 00</u> | <u>Gov. Rec. FY 00</u> | <u>House Budget Committee Adjustments</u> |
|------------------------------|---------------------------------|-----------------------------|---|
| All Funds: | | | |
| State Operations | \$ 15,563,933 | \$ 11,051,230 | \$ 103,617 |
| Aid to Local Units | 0 | 0 | 0 |
| Other Assistance | 0 | 20,000 | 0 |
| Subtotal - Operating | <u>\$ 15,563,933</u> | <u>\$ 11,071,230</u> | <u>\$ 103,617</u> |
| Capital Improvements | 6,277,158 | 5,729,430 | 0 |
| TOTAL | <u><u>\$ 21,841,091</u></u> | <u><u>\$ 16,800,660</u></u> | <u><u>\$ 103,617</u></u> |
| State General Fund: | | | |
| State Operations | \$ 6,245,084 | \$ 4,972,121 | \$ 103,617 |
| Aid to Local Units | 0 | 0 | 0 |
| Other Assistance | 0 | 20,000 | 0 |
| Subtotal - Operating | <u>\$ 6,245,084</u> | <u>\$ 4,992,121</u> | <u>\$ 103,617</u> |
| Capital Improvements | 0 | 0 | 0 |
| TOTAL | <u><u>\$ 6,245,084</u></u> | <u><u>\$ 4,992,121</u></u> | <u><u>\$ 103,617</u></u> |
| FTE Positions | 497.8 | 334.8 | 1.0 |
| Unclassified Temp. Positions | <u>1.0</u> | <u>0.0</u> | <u>1.0</u> |
| TOTAL | <u><u>498.8</u></u> | <u><u>334.8</u></u> | <u><u>2.0</u></u> |

House Budget Committee Recommendation

The Budget Committee concurs with the recommendations of the Governor with the following adjustments:

1. Add \$60,000 (SGF) and 1.0 unclassified temporary position for continuation of the Persian Gulf War Health Initiatives program. The Subcommittee also recommends that the Commission be allowed to reappropriate FY 1999 funding for the program to FY 2000. The Budget Committee's recommendation will provide funding for salaries and wages and allow for publication and promotion of the findings of the past two years' research.
2. Add \$43,617 (SGF) and 1.0 FTE to the Kansas Soldiers' Home at Fort Dodge for reinstatement of the Chaplain position. The Budget Committee believes that the residents of the Home will be best served by a permanent Chaplain located at the Home, rather than the inconsistency of the various chaplains from the community, who have been volunteering their time since the Chaplain position was eliminated.
3. The Budget Committee notes that the Commission is requesting a Governor's budget amendment for \$70,000 for the construction of a water treatment facility at the Soldiers' Home at Fort Dodge. The Governor has recommended \$200,000 to deal with the water well contamination problem at the Home. However, the Commission has determined that a water treatment facility would be the best use of the money. However, an additional \$70,000 is needed to build the facility. The Budget Committee recommends that this issue be reviewed at Omnibus.



Representative JoAnn Pottorff, Chair



Representative Dan Johnson



Representative Bill McCreary



Representative Melvin Minor



Representative Bill Reardon



Representative Joe Shriver



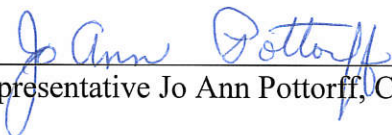
Representative Lloyd Stone

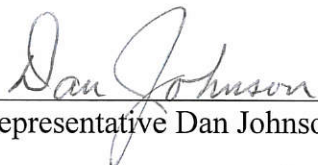
**General Government
and
Human Resources
Budget Committee**

Report On

**Department of Administration
(including Public Broadcasting)**

FY 1999 and FY 2000 Appropriations

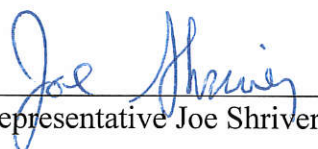

Representative Jo Ann Pottorff, Chair


Representative Dan Johnson


Representative Bill McCreary


Representative Melvin Minor


Representative Bill Reardon


Representative Joe Shriver


Representative Lloyd A. Stone

Attachment 4-1
House Appropriations Committee
March 18, 1999

Senate Subcommittee Report

Agency: Department of Administration

Bill No. 323

Bill Sec. 14

Analyst: West

Analysis Pg. No. 1398

Budget Page No. 13

| Expenditure Summary | Agency Est. FY 99 | Gov. Rec. FY 99 | Subcommittee Adjustments |
|------------------------------|-------------------------|----------------------|-----------------------------|
| All Funds: | | | |
| State Operations | \$ 23,468,550 | \$ 23,251,881 | \$ 0 |
| Aid to Local Units | 713,732 | 713,732 | 0 |
| Other Assistance | 3,241,126 | 3,241,126 | 0 |
| Subtotal - Operating | \$ 27,423,408 | \$ 27,206,739 | \$ 0 |
| Capital Improvements | 5,892,412 | 5,891,137 | 0 |
| TOTAL | \$ 33,315,820 | \$ 33,097,876 | \$ 0 |
| State General Fund: | | | |
| State Operations | \$ 3,008,530 | \$ 2,791,861 | \$ 0 |
| Aid to Local Units | 474,732 | 474,732 | 0 |
| Other Assistance | 1,964,216 | 1,964,216 | 0 |
| Subtotal - Operating | \$ 5,447,478 | \$ 5,230,809 | \$ 0 |
| Capital Improvements | 4,755,551 | 4,754,276 | 0 |
| TOTAL | \$ 10,203,029 | \$ 9,985,085 | \$ 0 |
| FTE Positions: | | | |
| Reportable Budget | 282.7 | 284.2 | 0.0 |
| Nonreportable Budget | 581.7 | 579.2 | 0.0 |
| Subtotal FTE | 864.4 | 863.4 | 0.0 |
| Unclassified Temp. Positions | 11.4 | 11.4 | 0.0 |
| TOTAL | 875.8 | 874.8 | 0.0 |

Agency Est./Governor's Recommendation

The agency's current year estimate of reportable expenditures is \$27.4 million, a reduction of \$452,375 from the approved budget. Major changes from the approved budget include:

- A \$154,039 reduction in Facilities Management other operating expenditures.
- A reduction of \$105,790 in Budget Division Kansas Savings Incentive Program expenditures.

- The shift of \$188,904 in federal funds for the Long Term Care Ombudsman to the nonreportable budget.

The Governor recommends a current year reportable operating budget of \$27.2 million, a net decrease of \$216,669 from the agency's estimate.

- **Salaries and wages are reduced by \$93,144** to reflect revised fringe benefit calculations, retirement reductions (\$38,871), a shift of \$35,908 from other operating expenditures to salaries in the budget of the Long Term Care Ombudsman, and the salary portion of Gubernatorial transition costs (\$70,000).
- **FTE positions are increased by 1.5** to include a portion of the Long Term Care Ombudsman's staffing in the reportable budget.
- **Other operating expenditures are decreased by \$123,525** to reflect reduced policy initiative analysis and Gubernatorial transition costs in the Division of the Budget (\$113,909), a shift of \$71,423 in the Division of Architectural Services to the nonreportable budget, a reduction of \$52,382 in debt service interest, the \$35,908 shift to salaries in the Long Term Care Ombudsman's budget, and the addition of \$150,097 to Facilities Management.

Nonreportable Budget. The current year nonreportable operating budget is estimated to be \$94.2 million, a net increase of \$3.8 million from the current year. Major changes include:

- A decrease of \$900,000 in workers' compensation payments.
- A requested increase of \$2.1 million in administration expenditures for the state's health care plan to reflect duties that the state has assumed from insurance carriers.
- Operations expenditures for the State Complex West of \$1.1 million which had not been included in the approved budget.
- A requested increase of \$64,001 in funding for the Long Term Care Ombudsman.

The Governor recommends a current year nonreportable budget of \$93.0 million, a reduction of \$1.2 million from the agency's estimate.

- Recommended salaries of \$21.9 million are a reduction of \$196,739 from the agency's estimate, reflecting revised fringe benefit calculations, retirement reductions, and the elimination of funding for the Chief Information Technology Officer.
- Recommended other operating expenditures of \$56.6 million are a net reduction of \$1.0 million from the agency's estimate.

- The requested increase for administration of the state's health care plan is reduced by \$1.3 million to \$0.8 million.
- A shift of \$71,423 from the reportable budget.
- **The Governor** recommends an increase of \$15,951 for the budget of the Long Term Care Ombudsman.

State Emergency Fund

The State Emergency Fund began FY 1999 with a balance of \$1,866,465. A series of disasters resulted in the State Finance Council authorizing the transfer of all but \$16,465 of the Fund to the Adjutant General for matching funds for federal disaster relief. **The Governor** recommends the transfer of \$1,983,535 from the State General Fund to the State Emergency Fund to restore the balance to \$2.0 million. **The Governor** also recommends the passage of legislation which would make up to \$10.0 million per year available to cover the costs of future natural disasters.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Governor's recommendation, with the following observation:

1. The Committee wishes to clarify that concerning with the Governor's recommendation does not necessarily mean the Committee concurs with the proposed legislation on the State Emergency Fund.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not considered this budget.

BUDGET COMMITTEE REPORT

Agency: Department of Administration

Bill No. 2521

Bill Sec. 14

Analyst: West

Analysis Pg. No.1,398

Budget Page No. 13

| Expenditure Summary | Agency Est. FY99 | Gov. Rec. FY 99 | Budget Committee Adjustments |
|------------------------------|------------------------|----------------------|------------------------------------|
| All Funds: | | | |
| State Operations | \$ 23,468,550 | \$ 23,251,881 | \$ 0 |
| Aid to Local Units | 713,732 | 713,732 | 0 |
| Other Assistance | 3,241,126 | 3,241,126 | 0 |
| Subtotal - Operating | \$ 27,423,408 | \$ 27,206,739 | \$ 0 |
| Capital Improvements | 5,892,412 | 5,891,137 | 0 |
| TOTAL | <u>\$ 33,315,820</u> | <u>\$ 33,097,876</u> | <u>\$ 0</u> |
| State General Fund: | | | |
| State Operations | \$ 3,008,530 | \$ 2,791,861 | \$ 0 |
| Aid to Local Units | 474,732 | 474,732 | 0 |
| Other Assistance | 1,964,216 | 1,964,216 | 0 |
| Subtotal - Operating | \$ 5,447,478 | \$ 5,230,806 | \$ 0 |
| Capital Improvements | 4,755,551 | 4,754,276 | 0 |
| TOTAL | <u>\$ 10,203,029</u> | <u>\$ 9,985,085</u> | <u>\$ 0</u> |
| FTE Positions: | | | |
| Reportable Budget | 282.7 | 284.2 | 0.0 |
| Nonreportable Budget | 581.7 | 579.2 | 0.0 |
| Subtotal FTE | 864.4 | 863.4 | 0.0 |
| Unclassified Temp. Positions | 11.4 | 11.4 | 0.0 |
| TOTAL | <u>875.8</u> | <u>874.8</u> | <u>0.0</u> |

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's current year recommendation.

