

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Steve Morris at 10:30 a.m. on February 13, 2001, in Room 123-S of the Capitol.

All members were present except: All present

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department  
Leah Robinson, Kansas Legislative Research Department  
Debra Hollon, Kansas Legislative Research Department  
Audrey Nogle, Kansas Legislative Research Department  
Tom Severn, Kansas Legislative Research Department  
Julian Efird, Kansas Legislative Research Department  
Norman Furse, Revisor of Statutes  
Michael Corrigan, Assistant Revisor, Revisor of Statutes Office  
Julie Weber, Administrative Assistant to the Chairman  
Mary Shaw, Committee Secretary

Conferees appearing before the committee: None

Others attending: See attached guest list

**Bill Introductions**

Senator Kerr moved, with a second by Senator Huelskamp, to introduce a bill (1rs0148) concerning tax rebates for capital improvements by education attractions. Motion carried by a voice vote.

Senator Adkins moved, with a second by Senator Schodorf, to introduce a bill (1rs0006) concerning the Kansas Highway Patrol concerning political activity restrictions. Motion carried by a voice vote.

Senator Downey moved, with a second by Senator Adkins, to introduce a bill (1rs0129) concerning school districts, school days and school hours in addition to school days and school hours scheduled for the regular school term. Motion carried by a voice vote.

Chairman Morris turned the Committee's attention to approval of the minutes that were distributed for the meetings of January 9, January 10 and January 11, 2001. Senator Adkins moved, with a second by Senator Jordan, to approve the minutes of January 9, January 10 and January 11, 2001. Motion carried by a voice vote.

Subcommittee budget reports:

**Citizens Utility Ratepayer Board (Attachment 1)**

Senator Salmans reported that the Subcommittee concurs with the Governor's recommendation for FY 2001.

Senator Salmans reported that the Subcommittee concurs with the Governor's recommendation for FY 2002 with an exception as listed in the subcommittee report.

**Kansas Corporation Commission (Attachment 2)**

Senator Salmans reported that the Subcommittee concurs with the Governor's recommendations for FY 2001 with comments and exceptions as listed in the subcommittee report.

## CONTINUATION SHEET

Senator Salmans reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with comments and concerns as listed in the subcommittee report.

Senator Barone moved, with a second by Senator Salmans, to approve the subcommittee budget report for Citizens Utility Ratepayer Board and the Kansas Corporation Commission. Motion carried with a voice vote.

Vice Chairman David Adkins noted that there were visitors in attendance to present an award to Chairman Steve Morris. A plaque was presented to Chairman Morris on behalf of the Kansas Air National Guard, Army National Guard and the Adjutant General. The Senator had flown in 1997 to Pisa, Italy to see the Guard in operation first hand. It was a token of appreciation for what the Senator does in support of the National Guard. Chairman Morris graciously accepted the plaque.

### **Department of Administration (Including Public Broadcasting) (Attachment 3)**

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2001.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustments and observations as listed in the subcommittee report.

Senator Feleciano requested a flow chart showing the facilities of the Department moving into the Signature Building and a flow chart of the existing square footage amounts versus the new square footage amounts.

Senator Adkins moved, with a second by Senator Jackson, to approve the Subcommittee budget report for the Department of Administration (Including Public Broadcasting). Motion carried by a voice vote.

### **Human Rights Commission (Attachment 4)**

Senator Salmans reported that the Subcommittee concurs with the Governor's recommendations for FY 2001 and FY 2002.

Senator Barone moved, with a second by Senator Salmans, to approve the Subcommittee budget report for the Human Rights Commission. Motion carried by a voice vote.

### **Kansas Public Employees Retirement System Budget (KPERs) (Attachment 5)**

Senator Kerr reported that the Subcommittee concurs with the Governor's recommendations for FY 2001 with adjustments as listed in the subcommittee report.

Senator Kerr reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with additional adjustments as listed in the subcommittee report.

Senator Kerr moved, with a second by Senator Adkins, to approve the subcommittee budget report on the KPERs budget. Motion carried by a voice vote.

### **Governmental Ethics Commission (Attachment 6)**

Chairman Morris mentioned that this agency operates on a biennial budget.

Senator Salmans reported that the Subcommittee concurs with the Governor's recommendations for FY 2001 with a notation as listed in the subcommittee report.

Senator Salmans reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with adjustments and notations as listed in the subcommittee report.

CONTINUATION SHEET

Senator Salmans reported that the Subcommittee concurs with the Governor's recommendations for FY 2003 with adjustments and notations as listed in the subcommittee report.

Senator Salmans moved, with a second by Senator Barone, to approve the Subcommittee budget report on the Governmental Ethics Commission. Motion carried by a voice vote.

The meeting was adjourned at 11:30 a.m. The next meeting is scheduled for February 15, 2001.


**SENATE WAYS AND MEANS COMMITTEE  
GUEST LIST**

DATE February 13, 2001

NAME	REPRESENTING
Julie Thomas	DOB
Ann Durkes	DOB
TOM DAY	KCC
JEFF WAGAMAN	KCC
Rob Woodard	KPERS
Thaine Hoffman	DOAS - D of A.
SCOTT SCHNEIDER	GRBA
Pat Higgins	D of A
Jack Hawn	KPERS
Glenn Deck	KPERS
Helene Breedlove	KPERS
Melinda