Senate Subcommittee Report

Agency: Department of Administration

Bill No. 326

Bill Sec. 42

Analyst: West

Analysis Pg. No. 1398

Budget Page No. 13

| Expenditure Summary | Agency Request FY 00 | Gov. Rec. FY 00 | Senate Subcommittee Adjustments* |
|------------------------------|----------------------------|----------------------|--|
| All Funds: | | | |
| State Operations | \$ 21,671,561 | \$ 21,485,165 | \$ (385,472) |
| Aid to Local Units | 931,143 | 505,022 | 0 |
| Other Assistance | 3,680,446 | 2,910,300 | 0 |
| Subtotal - Operating | \$ 26,283,150 | \$ 24,900,487 | \$ (385,472) |
| Capital Improvements | 6,511,864 | 3,114,864 | 0 |
| TOTAL | \$ 32,795,014 | \$ 28,015,351 | \$ (385,472) |
| State General Fund: | | | |
| State Operations | \$ 21,206,245 | \$ 21,006,888 | \$ (374,474) |
| Aid to Local Units | 692,143 | 266,022 | 0 |
| Other Assistance | 2,579,336 | 1,809,190 | 0 |
| Subtotal - Operating | \$ 24,477,724 | \$ 23,082,100 | \$ (374,474) |
| Capital Improvements | 6,511,864 | 3,114,864 | 0 |
| TOTAL | \$ 30,989,588 | \$ 26,196,964 | \$ (374,474) |
| FTE Positions | | | |
| Reportable Budget | 310.2 | 289.2 | 0.0 |
| Nonreportable Budget | 607.2 | 592.2 | 0.0 |
| Subtotal FTE | 917.4 | 881.4 | 0.0 |
| Unclassified Temp. Positions | 8.2 | 8.2 | 0.0 |
| TOTAL | 925.6 | 889.6 | 0.0 |

* Includes a reduction of \$451,214 (\$440,216 from the State General Fund) for the Governor's employee salary adjustments. Absent this adjustment, the Subcommittee recommendations increase State General Fund expenditures by \$65,742.

Agency Request/Governor's Recommendation

The agency requests an FY 2000 **reportable** operating budget of \$26.3 million, a decrease of \$1.1 million (4.2 percent) from the current year estimate.

4-6

- The majority of the decrease is attributable to FY 1999 one time expenditures related to Year 2000 compliance issues.
- The request includes \$2.0 million for budget enhancements.
- Absent these enhancements, the agency's request would be \$24.3 million, a decrease of \$3.1 million (11.3 percent) from the current year.
- The agency requests that the State General Fund line items in the appropriations bill for regular division operations be merged.

The Governor recommends an FY 2000 **reportable** operating budget of \$24.9 million, a decrease of \$2.3 million (8.5 percent) from the current year.

- The recommendation includes a net increase of 5.0 FTE positions from the current year, which reflects 3.0 positions shifted from unclassified temporary positions to FTE in the Performance Review Board and 2.0 new FTE positions for the Long Term Care Ombudsman program.
- The recommendation adds \$750,000 from the State General Fund for Year 2000 compliance issues not included in the original budget submission.
- **The Governor** concurs with the request to merge most of the agency's State General Fund line items in the appropriations bill.

The agency requests a **nonreportable** operating budget of \$94.7 million, an increase of \$504,373 (0.5 percent) from the current year.

- The request includes \$1.0 million and 31.5 new FTE positions for enhancements.
- Absent the requested enhancements, the agency's request would be a decrease of \$510,588 (0.5 percent) from the current year.
- As with the reportable budget, the decrease is associated with FY 1999 one time expenditures related to Year 2000 compliance issues.

The Governor recommends an FY 2000 **nonreportable** budget of \$93.2 million, an increase of \$321,002 (0.2 percent) from the current year.

- The recommendation includes the addition of 13.0 new FTE positions.

Senate Subcommittee Recommendation

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

1. **Salaries and Wages.** Delete \$451,214 (reportable budget) and \$869,738 (nonreportable budget) associated with the Governor's recommended FY 2000 pay plan adjustments. This includes \$440,216 from the State General Fund.
2. **Long-Term Care Ombudsman.** Add \$36,334 from the State General Fund and 1.5 FTE positions for the budget of the Long Term Care Ombudsman. This will provide a clerical position for the program and increase the current volunteer coordinator to a full time FTE. No clerical support was included in the program when it was transferred from the Department on Aging. The additional resources targeted to volunteer recruitment and retention will help increase the level of services provided for recipients of long term care services while conserving scarce state dollars. The performance indicators for the Long Term Care Ombudsman indicate that the program's goals include increasing the number of volunteers from 25 in FY 1998 to 100 by FY 2001. This would increase the percentage of long term care facilities receiving weekly visits from 4.8 percent in FY 1998 to 19.6 percent in FY 2001. The Subcommittee also commends the program for resolving 99 percent of the 1,204 complaints it received in FY 1998. The performance measures indicate that the program intends to maintain this level of resolution even as complaints increase. The Subcommittee notes that it explored the possibility of utilizing additional federal funds for the recommended enhancement but were informed that this would result in a reduction of services provided by the Department on Aging.
3. **Performance Review Board.** The Subcommittee is pleased with performance to date of the Performance Review Board. The Board has a goal of producing a return on investment of five times the expenditures in support of the Board's activities. Since the Board became operational it has developed recommendations which, if they are all adopted, would produce \$3.7 million in cumulative savings through FY 1999. A study of the Central Motor Pool is estimated to produce savings of up to \$1.2 million and a plan for implementation is currently being developed by the Department of Administration. The recently completed review of DISC long distance services can produce savings of \$500,000 to \$700,000 per year over the next eight years. In September, the Board began a review of state printing services for which a preliminary report should be available in late March. Currently the Board is beginning the process of review of state laboratory services. The subcommittee was informed that the Board could complete as many as eight reviews a year if funding were available, but no other requests for reviews are pending at this time. The Subcommittee concurs with the Governor's budget recommendation for FY 2000, which should support three or four reviews.
4. **DISC.** The Subcommittee reviewed the recently completed Performance Review Board study of long distance rates. The Board recommends that DISC implement a customer service council, consider outsourcing billing operations, renegotiate the base rate DISC pays for long distance services and that the legislature consider exempting DISC from the Kansas Universal Service Fund assessment. The report also notes that exempting the Regents institutions from the use of DISC could save those entities between \$219,000 to \$459,000 per year, but only at the cost of increasing the costs to other state agencies by up to 4.5 percent. The Director of DISC reports that the first two recommendations are being implemented currently, with a preliminary estimate of saving \$324,000 annually from renegotiating the contract

with AT&T. DISC plans to renegotiate the contract every six months until after the millennium and a request for proposals will be issued this spring for a new long distance contract beginning January 1, 2001. On the outsourcing of billing services, the Director reports that he is not opposed to the idea but that a plan of how to track and correct billing errors needs to be developed first since bills currently received from service providers often contain numerous errors. In the area of the Kansas Universal Service Fund, the Subcommittee notes that while exempting DISC from the assessment which supports the Fund would save an estimated \$360,000 per year, these costs would just be passed on to other communications service providers. The Subcommittee also notes that SB 290 is currently pending before the legislature. This bill would reduce the size of the Fund, which would reduce the surcharge required of DISC.

5. The Subcommittee also reviewed the status of year 2000 system compliance for the state's computers. DISC has developed an extensive system for tracking the status of hardware and software owned and operated by state agencies. DISC reports that as of January 13, 85 percent of the 180,822 hours required to repair all of the state's information technology assets have been completed, including 87 percent of the 54,759 hours required for mission critical systems. One area of concern noted by the Chief Information Technology Officer (CITO) is the status of system software repairs. System software is the programing which operates a computer and supports application software. While 72 percent of the number of system software packages are ready, repaired and being tested, or under active repair, the CITO does not know the status of 19 percent of the systems because agencies have failed to send in their reports. The Subcommittee was also informed that DISC plans to release the repair status of all state computer systems this month. The Subcommittee recommends that the Director aggressively pursue those agencies whose response has been lacking.
6. **Facilities Management.** The Subcommittee notes that the number of events in the Statehouse appears to be increasing every year. This increases the amount of effort required to maintain a semblance of tidiness at the same time the facility has the greatest impact on the greatest number of citizens. The agency has included an enhancement in the budget request for \$178,000 and 8.0 FTE positions to improve the maintenance of the Statehouse. This enhancement was not recommended by the Governor. While the Subcommittee agrees that caution must be used in considering increases in the state's workforce, the Subcommittee believes a greater effort needs to be exerted on the Statehouse during times of heavy usage. The Subcommittee recommends the addition of \$29,408 from the State General Fund for temporary employees. This would enable the agency to add four temporary employees for Statehouse maintenance during the next legislative session.
7. **Accounts and Reports.** The Subcommittee notes that one of the reasons that the *Governing* magazine management grade for the state was not as high as it might have been is because the state does not utilize Generally Accepted Accounting Principles (GAAP). The Subcommittee has been informed that the Division of Accounts and Reports has developed a plan to proceed with the State's conversion to GAAP over the next three years. The time frame is designed to allow the agency to define and remedy reporting deficiencies while maximizing existing resources.

8. **Public Broadcasting.** The Subcommittee notes the current year estimate of \$2.6 million for public broadcasting grants includes a reappropriation from FY 1998 of \$492,971 and a one time expenditure of \$116,800. If these two items are factored out, the Governor's FY 2000 recommendation for public broadcasting grants of \$2.1 million is an increase of \$129,504 or 6.7 percent. The Governor's recommendation also merges the formerly separate line items for operation grants and equipment grants, which gives the Public Broadcasting Council added flexibility. The Subcommittee is impressed with the services public broadcasting provides in support of teacher training and for classroom use statewide. These programs include the MoKan Network, which broadcasts 720 hours of instructional television and another 300 hours of programming by video and on line. Public broadcasting also provides materials for use from the National Teacher Training Institute which provides intensive training from master teachers. Other efforts include educational course work broadcast for college credit both real time and overnight, and public outreach programming provided by the public radio stations. The Subcommittee learned that much of this programming effort is financed by grants and user fees and usually subsidized by the stations operating budgets. The Subcommittee recommends that the Public Broadcasting Council explore the feasibility of expanding user fees for programs provided for education inservice training and classroom use.

9. **Kansas Development Finance Authority.** The Subcommittee reviewed the May 1998 Post Audit Report on the activities of the Kansas Development Finance Authority (KDFA) with the agency. The report questioned some of KDFA's practices in regard to competitive bidding, evaluating bond counsel, travel expenses, and potential conflicts of interest. The KDFA has adopted several policies to address the concerns raised in the report. The Subcommittee was further informed that the current staff of the agency do not have overlapping appointments which may create a conflict of interest.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole has not considered this budget.

BUDGET COMMITTEE REPORT

Agency: Department of Administration

Bill No. 2519

Bill Sec. 42

Analyst: West

Analysis Pg. No.1,398

Budget Page No. 13

| Expenditure Summary | Agency Req. FY00 | Gov. Rec. FY 00 | Budget Committee Adjustments |
|------------------------------|------------------------|----------------------|------------------------------------|
| All Funds: | | | |
| State Operations | \$ 21,671,561 | \$ 21,485,165 | \$ 90,104 |
| Aid to Local Units | 931,143 | 505,022 | 0 |
| Other Assistance | 2,680,446 | 2,910,300 | 0 |
| Subtotal - Operating | \$ 26,283,150 | \$ 24,900,487 | \$ 90,104 |
| Capital Improvements | 6,511,864 | 3,114,864 | 0 |
| TOTAL | <u>\$ 32,795,014</u> | <u>\$ 28,015,351</u> | <u>\$ 90,104</u> |
| State General Fund: | | | |
| State Operations | \$ 21,206,245 | \$ 21,006,888 | \$ 90,104 |
| Aid to Local Units | 692,143 | 266,022 | 0 |
| Other Assistance | 2,579,336 | 1,809,190 | 0 |
| Subtotal - Operating | \$ 24,477,724 | \$ 23,082,100 | \$ 90,104 |
| Capital Improvements | 6,511,864 | 3,114,864 | 0 |
| TOTAL | <u>\$ 30,989,588</u> | <u>\$ 26,196,964</u> | <u>\$ 90,104</u> |
| FTE Positions: | | | |
| Reportable Budget | 310.2 | 289.2 | 4.0 |
| Nonreportable Budget | 607.2 | 592.2 | 0.0 |
| Subtotal FTE | 917.4 | 881.4 | 4.0 |
| Unclassified Temp. Positions | 8.2 | 8.2 | 0.0 |
| TOTAL | <u>925.6</u> | <u>889.6</u> | <u>4.0</u> |

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's current year recommendation, with the following adjustments:

1. The Budget Committee notes that the Governor's recommendation of \$2,075,212 for Public Broadcasting Grants is an increase of \$129,235 (6.6 percent) compared to the current year amount initially approved by the 1998 Legislature. The current organization of the Public Broadcasting Council was created in FY 1993 based on a consultants report which also recommended that the state increase it's support of

4-11

public broadcasting to \$2.00 per capita by FY 1998. The Governor's recommendation for FY 2000 equals \$.80 per capita. The Budget Committee learned that state per capita support totaled \$4.80 in Nebraska, \$4.16 in South Dakota, and \$2.38 in Iowa.

2. The Budget Committee learned that the Secretary of Administration is planning to contract for custodial services for Memorial Hall when that facility opens next fall. The Budget Committee supports this pilot project and recommends that the Secretary report back to the 2000 legislature on the project's success.
3. The Budget Committee notes that the number of people using the Statehouse continues to increase every year. When the Legislature is in session more and larger groups are presenting demonstrations, attending meetings, and touring the building. The non-session utilization is also increasing. This increased usage increases the demands for maintenance to maintain presentable appearance in the Statehouse. The Budget Committee also notes that the Statehouse, perhaps more than any other building in the state, is the facility that stands as a symbol for the state for Kansas citizens and visitors alike. The agency's highest priority budget enhancement request is for \$178,000 and 8.0 FTE positions to improve the maintenance of the Statehouse. The Budget Committee recommends the addition of \$90,104 from the State General Fund and 4.0 FTE positions to assist with the effort of maintaining the Statehouse.

SENATE SUBCOMMITTEE REPORT

Agency: Kansas Guardianship Program

Bill No. –

Bill Sec. –

Analyst: Hollon

Analysis Pg. No. 505

Budget Page No. 181

| <u>Expenditure Summary</u> | <u>Agency Estimate FY 99</u> | <u>Gov. Rec. FY 99</u> | <u>Senate Subcommittee Adjustments</u> |
|----------------------------|----------------------------------|----------------------------|--|
| State Operations: | | | |
| State General Fund | \$ 1,159,159 | \$ 1,108,759 | \$ 0 |
| Employee Positions* | 13.0 | 13.0 | 0.0 |

* Staff of the Guardianship Program are not state employees but are listed here for informational purposes.

Agency Estimate/Governor's Recommendation

The agency estimates expenditures for FY 1999 of \$1,159,159 which is equal to the approved budget and includes \$10,000 to be funded through Kansas Savings Incentive Program monies. The estimate consists of \$460,981 for salaries and wages, \$644,298 for contractual services, \$19,880 for commodities, \$24,000 for capital outlay, and \$10,000 from the KSIP Fund to be used for staff professional development.

The Governor recommends funding of \$1,108,759 for FY 1999 operating expenditures which is a decrease of \$50,400 (4.3 percent) below the approved budget. The reduction is in the area of volunteer stipends. The recommendation includes \$460,981 for salaries and wages, \$593,898 for contractual services, \$19,880 for commodities, \$24,000 for capital outlay, and \$10,000 from the KSIP Fund.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee of the Whole Recommendation

The Senate Committee concurs with the Subcommittee recommendation.

HOUSE BUDGET COMMITTEE REPORT

Agency: Kansas Guardianship Program

Bill No. —

Bill Sec. —

Analyst: Hollon

Analysis Pg. No. 505

Budget Page No. 181

| Expenditure Summary | Agency Est. FY 99 | Gov. Rec. FY 99 | House Budget Committee Adjustments |
|---------------------|-------------------------|--------------------|---|
| State Operations: | | | |
| State General Fund | \$ 1,159,159 | \$ 1,108,759 | \$ 0 |
| Employee Positions* | 13.0 | 13.0 | 0.0 |

* Staff of the Guardianship Program are not state employees but are listed here for informational purposes.

Agency Est./Governor's Recommendation

The agency estimates expenditures for FY 1999 of \$1,159,159 which is equal to the approved budget and includes \$10,000 to be funded through Kansas Savings Incentive Program monies. The estimate consists of \$460,981 for salaries and wages, \$644,298 for contractual services, \$19,880 for commodities, \$24,000 for capital outlay, and \$10,000 from the KSIP Fund to be used for staff professional development.

The Governor recommends funding of \$1,108,759 for FY 1999 operating expenditures which is a decrease of \$50,400 (4.3 percent) below the approved budget. The reduction is in the area of volunteer stipends and is partially offset by the KSIP allowance. The recommendation includes \$460,981 for salaries and wages, \$593,898 for contractual services, \$19,880 for commodities, \$24,000 for capital outlay, and \$10,000 from the KSIP Fund.

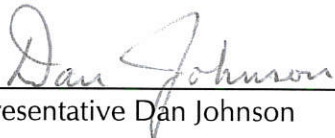
House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following notation:

1. The Budget Committee notes that the agency has assumed a greater workload due to the closures of Winfield State Hospital and five intermediate care facilities for the mentally retarded (ICF/MR). Individuals in the community require a higher level of involvement that some volunteers are not willing to undertake.



Representative Jo Ann Pottorff



Representative Dan Johnson




Representative Bill McCreary



Representative Melvin Minor



Representative Bill Reardon



Representative Joe Shriver



Representative Lloyd Stone

SENATE SUBCOMMITTEE REPORT

Agency: Kansas Guardianship Program

Bill No. 326

Bill Sec. 56

Analyst: Hollon

Analysis Pg. No. 505

Budget Page No. 181

| <u>Expenditure Summary</u> | <u>Agency Request FY 00</u> | <u>Gov. Rec. FY 00</u> | <u>Senate Subcommittee Adjustments</u> |
|------------------------------|---------------------------------|----------------------------|--|
| State Operations: | | | |
| State General Fund | \$ 1,256,010 | \$ 1,105,058 | \$ (14,237) |
| Unclassified Temp. Positions | 15.0 | 13.0 | 0.0 |

* Entire reduction for the Governor's employee salary adjustments.

** Staff of the Guardianship Program are not state employees but are listed here for informational purposes.

Agency Request/Governor's Recommendation

The agency requests expenditures for FY 2000 of \$1,256,010 which is an increase of \$96,851 (8.4 percent) above the FY 1999 estimate. The request includes \$537,126 for salaries and wages, \$674,855 for contractual services, \$17,029 for commodities, and \$27,000 for capital outlay. The agency requests an enhancement package consisting of \$64,520 for two Recruiter/Facilitator positions and \$26,200 to fund related operating expenditures (travel, computer equipment, etc.).

The Governor recommends funding of \$1,105,058 for FY 2000 operating expenditures which is a decrease of \$3,701 (0.3 percent) below the FY 1999 recommendation. The recommendation includes \$476,674 for salaries and wages, \$605,855 for contractual services, \$17,029 for commodities, and \$5,500 for capital outlay. The Governor does not recommend the enhancement package.

Senate Subcommittee Recommendation

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

1. Delete \$14,237 from the State General Fund for the Governor's employee salary adjustment.

Senate Committee of the Whole Recommendation

The Senate Committee concurs with the Subcommittee recommendation.

HOUSE BUDGET COMMITTEE REPORT

Agency: Kansas Guardianship Program

Bill No. 2519

Bill Sec. 56

Analyst: Hollon

Analysis Pg. No. 505

Budget Page No. 181

| <u>Expenditure Summary</u> | <u>Agency Req. FY 2000</u> | <u>Gov. Rec. FY 2000</u> | <u>House Budget Committee Adjustments</u> |
|----------------------------|------------------------------------|------------------------------|---|
| State Operations: | | | |
| State General Fund | \$ 1,256,010 | \$ 1,105,058 | \$ 0 |
| Employee Positions* | 15.0 | 13.0 | 0.0 |

* Staff of the Guardianship Program are not state employees but are listed here for informational purposes.

Agency Request/Governor's Recommendation

The agency requests expenditures for FY 2000 of \$1,256,010 which is an increase of \$96,851 (8.4 percent) above the FY 1999 estimate. The request includes \$537,126 for salaries and wages, \$674,855 for contractual services, \$17,029 for commodities, and \$27,000 for capital outlay. The agency requests an enhancement package consisting of \$64,520 for two Recruiter/Facilitator positions and \$26,200 to fund related operating expenditures (travel, computer equipment, etc.).


The Governor recommends funding of \$1,105,058 for FY 2000 operating expenditures which is a decrease of \$3,701 (0.3 percent) below the FY 1999 recommendation. The recommendation includes \$476,674 for salaries and wages, \$605,855 for contractual services, \$17,029 for commodities, and \$5,500 for capital outlay. The Governor does not recommend the enhancement package.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.



Representative Jo Ann Pottorff



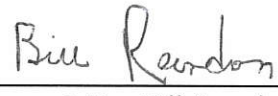
Representative Dan Johnson




Representative Bill McCreary



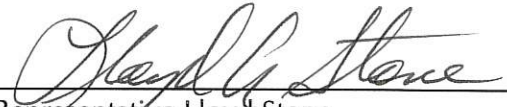
Representative Melvin Minor



Representative Bill Reardon



Representative Joe Shriver



Representative Lloyd Stone

SENATE SUBCOMMITTEE REPORT

Agency: Governmental Ethics Commission

Bill No.

Bill Sec.

Analyst: Hollon

Analysis Pg. No. 1376

Budget Page No. 177

| <u>Expenditure Summary</u> | <u>Agency Est. FY 99</u> | <u>Gov. Rec. FY 99</u> | <u>Senate Subcommittee Adjustments</u> |
|------------------------------|----------------------------------|----------------------------|--|
| State Operations: | | | |
| State General Fund | \$ 377,619 | \$ 377,619 | \$ 0 |
| Special Revenue Funds | <u>147,653</u> | <u>147,653</u> | <u>0</u> |
| TOTAL | <u><u>\$ 525,272</u></u> | <u><u>\$ 525,272</u></u> | <u><u>\$ 0</u></u> |
| | | | |
| FTE Positions | 9.0 | 9.0 | 0.0 |
| Unclassified Temp. Positions | <u>0.6</u> | <u>0.6</u> | <u>0.0</u> |
| TOTAL | 9.6 | 9.6 | 0.0 |

Agency Est./Governor's Recommendation

The agency estimates operating expenditures of \$525,272 for FY 1999 which is a decrease of \$3,997 (0.8 percent) below the approved budget. The estimate includes \$412,006 for salaries and wages, \$93,975 for contractual services, \$5,525 for commodities, and \$13,766 for capital outlay.

The Governor concurs with the agency's request.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendations

The Committee concurs with the Subcommittee's recommendation.

BUDGET COMMITTEE REPORT

Agency: Governmental Ethics Commission

Bill No. --

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. 1376

Budget Page No. 177

| <u>Expenditure Summary</u> | <u>Agency Est. FY 99</u> | <u>Gov. Rec. FY 99</u> | <u>House Budget Committee Adjustments</u> |
|------------------------------|----------------------------------|----------------------------|---|
| State Operations: | | | |
| State General Fund | \$ 377,619 | \$ 377,619 | \$ 0 |
| Special Revenue Funds | <u>147,653</u> | <u>147,653</u> | <u>0</u> |
| TOTAL | <u>\$ 525,272</u> | <u>\$ 525,272</u> | <u>\$ 0</u> |
| | | | |
| FTE Positions | 9.0 | 9.0 | 0.0 |
| Unclassified Temp. Positions | <u>0.6</u> | <u>0.6</u> | <u>0.0</u> |
| TOTAL | <u>9.6</u> | <u>9.6</u> | <u>0.0</u> |

Agency Est./Governor's Recommendation

The agency estimates operating expenditures of \$525,272 for FY 1999 which is a decrease of \$3,997 (0.8 percent) below the approved budget. The estimate includes \$412,006 for salaries and wages, \$93,975 for contractual services, \$5,525 for commodities, and \$13,766 for capital outlay.

The Governor concurs with the agency's request.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.



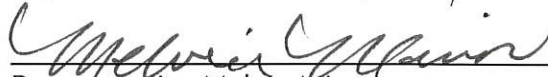
Representative Jo Ann Pottorff, Chair



Representative Dan Johnson



Representative Bill McCreary



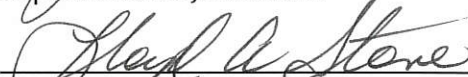
Representative Melvin Minor



Representative Bill Reardon



Representative Joe Shriver



Representative Lloyd Stone

SENATE SUBCOMMITTEE REPORT

Agency: Governmental Ethics Commission

Bill No.

Bill Sec.

Analyst: Hollon

Analysis Pg. No. 1376

Budget Page No. 177

| <u>Expenditure Summary</u> | <u>Agency Req. FY 2000</u> | <u>Gov. Rec. FY 2000</u> | <u>Senate Subcommittee Adjustments*</u> |
|------------------------------|------------------------------------|---------------------------------|---|
| State Operations: | | | |
| State General Fund | \$ 380,872 | \$ 369,631 | \$ (9,386) |
| Special Revenue Funds | <u>156,951</u> | <u>166,513</u> | <u>1,742</u> |
| TOTAL | <u><u>\$ 537,823</u></u> | <u><u>\$ 536,144</u></u> | <u><u>\$ (7,644)</u></u> |
| | | | |
| FTE Positions | 9.0 | 9.0 | 0.0 |
| Unclassified Temp. Positions | <u>0.5</u> | <u>0.4</u> | <u>0.1</u> |
| TOTAL | 9.5 | 9.4 | 0.1 |

* Includes a reduction of \$13,087 (\$9,386 from the State General Fund) for the Governor's employee salary adjustments.

Note: Absent the Subcommittee's adjustment to the Governor's employee salary plan, the total adjustment is an addition of \$5,443 in Other Funds.

Agency Request/Governor's Recommendation

The agency requests operating expenditures of \$537,823 for FY 2000 which is an increase of \$12,551 (2.4 percent) above the FY 1999 estimate. The request includes \$418,399 for salaries and wages, \$107,275 for contractual services, \$5,525 for commodities, and \$6,624 for capital outlay. The agency requests enhancement funding of \$5,443 for one temporary investigator.

The Governor recommends operating expenditures for FY 2000 of \$536,144 which is an increase of \$10,872 (2.1 percent) above the FY 1999 recommendation. The recommendation includes \$416,720 for salaries and wages, \$107,275 for contractual services, \$5,525 for commodities, and \$6,624 for capital outlay. The Governor does not recommend the enhancement request.

PERFORMANCE MEASURES

1. Percentage of individuals receiving Past Due Notices and Notifications of Failure to File required reports and statements.

| | <u>FY 1997</u> | <u>FY 1998</u> | <u>Agency Est. FY 1999</u> | <u>Agency Est. FY 2000</u> |
|-----------------------------------|----------------|----------------|--------------------------------|--------------------------------|
| Campaign Finance | 3.0% | 12.0% | 5.0% | 10.0% |
| Lobbying | 6.0 | 7.0 | 6.0 | 6.0 |
| Statement of Substantial Interest | 1.0 | 7.0 | 5.0 | 5.0 |

2. Number of individuals/committees subject to the Campaign Finance Act, number of reports to be filed, and percentage of compliance reviews completed.

| | <u>FY 1997</u> | <u>FY 1998</u> | <u>Agency Est. FY 1999</u> | <u>Agency Est. FY 2000</u> |
|--|----------------|----------------|--------------------------------|--------------------------------|
| State | 895 | 692 | 615 | 900 |
| Local | 1,656 | 663 | 766 | 1,650 |
| PAC/party | 467 | 453 | 455 | 455 |
| Number of Affidavits | 1,326 | 159 | 515 | 160 |
| Number of Reports | 4,204 | 1,026 | 2,200 | 1,030 |
| Percentage of compliance reviews completed | 100.0% | 100.0% | 100.0% | 100.0% |

3. Number of lobbyist registrations, expenditure reports filed, and percentage of compliance reviews completed.

| | <u>FY 1997</u> | <u>FY 1998</u> | <u>Agency Est. FY 1999</u> | <u>Agency Est. FY 2000</u> |
|--|----------------|----------------|--------------------------------|--------------------------------|
| Registrations | 1,232 | 1,197 | 1,200 | 1,200 |
| Number of Reports | 5,333 | 4,659 | 4,700 | 4,700 |
| Number of Affidavits | 481 | 490 | 500 | 500 |
| Percentage of compliance reviews completed | 100.0% | 100.0% | 100.0% | 100.0% |

Senate Subcommittee Recommendations

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

1. The Subcommittee notes that the agency's fee fund is being depleted to dangerous levels and suggests that alternate funding sources be investigated.
2. The Subcommittee also notes that the number of campaign finance complaints received by the agency from outside sources has increased dramatically during the current year. There have been 18 received this year, but only five in the previous 25 years combined.

6-5

3. Based on the increased number of outside complaints, the Subcommittee recommends funding of \$5,443 for one temporary investigator. This position is to be funded through the agency's fee fund.
4. Delete \$13,087 (\$9,386 from the State General Fund) for the Governor's employee salary adjustments.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendations.

BUDGET COMMITTEE REPORT

Agency: Governmental Ethics Commission

Bill No. 2519

Bill Sec. 38

Analyst: Hollon

Analysis Pg. No. 1376

Budget Page No. 177

| <u>Expenditure Summary</u> | <u>Agency Req. FY 2000</u> | <u>Gov. Rec. FY 2000</u> | <u>House Budget Committee Adjustments</u> |
|------------------------------|------------------------------------|------------------------------|---|
| State Operations: | | | |
| State General Fund | \$ 380,872 | \$ 369,631 | \$ 0 |
| Special Revenue Funds | 156,951 | 166,513 | 5,443 |
| TOTAL | <u>\$ 537,823</u> | <u>\$ 536,144</u> | <u>\$ 5,443</u> |
| FTE Positions | 9.0 | 9.0 | 0.0 |
| Unclassified Temp. Positions | 0.5 | 0.4 | 0.1 |
| TOTAL | <u>9.5</u> | <u>9.4</u> | <u>0.1</u> |

Agency Request/Governor's Recommendation

The agency requests operating expenditures of \$537,823 for FY 2000 which is an increase of \$12,551 (2.4 percent) above the FY 1999 estimate. The request includes \$418,399 for salaries and wages, \$107,275 for contractual services, \$5,525 for commodities, and \$6,624 for capital outlay. The agency requests enhancement funding of \$5,443 for one temporary investigator.

The Governor recommends operating expenditures for FY 2000 of \$536,144 which is an increase of \$10,872 (2.1 percent) above the FY 1999 recommendation. The recommendation includes

\$416,720 for salaries and wages, \$107,275 for contractual services, \$5,525 for commodities, and \$6,624 for capital outlay. The Governor does not recommend the enhancement request.


House Budget Committee Recommendations

The Budget Committee concurs with the Governor's recommendation with the following adjustments and notations:

1. The Budget Committee notes that the agency's fee fund fluctuates a great deal due to election cycles and suggests that the fee structure be reviewed by the Legislature for FY 2001.
2. The Budget Committee is impressed by the number of individuals utilizing the agency's Internet site and, in particular, the number of individuals seeking information concerning advisory opinions.
3. The Budget Committee also notes that the number of campaign finance complaints received by the agency from outside sources has increased dramatically during the current year. There have been 18 received this year, but only five in the previous 25 years combined.
4. Increase the expenditure limitation on the agency's fee fund by \$5,443 for one temporary investigator, based on the increased number of outside complaints.



Representative Jo Ann Pottorff, Chair



Representative Dan Johnson



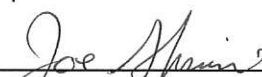
Representative Bill McCreary



Representative Melvin Minor



Representative Bill Reardon



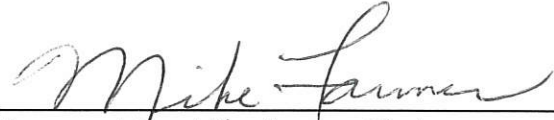
Representative Joe Shriver



Representative Lloyd Stone

STATE DEPARTMENT OF EDUCATION

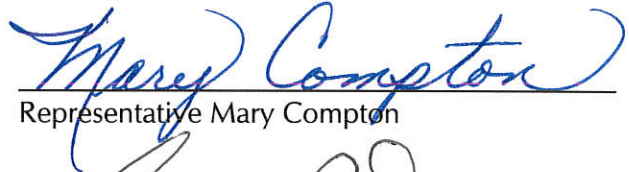
FY 1999 and FY 2000



Representative Mike Farmer, Chairperson



Representative Barbara Allen



Representative Mary Compton



Representative George Dean



Representative Annie Kuether



Representative Kathe Lloyd



Representative Richard Reinhardt



Representative Clark Shultz



Representative Ralph Tanner

SUBCOMMITTEE REPORT

Agency: State Department of Education

Bill No. –

Bill Sec. –

Analyst: Rampey

Analysis Pg. No. 29

Budget Page No. 145

| <u>Expenditure Summary</u> | <u>Agency Estimate FY 99</u> | <u>Gov. Rec. FY 99</u> | <u>Senate Subcommittee Adjustments</u> |
|----------------------------|--------------------------------------|--------------------------------|--|
| All Funds: | | | |
| State Operations | \$ 19,086,648 | \$ 18,936,648 | \$ 0 |
| Aid to Local Units | 2,419,421,379 | 2,413,441,906 | 0 |
| Other Assistance | 30,291,973 | 30,291,973 | 0 |
| TOTAL | <u>\$ 2,468,800,000</u> | <u>\$ 2,462,670,527</u> | <u>\$ 0</u> |
| State General Fund: | | | |
| State Operations | \$ 9,362,889 | \$ 9,212,889 | \$ 0 |
| Aid to Local Units | 2,191,407,237 | 2,182,277,764 | 0 |
| Other Assistance | 319,222 | 319,222 | 0 |
| TOTAL | <u>\$ 2,201,089,348</u> | <u>\$ 2,191,809,875</u> | <u>\$ 0</u> |
| FTE Positions | 208.5 | 208.5 | 0.0 |
| Unclass. Temp. Pos. | 37.9 | 37.9 | 0.0 |
| TOTAL | <u>246.4</u> | <u>246.4</u> | <u>0.0</u> |

AGENCY OVERVIEW

The State Board of Education is a ten-member elected board established by the Kansas Constitution. It is responsible for the general supervision of public schools and all other educational interests of the state that are not under the jurisdiction of the Kansas Board of Regents. Its duties include accrediting elementary and secondary schools; establishing standard courses of study in the public schools; certifying teachers and administrators; approving public and private teacher education programs; administering a variety of state and federal aid programs; licensing proprietary schools; and supervising area vocational schools, technical colleges, and community colleges.

Agency Estimate/Governor's Recommendation

The State Department of Education estimates expenditures in FY 1999 of \$2,468,800,000. The amount is an increase of \$2,414,732 from the State General Fund (SGF) as the result of \$287,259 in savings carried forward as an unlimited reappropriation, \$150,000 requested as a supplemental appropriation to allow Kansas to participate in an international assessment of eighth graders in science and math, \$167,641 requested as a supplemental appropriation for juvenile detention facilities grants, and revisions made to estimated expenditures for several state aid programs. Revisions also are made to estimated expenditures from several federal funds as the result of more recent information about how much money will be available. Since submitting its budget, the State Department has withdrawn its

request for funding for the international assessment of eighth graders because it now is too late in the year to participate in the activity.

The Governor recommends a total of \$2,462,670,527, which differs from the State Department's estimate primarily because the Governor had more recent information about estimated expenditures for several major state aid programs. (The State Department concurs with the Governor's estimates.) Areas of difference consist of the Governor recommending \$100,000 for juvenile detention facilities (\$67,641 less than requested) and not recommending \$150,000 for the eighth grade assessment.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations, but calls attention to the following matter:

1. The 1998 Legislature enacted S.B. 298 which gives the State Board of Education the authority to deny applications for teaching certificates to persons who have been convicted of certain criminal offenses. The bill requires the county or district attorney to report to the State Department the name of persons who have committed an offense or have entered into a diversion agreement in connection with offenses addressed by the legislation. The State Department then cross-checks names reported against applications for initial teacher certification or renewal and does not grant licensure to applicants who are barred from teaching.

According to the State Department, it is not receiving reports from county and district attorneys. Therefore, the State Department is considering having the Kansas Bureau of Investigation (KBI) do a background check on the approximately 35,000 persons who currently hold teacher or administrator certification and thereafter have a check made of applicants for initial licensure. The KBI has informed the State Department that each check will cost \$3.75, for a total of \$131,250 to do the initial check of current licensees.

This total seems high to the Subcommittee. Therefore, it requests that the Senate Subcommittee charged with reviewing the budget of the KBI take this matter up with the agency and see if some arrangement can be made to reduce the cost of the checks.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

HOUSE BUDGET COMMITTEE REPORT

Agency: State Department of Education

Bill No. 2521

Bill Sec. 21

Analyst: Rampey

Analysis Pg. No. 29

Budget Page No. 145

| <u>Expenditure Summary</u> | <u>Agency Estimate FY 99</u> | <u>Gov. Rec. FY 99</u> | <u>House Budget Committee Adjustments</u> |
|----------------------------|----------------------------------|----------------------------|---|
| All Funds: | | | |
| State Operations | \$ 19,086,648 | \$ 18,936,648 | \$ 160 |
| Aid to Local Units | 2,419,421,379 | 2,413,441,906 | 0 |
| Other Assistance | 30,291,973 | 30,291,973 | 0 |
| TOTAL | <u>\$ 2,468,800,000</u> | <u>\$ 2,462,670,527</u> | <u>\$ 160</u> |
| State General Fund: | | | |
| State Operations | \$ 9,362,889 | \$ 9,212,889 | \$ 160 |
| Aid to Local Units | 2,191,407,237 | 2,182,277,764 | 0 |
| Other Assistance | 319,222 | 319,222 | 0 |
| TOTAL | <u>\$ 2,201,089,348</u> | <u>\$ 2,191,809,875</u> | <u>\$ 160</u> |
| FTE Positions | 208.5 | 208.5 | 0.0 |
| Unclass. Temp. Pos. | 37.9 | 37.9 | 0.0 |
| TOTAL | <u>246.4</u> | <u>246.4</u> | <u>0.0</u> |

House Budget Committee Recommendations

The House Budget Committee concurs with the recommendations of the Governor, with the following exception:

1. Add \$160 from the State General Fund to reimburse a community college for tuition waived in school year 1998-99 for a student who was a dependent of a public safety officer killed in the line of duty. The waiver is provided for in K.S.A. 75-4634 enacted by the 1996 Legislature. The Budget Committee's recommendation would add \$160 and authorize that it be transferred to the State Department's Tuition and Fee Waiver Reimbursement Fund.

SUBCOMMITTEE REPORT

Agency: State Department of Education

Bill No. –

Bill Sec. –

Analyst: Rampey

Analysis Pg. No. 29

Budget Page No. 145

| <u>Expenditure Summary</u> | <u>Agency Request FY 00</u> | <u>Gov. Rec. FY 00</u> | <u>Senate Subcommittee Adjustments</u> |
|----------------------------|-------------------------------------|--------------------------------|--|
| All Funds: | | | |
| State Operations | \$ 19,110,204 | \$ 18,544,269 | \$ (239,906)* |
| Aid to Local Units | 2,601,595,856 | 2,544,718,192 | 300,000 |
| Other Assistance | 30,737,412 | 30,727,249 | 0 |
| TOTAL | <u>\$ 2,651,443,472</u> | <u>\$ 2,593,989,710</u> | <u>\$ 60,094</u> |
| State General Fund: | | | |
| State Operations | \$ 9,832,941 | \$ 9,216,061 | \$ (52,068)* |
| Aid to Local Units | 2,385,762,135 | 2,311,373,364 | 250,000 |
| Other Assistance | 552,385 | 292,222 | 0 |
| TOTAL | <u>\$ 2,396,147,461</u> | <u>\$ 2,320,881,647</u> | <u>\$ 197,932</u> |
| FTE Positions | 208.5 | 208.5 | 0.0 |
| Unclass. Temp. Pos. | 36.9 | 36.9 | 0.0 |
| TOTAL | <u>245.4</u> | <u>245.4</u> | <u>0.0</u> |

* Includes a reduction of \$389,906 (\$202,068 from the State General Fund) for the Governor's employee salary adjustments.

Agency Request/Governor's Recommendation

The State Department of Education requests a total of \$2,651,443,472 for FY 2000, of which \$2,396,147,461 would be from the State General Fund (SGF). The amount is an increase of \$195.0 million over the State Department's estimate for the current year. Items that account for the greatest increase are general and supplemental general state aid (an increase of \$113,607,208) and special education (an increase of \$53.0 million). The State Board of Education requests an increase of \$75 in Base State Aid Per Pupil (BSAPP) and 100 percent funding of special education excess costs.

The Governor recommends expenditures of \$2,593,989,710, of which \$2,320,881,647 would be from the SGF. The Governor's SGF recommendation is an increase of \$129.1 million over his FY 1999 recommendation and includes funding for a \$35 increase in BSAPP and for 85 percent of special education excess costs.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations, with the following exceptions and comments:

7-5

Agency Operations

1. Delete \$389,906, of which \$202,068 is from the SGF, based on the decision to delete funding for the Governor's recommended pay plan adjustments. The adjustments consist of \$120,549 for a 2.5 percent classified step movement, \$82,118 for longevity bonus payments, \$72,186 for a 1.0 percent classified base salary adjustment, and \$115,053 for a 3.5 percent unclassified merit pool.
2. Add \$150,000 from the SGF for student assessments, for a SGF total of \$1,255,000. The addition would allow the State Board to initiate diagnostic reading tests for second graders. Part of the money would be used to help participating districts administer the tests and the rest would be used to pay the University of Kansas to validate the tests used. The Subcommittee agrees with the State Board that it is important to identify reading problems in the early grades.

State Aid and Other Assistance Programs

1. The Subcommittee concurs with the Governor's recommendations for general and supplemental general state aid, which would fund a \$35 increase in Base State Aid Per Pupil (BSAPP), lower the correlation weighting threshold from 1,750 students to 1,725, increase at-risk weighting from 8.0 percent to 9.0 percent, and expand the four-year old at-risk program from 1,350 students to 1,794. Because these changes would require a change in law, the Subcommittee recognizes that funding for school finance would have to be reconsidered at the end of the Session if legislation to implement the Governor's recommendations is not enacted as introduced.

The Subcommittee also flags for Omnibus consideration the matter of using money from the tobacco settlement. The Governor's recommendation uses \$5.1 million to help fund general state aid, \$777,833 to help fund the parent education program, and \$250,000 to fund part of a new discretionary grants program. Nobody knows when tobacco money will be available or what developments could affect the amount the states get, such as the bankruptcy of tobacco companies that are party to the settlement. Counting on money that might not come means programs would have to be cut or the money would have to be replaced. Furthermore, if the state does not get the money until the guaranteed date of June 30, 2000, the State Department says it will be too late to spend it in FY 2000. For these reasons, the Subcommittee believes the use of tobacco money in FY 2000 should be reviewed at the end of the Session when more information is available.

2. Add \$50,000 from the Economic Development Initiatives Fund for technology innovation grants to community colleges, area vocational schools, and technical colleges, for a total of \$250,000. Although the increase does not restore the program to the \$500,000 level of funding it had in prior years, it would provide additional funds for grants and internships to job training institutions for start-up support for innovative technical courses or programs in emerging technologies.
3. Add \$100,000 for Adult Basic Education, for a total of \$1,100,000. Services for adults who need basis skills in order to get jobs are among the most important the

state can provide and the Subcommittee strongly supports efforts of educational institutions in this regard.

4. Delete all funding (\$300,000 from the SGF) for Skilled Workforce Enhancement Grants, a new program recommended by the Governor. The Governor's recommendation would make \$10,000 available to each community college, area vocational school, and technical college for equipment, training opportunities, or any other purpose that would expand the workforce training capabilities of the institution. Instead, the Subcommittee recommends \$450,000 from the SGF for technology grants to community colleges and Washburn University, a program with a record of success that the Governor did not fund.
5. The Subcommittee concurs with the Governor's recommendation to provide \$2.5 million in vocational education capital outlay aid for area vocational school and technical colleges. Although the statutory purpose of the program includes funding for building construction, remodeling, and repairs, traditionally the money has been used to purchase equipment. However, the Subcommittee knows that many of the facilities were built in the 1960s and are in need of repair. For that reason, it states for the record that it does not discourage the State Board of Education from approving requests for capital improvements when a strong case can be made that the improvements are necessary.
6. The Subcommittee concurs with the Governor's recommendation to provide a total of \$26,401,234 from the SGF and the EDIF for postsecondary aid for area vocational schools and technical colleges. The amount is an increase of \$819,200 (3.2 percent) over the FY 1999 appropriation. The Subcommittee expresses its support for the job training and retraining programs offered by the institutions and notes that the appropriation for FY 1999 was an increase of only 1.8 percent over FY 1998.
7. The Subcommittee calls attention to a proposal by the State Board to create a design for connecting school districts, area vocational schools, and community colleges through a state technology infrastructure. The infrastructure also could serve the state universities, public libraries, hospitals, state and local units of government, and other similar organizations. The State Department has appointed an advisory committee comprised of representatives of the State Department, the Division of Information Services and Communications (DISC), and school districts to develop a framework or backbone that could be used to connect all school districts within the next 18 months and begin the research and development of a more advanced system to be recommended by the year 2002. Under the plan, school districts all would have Internet access, data transfer, and full motion video. The cost of the full range of services that would be available to schools, state agencies, and higher education institutions is estimated to be \$11.8 million the first year and \$8.9 million thereafter.

Although no specific funding for the proposal was requested, the State Board indicated that it would be willing to forego part of any recommended funding for school district, area vocational school, and community college technology in order to make funds available to develop the technology framework.

The Subcommittee is interested in the proposal because it believes schools should have access to available technology at a reasonable cost. The Subcommittee encourages the State Department to continue to work with DISC and to make the

Joint Committee on Information Technology aware of its activities. The Subcommittee invites the State Board to submit a specific proposal for consideration in the Omnibus Bill.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee, with the following exception:

1. Note for possible consideration in the Omnibus Bill a proposal by the State Historical Society to develop material (including teacher packets, workbooks, a textbook, videos, and other resources) that can be used to teach Kansas history to students in grades K through 12. The Society's plan is to provide Kansas teachers with material in preparation for social studies assessments of students that will begin in the spring of 2001. The educational materials would take three years to develop, at a total cost of \$1.4 million. First year cost (FY 2000) would be \$185,000.
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HOUSE BUDGET COMMITTEE REPORT

Agency: State Department of Education

Bill No. 2519

Bill Sec. 57

Analyst: Rampey

Analysis Pg. No. 29

Budget Page No. 145

| <u>Expenditure Summary</u> | <u>Agency Request FY 00</u> | <u>Gov. Rec. FY 00</u> | <u>House Budget Committee Adjustments</u> |
|----------------------------|---------------------------------|----------------------------|---|
| All Funds: | | | |
| State Operations | \$ 19,110,204 | \$ 18,544,269 | \$ 0 |
| Aid to Local Units | 2,601,595,856 | 2,544,718,192 | (5,777,833) |
| Other Assistance | 30,737,412 | 30,727,249 | (250,000) |
| TOTAL | <u>\$ 2,651,443,472</u> | <u>\$ 2,593,989,710</u> | <u>\$ (6,027,833)</u> |
| State General Fund: | | | |
| State Operations | \$ 9,832,941 | \$ 9,216,061 | \$ 0 |
| Aid to Local Units | 2,385,762,135 | 2,311,373,364 | 100,000 |
| Other Assistance | 552,385 | 292,222 | 0 |
| TOTAL | <u>\$ 2,396,147,461</u> | <u>\$ 2,320,881,647</u> | <u>\$ 100,000</u> |
| FTE Positions | 208.5 | 208.5 | 0.0 |
| Unclass. Temp. Pos. | 36.9 | 36.9 | 0.0 |
| TOTAL | <u>245.4</u> | <u>245.4</u> | <u>0.0</u> |

House Budget Committee Recommendations

The House Budget Committee concurs with the recommendations of the Governor, with the following exceptions:

1. Delete \$6,127,833 from the Children’s Health Care Programs Fund (tobacco money), allocated by the Governor to the following programs:
 - a. \$4.1 million to increase at-risk weighting in the school finance formula from 8.0 percent to 9.0 percent;
 - b. \$1.0 million to expand the four-year old at-risk program in the school finance formula from 1,350 students to 1,794;
 - c. \$777,833 to expand the parent education program from \$4,667,000 to \$5,444,833; and
 - d. \$250,000 for a new Discretionary Grants Fund to be used by the State Board of Education to fund meritorious programs. (The Budget Committee’s recommenda-

7-9

tion would leave \$100,000 from the State General Fund for the Discretionary Grants Fund.)

The Budget Committee wants to clearly state that its recommendation is not based on the merits of the programs affected. In fact, the Budget Committee requests that the Governor submit an amendment to his budget to address how the tobacco money could be replaced in order to accomplish his recommendations.

The Budget Committee's action is based on the fact that the most recent information available indicates that tobacco money most likely will not be received by states until shortly after June 30, 2000. The Department of Education has indicated that even if the money were to be received on June 30, 2000, it still would be too late to distribute in FY 2000. The level of uncertainty surrounding receipt of the tobacco money makes it too risky to use in FY 2000.

The Budget Committee rejects the alternative of reducing funding for other programs in order to replace tobacco money. However, it notes that the Consensus Estimating Group will meet in early April to consider the condition of state revenues. It is possible that replacing tobacco money with money from the State General Fund could be considered later in the Session when more recent information about state revenues is available.

2. As a consequence of its recommendation to delete \$777,833 from tobacco money for the parent education program, the Budget Committee recommends that the local match remain at 75 percent, not be reduced to 50 percent, as recommended by the Governor.
3. Increase from \$1.0 million to \$2.0 million the amount of unanticipated savings in general state aid to schools that could be transferred to the inservice education program. The 1998 Legislature appropriated \$3.0 million for inservice education, but also added a proviso that if there were unanticipated savings in general state aid, up to \$1.0 million in savings could be transferred to inservice education. Those savings were transferred in the current year and the Governor recommends the same procedure in FY 2000—an appropriation of \$3.0 million and a transfer of savings up to \$1.0 million. The Budget Committee's recommendation would increase the transfer cap to \$2.0 million.
4. Add \$100,000 from the State General Fund for adult basic education, for a total of \$1.1 million. The Budget Committee believes that adult basic education is one of the most worthwhile programs the state supports in terms of return on the investment of state dollars. The additional amount recommended by the Budget Committee would help address waiting lists that exist at a number of adult education centers around the state.
5. The Budget Committee calls attention to the definition of "at-risk student," a matter it believes merits further consideration by the Legislature. For purposes of determining the amount of funding a school district will receive for at-risk programs under the school finance law, a weight is applied to students who are eligible for free lunches. Once money is received by the district, it may provide services through a

program that has been approved by the State Board of Education to any student who is considered to be at risk. While the Budget Committee acknowledges a correlation between low income and at-risk factors, it is sympathetic to the need to develop a definition of at-risk for funding purposes that recognizes factors other than income.

Under the Governor's recommendation, the at-risk weighting factor would generate \$339 a year for each student who is eligible for a free lunch, or \$1.88 per day per low-income child. The Budget Committee is concerned that this amount of money is not enough for school districts to provide programs to meet existing needs and believes a better way should be devised to identify children who need help.

6. The Budget Committee was informed that legislation enacted by the 1998 Legislature intended to keep people out of the classroom who have been convicted of certain criminal offenses is not working as intended. The 1998 Legislature enacted S.B. 298 which gives the State Board of Education the authority to deny applications for teaching certificates to persons who have been convicted of certain criminal offenses. The bill requires the county or district attorney to report to the State Board the name, address, and Social Security number of any person who has been determined to have committed an offense or to have entered into a diversion agreement in connection with a charge for an offense addressed by the legislation. The State Department then cross-checks names reported to it against applications for initial teacher certification or renewal and does not grant licensure to applicants who are barred from teaching.

According to the State Department, it is not receiving reports from county and district attorneys. An alternative the State Department proposes is that the Kansas Bureau of Investigation (KBI) could do a background check on the approximately 35,000 persons who currently hold teacher or administrator certification, but the KBI says this would cost \$3.75 per person, or \$131,250.

The Budget Committee does not think the State Department should pay \$131,250 from the Certification Fee Fund to get data local officials are required to report and has asked the State Department to provide further information about counties that have failed to respond.

7. The Budget Committee calls attention to the fact that school districts, community colleges, Washburn University, area vocational schools, and technical colleges received \$13.0 million for technology in FY 1999, but will get no specific funding for technology equipment for FY 2000 under the Governor's recommendation. (Limited purchases for technology equipment could be made from the vocational education capital outlay program.)

The Budget Committee is concerned that technological needs of the state's educational institutions are unmet and that the state does not have an overall plan to develop a statewide telecommunications infrastructure or backbone to connect local school districts, community colleges, area vocational schools, technical colleges, and public universities. Such an infrastructure also could connect with public libraries, hospitals, state and local units of government, and other similar organizations.

The Budget Committee understands that the State Department of Education has appointed an advisory committee comprised of representatives of the State Department, the Division of Information Services and Communications, and school districts to develop a framework that could be used to connect all school districts within the next 18 months and begin the research and development of a more advanced system to be recommended by the year 2002. Under the plan, school districts all would have Internet access, data transfer, and full motion video. The cost of the full range of services that would be available to schools, state agencies, and higher education institutions is estimated to be \$11.8 million the first year and \$8.9 million thereafter.

The Budget Committee believes access to technology is important for students and encourages the efforts of the State Department and the other agencies involved to develop a state telecommunications infrastructure. It asks the State Department to keep the Legislature informed of its progress.

8. The Budget Committee calls attention to a proposal by the State Historical Society to develop material, such as teacher packets, workbooks, a textbook, and videos, that can be used to teach Kansas history to students in grades K through 12. The Society's plan is to provide Kansas teachers with material in preparation for social studies assessments of students that will begin in the spring of 2001. The educational materials would take three years to develop, at a total cost of \$1.4 million. First year cost (FY 2000) would be \$185,000. The Budget Committee recommends that the proposal be considered in the Omnibus Bill.

The 1988 Legislature required the State Board of Education to provide for a course of instruction in Kansas history and government. The course is required of students who graduate from an accredited high school in Kansas. According to the State Historical Society, not enough effort has gone into developing high quality material that teachers can use in the classroom when they teach the history of the state.

Representative Barbara Allen

March 18, 1999

Amendment to Subcommittee Report on the Budget of the
State Department of Education

Add \$3,835,746 from the State General Fund for special education, for a total of \$234,905,184. That amount would fund an estimated 86.4 percent of special education excess costs, which is the same percentage as the current year. The Governor's recommendation of \$231,069,438 would fund only 85 percent of excess costs. (The appropriation for FY 1999 is \$218,844,174.)

Attachment 8-1
House Appropriations Committee
March 18 1999



Agency Memorandum



March 15, 1999

TO: Dale M. Dennis, Deputy Commissioner

FROM: *mh* Melissa Holder, Certification and Teacher Education

RE: Status Report on 1998 SB 298, as requested by Appropriations Subcommittee on Education

On August 17, 1998, the Certification and Teacher Education (CTE) Team, with the assistance of Legal Services, distributed letters to all County Attorney's Offices in Kansas offering assistance to them in implementing the reporting requirements found in subsection(e) of New Section 1 of the 1998 Senate Bill 298. The CTE team developed a Senate Bill 298 database which matches individuals who are reported against the Certification database of educators. The CTE team also developed a reporting form for the county attorney's to use but also directed them if they already utilize a document which contains the information on the reporting form, to use their own form. To this date, the CTE team has received information from the following counties:

1. Sedgwick - 735 individuals reported
2. Geary - 40 individuals reported
3. Montgomery - 74 individuals reported
4. McPherson - 22 individuals reported
5. Sumner - 49 individuals reported
6. Coffey - 12 individuals reported
7. Neosho - 4 individuals reported
8. Ford - 1 individual reported
9. Douglas - 50 individuals reported
10. Lyon - 1 individual reported
11. Butler - 1 individual reported
12. Johnson - 1 individual reported
13. Seward - 1 individual reported

Since this reporting process began, the CTE team has had 4 individuals who have matched against the Certification database. Three of the individuals have currently valid teaching certificates and the 4th individual only has test scores on file. The CTE team is in the process of sending out another reminder letter to all County Attorney's offices regarding this law, as well as to the Kansas County and District Attorney's Association.

cc: Ken Bungert, Director Certification and Teacher
Kevin Ireland, Legal Services

Attachment 9-1
House Appropriations Committee
March 18, 1999

House Budget Committee Reports

Attorney General FY 1999



Representative Tony Powell,
Subcommittee Chair



Representative Rocky Nichols



Representative Jeff Peterson



Representative Peggy Palmer



Representative Eber Phelps

SENATE SUBCOMMITTEE REPORT

Agency: Attorney General

Bill No. –

Bill Sec. –

Analyst: Rampey

Analysis Pg. No. 1471

Budget Page No. 73

| Expenditure Summary | Agency Estimate FY 99 | Gov. Rec. FY 99 | Senate Subcommittee Adjustments |
|------------------------------|-----------------------------|-----------------------------|---------------------------------------|
| All Funds: | | | |
| State Operations | \$ 8,583,971 | \$ 8,194,085 | \$ 0 |
| Aid to Local Units | 6,390,377 | 6,390,377 | 0 |
| Other Assistance | 3,500,000 | 3,500,000 | 0 |
| TOTAL | <u>\$ 18,474,348</u> | <u>\$ 18,084,462</u> | <u>\$ 0</u> |
| State General Fund: | | | |
| State Operations | \$ 5,599,647 | \$ 5,209,760 | \$ 0 |
| Aid to Local Units | 0 | 0 | 0 |
| Other Assistance | 0 | 0 | 0 |
| TOTAL | <u>\$ 5,599,647</u> | <u>\$ 5,209,760</u> | <u>\$ 0</u> |
| Other Funds: | | | |
| State Operations | \$ 2,984,324 | \$ 2,984,324 | \$ 0 |
| Aid to Local Units | 6,390,377 | 6,390,377 | 0 |
| Other Assistance | 3,500,000 | 3,500,000 | 0 |
| TOTAL | <u>\$ 12,874,702</u> | <u>\$ 12,874,702</u> | <u>\$ 0</u> |
| FTE Positions | 86.8 | 86.8 | - |
| Unclassified Temp. Positions | 14.0 | 0.0 | - |
| TOTAL | <u>100.8</u> | <u>86.8</u> | <u>-</u> |

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 and Abuse Division, the Crime Victims Compensation Board, and the Criminal Justice Information System; 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 main office of the Attorney General is in the Kansas Judicial Center. The agency also

10-2

has offices in the Jayhawk Tower. The Attorney General expects to move into the Memorial Building in December of 1999.

Agency Estimate/Governor's Recommendation

The Attorney General estimates expenditures of \$18,474,348 in FY 1999, of which \$5,599,647 is from the State General Fund (SGF). The original estimate of SGF expenditures was \$17,685 more than approved, primarily because water litigation with Nebraska was expected to cost \$995,000 or \$15,000 more than approved. However, after submitting its budget, the Attorney General has revised the estimate downward to \$655,113 because activities have not proceeded as quickly as anticipated. The Governor recommends expenditures of \$18,084,462, of which \$5,209,760 is from the SGF. The main difference between the Governor's recommendation and the original agency estimate is that the Governor takes into account the revised figure for Nebraska water litigation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor.

Senate Committee Recommendations

The Senate Committee concurs with the recommendations of the Subcommittee, with the following exception:

1. Reduce expenditures from the State General Fund by \$50,000 and increase expenditures from the Court Cost Fund by the same amount. The effect of the recommendation would be to shift more expenditures for the operations of the consumer protection division from the State General Fund to the Court Cost Fund. Taking into account the Committee's recommendation, the Court Cost Fund will have ending balances at the end of FY 1999 that are estimated to be \$246,165.

HOUSE BUDGET COMMITTEE REPORT

Agency: Attorney General

Bill No. 2521

Bill Sec. 9

Analyst: Rampey

Analysis Pg. No. 1471

Budget Page No. 73

| Expenditure Summary | Agency Estimate FY 99 | Gov. Rec. FY 99 | House Budget Committee Adjustments |
|------------------------------|-----------------------------|----------------------|--|
| All Funds: | | | |
| State Operations | \$ 8,583,971 | \$ 8,194,085 | \$ 0 |
| Aid to Local Units | 6,390,377 | 6,390,377 | 0 |
| Other Assistance | 3,500,000 | 3,500,000 | 0 |
| TOTAL | <u>\$ 18,474,348</u> | <u>\$ 18,084,462</u> | <u>\$ 0</u> |
| State General Fund: | | | |
| State Operations | \$ 5,599,647 | \$ 5,209,760 | \$ 0 |
| Aid to Local Units | 0 | 0 | 0 |
| Other Assistance | 0 | 0 | 0 |
| TOTAL | <u>\$ 5,599,647</u> | <u>\$ 5,209,760</u> | <u>\$ 0</u> |
| Other Funds: | | | |
| State Operations | \$ 2,984,324 | \$ 2,984,324 | \$ 0 |
| Aid to Local Units | 6,390,377 | 6,390,377 | 0 |
| Other Assistance | 3,500,000 | 3,500,000 | 0 |
| TOTAL | <u>\$ 12,874,702</u> | <u>\$ 12,874,702</u> | <u>\$ 0</u> |
| FTE Positions | 86.8 | 86.8 | - |
| Unclassified Temp. Positions | 14.0 | 0.0 | - |
| TOTAL | <u>100.8</u> | <u>86.8</u> | <u>-</u> |

House Budget Committee Recommendation

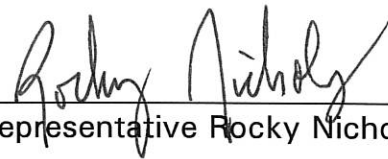
The House Budget Committee concurs with the recommendations of the Governor.

House Budget Committee Reports

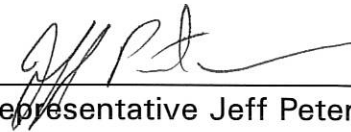
Attorney General FY 2000



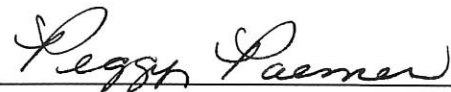
Representative Tony Powell,
Subcommittee Chair



Representative Rocky Nichols



Representative Jeff Peterson



Representative Peggy Palmer



Representative Eber Phelps

SENATE SUBCOMMITTEE REPORT

Agency: Attorney General

Bill No. –

Bill Sec. –

Analyst: Rampey

Analysis Pg. No. 1471

Budget Page No. 73

| <u>Expenditure Summary</u> | <u>Agency Request FY 00</u> | <u>Gov. Rec. FY 00</u> | <u>Senate Subcommittee Adjustments</u> |
|------------------------------|---------------------------------|-----------------------------|--|
| All Funds: | | | |
| State Operations | \$ 9,093,388 | \$ 8,532,890 | \$ (154,094) * |
| Aid to Local Units | 6,890,377 | 6,890,377 | 0 |
| Other Assistance | 3,500,000 | 3,500,000 | 0 |
| TOTAL | <u>\$ 19,483,765</u> | <u>\$ 18,923,267</u> | <u>\$ (154,094)</u> |
| State General Fund: | | | |
| State Operations | \$ 6,103,782 | \$ 5,574,909 | \$ (102,642) |
| Aid to Local Units | 0 | 0 | 0 |
| Other Assistance | 0 | 0 | 0 |
| TOTAL | <u>\$ 6,103,782</u> | <u>\$ 5,574,909</u> | <u>\$ (102,642)</u> |
| Other Funds: | | | |
| State Operations | \$ 2,989,606 | \$ 2,957,981 | \$ (51,452) |
| Aid to Local Units | 6,890,377 | 6,890,377 | 0 |
| Other Assistance | 3,500,000 | 3,500,000 | 0 |
| TOTAL | <u>\$ 13,379,983</u> | <u>\$ 13,348,358</u> | <u>\$ (51,542)</u> |
| FTE Positions | 94.8 | 86.8 | 2.0 |
| Unclassified Temp. Positions | 6.0 | 0.0 | (2.0) |
| TOTAL | <u>100.8</u> | <u>86.8</u> | <u>0.0</u> |

* The change consists entirely of a reduction of \$154,094 (\$102,642 from the State General Fund) for the Governor's employee salary adjustments.

Agency Request/Governor's Recommendation

The Attorney General requests a total of \$19,483,765 for FY 2000, of which \$6,103,782 would be from the SGF. The request includes \$362,460 for costs associated with the move to the Memorial Building in December, 1999; \$113,625 for computers; 1.0 FTE position to work with the Child Death Review Board; permanent employment status for 7.0 FTE positions that currently are unclassified temporary position (with no associated increase in funding); \$1,105,000 for water litigation with Colorado; and \$1,015,000 for water litigation with Nebraska.

The Governor recommends a total of \$18,923,267 for FY 2000, of which \$5,574,909 would be from the SGF. The Governor recommends all of the requested funding for the move to the Memorial Building (\$362,460). The Governor does not recommend funding for computers or for the requested new position. The Governor also does not recommend that the 7.0 FTE unclassified temporary positions be made permanent. With regard to water litigation, the Governor recommends expenditure of \$1,015,000 for litigation with Nebraska, as requested, but recommends \$739,887 for litigation with Colorado, which is \$365,113 less than requested by the Attorney General.

Senate Subcommittee Recommendations

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

1. Delete \$154,094, of which \$102,642 is from the SGF, based on the decision to delete funding for the Governor's recommended pay plan adjustments. The adjustments consist of \$1,715 for a 2.5 percent classified step movement, \$703 for a 1.0 percent classified base salary adjustment, and \$151,676 for a 3.5 percent unclassified merit pool.
2. Change one position in the death penalty unit from unclassified temporary to permanent in order to give the employee job security. There is no fiscal impact of the action because the position currently is funded. The position is one of two that the Attorney General hired in FY 1998 using a federal grant which will phase out after FY 2001. (The General requested that both positions be made permanent.) The death penalty unit currently has 2.0 FTE positions assigned to it, in addition to the two temporary employees.

The Attorney General prosecuted the first death penalty case in FY 1998. Two other death penalty cases recently were prosecuted and eight other death penalty or potential death penalty cases are currently being handled by the office. The Subcommittee has no reason to believe the death penalty caseload will go down. The number of new cases and cases on appeal make it essential that the Attorney General have experienced staff to prosecute cases and provide assistance to local prosecutors upon request. The Subcommittee's recommendation would make it more likely that competent, experienced staff will be maintained.

3. Change one unclassified temporary position in the consumer protection division to permanent in order to give the employee job security. There would be no fiscal impact of the action because the position currently is funded from the Court Cost Fund (recouped fees from consumer protection violations). The consumer protection division has 15.0 FTE positions in addition to four unclassified temporary positions. (The General requested that all four temporary positions be made permanent.)

The caseload of the consumer protection division increased by almost 40 percent in FY 1997 and the number of complaints investigated has been around 7,000 per year since then. The actual number of complaints resolved or closed increased by 25 percent from FY 1997 to FY 1998. When temporary positions were added two years ago, the Attorney General informed the Subcommittee that a request to make the

positions permanent would be made if the positions could be justified on the basis of the division's workload. The Subcommittee believes the case has been made and recommends that one of the positions be made permanent.

4. The Subcommittee was asked to add a new position to the Child Death Review Board to assist in educating the public about children's health, safety, and maltreatment issues and to provide technical assistance to communities. The Subcommittee agrees that the work of the Child Death Review Board must be supported, but believes agencies that are represented on the Board, including the Department of Social and Rehabilitation Services, the Department of Health and Environment, and the State Department of Education, could play a more active role in providing public education and training to their constituent groups. The Subcommittee encourages the Board to look to the agencies and groups its members represent to meet some of the needs it has identified.
5. The Subcommittee calls attention to a request made by the Attorney General to pick up the salary of a position in the Attorney General's Office who is coordinating the implementation of the Criminal Justice Information System (CJIS). The General chairs the Criminal Justice Coordinating Council, a multi-agency body that supervises the implementation of the information system and, at the request of the Council, hired an unclassified temporary employee in January 1998 to coordinate the implementation of the system for two years. The salary for the position is being paid for from a Byrne grant transferred from the Sentencing Commission. The General is asking that the position be made permanent in FY 2000 and be paid for from the SGF beginning in January 2000.

Information presented to the Subcommittee indicates that there is a possibility additional grant funding could be obtained to retain the temporary position until the end of FY 2000. The Subcommittee suggests that the issue be considered by the 2000 Legislature when the Attorney General's budget is reviewed and more information is available about additional grant funding.

6. For the last two years, this Subcommittee has monitored receipts to the Court Cost Fund and recommended a shift in expenditures for the consumer protection division that had the effect of reducing expenditures from the SGF by \$250,000 in FY 1997 and by \$200,000 in FY 1998. (Receipts to the Court Cost Fund are from recouped fees for consumer protection violations and are used to support activities of the consumer protection division.) The Subcommittee considered recommending another shift, but refrained because of the uncertainty that receipts to the Fund will continue at the extraordinarily high level of the past several years: In FY 1998, \$658,008 was recouped, but the estimate for the current year is \$400,000 and only \$200,000 for FY 2000. The Subcommittee's caution is based in part on the fact that, when the Attorney General moves to the Memorial Building in December 1999, the agency will have to pay moving costs and, for the first time, rent. The proportionate share of these costs that will be paid for from the Court Cost Fund is about \$96,000 in FY 2000.

Based on current estimates, balances in the Fund do not justify a shift to offset expenditures from the SGF. It is possible, of course, that the estimates are wrong and

greater-than-expected revenues will be recouped. If that happens, the Subcommittee's recommendation is that the FY 2000 Legislature reassess the condition of the Fund and make adjustments as it sees fit.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

HOUSE BUDGET COMMITTEE REPORT

Agency: Attorney General

Bill No. 2519

Bill Sec. 29

Analyst: Rampey

Analysis Pg. No. 1471

Budget Page No. 73

| <u>Expenditure Summary</u> | <u>Agency Request FY 00</u> | <u>Gov. Rec. FY 00</u> | <u>House Budget Committee Adjustments</u> |
|------------------------------|---------------------------------|----------------------------|---|
| All Funds: | | | |
| State Operations | \$ 9,093,388 | \$ 8,532,890 | \$ (6,400) |
| Aid to Local Units | 6,890,377 | 6,890,377 | 0 |
| Other Assistance | 3,500,000 | 3,500,000 | 0 |
| TOTAL | <u>\$ 19,483,765</u> | <u>\$ 18,923,267</u> | <u>\$ (6,400)</u> |
| State General Fund: | | | |
| State Operations | \$ 6,103,782 | \$ 5,574,909 | \$ (6,400) |
| Aid to Local Units | 0 | 0 | 0 |
| Other Assistance | 0 | 0 | 0 |
| TOTAL | <u>\$ 6,103,782</u> | <u>\$ 5,574,909</u> | <u>\$ (6,400)</u> |
| Other Funds: | | | |
| State Operations | \$ 2,989,606 | \$ 2,957,981 | \$ 0 |
| Aid to Local Units | 6,890,377 | 6,890,377 | 0 |
| Other Assistance | 3,500,000 | 3,500,000 | 0 |
| TOTAL | <u>\$ 13,379,983</u> | <u>\$ 13,348,358</u> | <u>\$ 0</u> |
| FTE Positions | 94.8 | 86.8 | 0.0 |
| Unclassified Temp. Positions | 6.0 | 0.0 | 0.0 |
| TOTAL | <u>100.8</u> | <u>86.8</u> | <u>0.0</u> |

10-9

House Budget Committee Recommendations

The House Budget Committee concurs with the recommendations of the Governor, with the following exceptions:

1. Attach a proviso to the State General Fund appropriation for operating expenditures stipulating that no expenditure will be made for any new contract entered into by the Attorney General for the provision of legal services unless the selection of the legal counsel is pursuant to guidelines established by the Attorney General. A similar recommendation was made by the Legislative Division of Post Audit following a review in 1997 of the Attorney General's procedures for selecting attorneys. The auditors concluded: "The Attorney General's Office should establish reasonable procedures to ensure that its contracting process is as open as possible, and that all attorneys who are interested in and qualified to handle legal work for the Office have an equal chance of being considered."

The intention of the Budget Committee is that the Attorney General establish a quality-based selection process for awarding legal contracts. (Such a process was considered for all state agencies by the Special Committee on Governmental Organization during the 1998 Interim.) Under a quality-based selection process, the Attorney General would identify objective criteria by which to evaluate attorneys for the work under consideration, such as the quality of work, reputation, experience, area of specialization, and the ability to complete the contract on time and within the approved budget. For each project, the guidelines should specify that proposals must be received from at least three attorneys before the Attorney General could award a contract. (This requirement would be waived if fewer than three attorneys respond in a timely manner.)

The Budget Committee's recommendation would apply to future contracts and is not intended to affect existing relationships with legal counsel already under contract. The Budget Committee requests that, upon implementation of this recommendation, the Attorney General make an annual report to the Legislature that lists the specific litigation or other activities contracted to private attorneys, a list of attorneys who submitted proposals to perform legal work for each of the listed projects, and the name of the attorney to whom the contract was awarded.

2. Delete \$6,400 from the State General Fund in the operating expenditures account. This is the amount that the Attorney General spent to enter a multi-state suit against Microsoft. In testimony before the Budget Committee, the Attorney General admitted that whatever benefits Kansas derives from suing Microsoft, the benefits to the state would have occurred regardless of whether Kansas had joined in the suit.

The Budget Committee makes the deletion to express its disapproval of the Attorney General's unilateral decision to pursue litigation against private sector companies, such as Microsoft, the tobacco industry, and gun manufacturers. The Budget Committee is pleased that it was given assurances by the Attorney General that the Office has no plans to undertake litigation against gun manufacturers. It is the Budget Committee's conviction that the Attorney General should have specific approval from other policy makers before entering into litigation that is costly or has

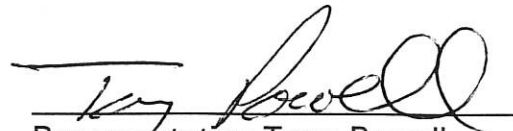
statewide implications. Even the General realized the importance of involving other policy makers in major litigation when she asked the 1998 Legislature to adopt a resolution directing her to pursue water litigation against Nebraska.

Therefore, the Budget Committee encourages the Attorney General to seek consensus from other state policy makers before action is taken. It is the Budget Committee's contention that the General acts on behalf of the State of Kansas and that the Legislature should have the opportunity to express its support or opposition to major undertakings the General proposes. The Budget Committee encourages the Attorney General to seek the Legislature's approval of litigation that is of statewide importance, including litigation entered into with other states, in the form of a concurrent resolution introduced for the Legislature's consideration, or, if the Legislature is not in session, by petition to the Legislative Coordinating Council for its approval.

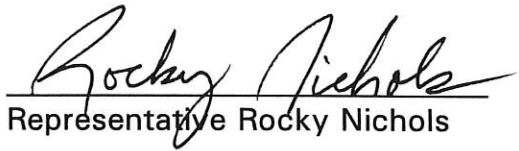
3. The Budget Committee notes that the Governor's recommendation of \$739,887 for water litigation against Colorado is \$365,113 less than requested by the agency. Although the Attorney General wants the Legislature to fund the additional amount, it is the Budget Committee's opinion that the Governor should amend his budget instead of the Legislature being asked to fully fund the request. If a Governor's Budget Amendment is not forthcoming, any additional funding for the Colorado litigation could be considered by the 2000 Legislature as a supplemental appropriation.
4. In her appeal to the Budget Committee, the Attorney General asked for restoration of all of the enhancements not recommended by the Governor. In the Budget Committee's opinion, the list should have been narrowed to items considered most essential, not a list of everything the Governor did not recommend. The Budget Committee urges the Attorney General to exercise more fiscal restraint in future appeals to the Legislature.
5. The Budget Committee reviewed a list of local units, agencies, and organizations that have received grants through programs administered by the Attorney General. In the future, the Budget Committee encourages the Attorney General to award more grants to agencies and organizations that maintain data to document their activities and are able to demonstrate program success on the basis of measurable performance outcomes and indicators. The Budget Committee also encourages the Attorney General to recognize more organizations that are faith-based in making grant awards.
6. Authorize the staff to make changes to H.B. 2519 to correct technical errors in the bill. (H.B. 2519 contains appropriations for the Attorney General.)

House Budget Committee Reports

Attorney General FY 1999



Representative Tony Powell,
Subcommittee Chair



Representative Rocky Nichols



Representative Jeff Peterson



Representative Peggy Palmer



Representative Eber Phelps

10-12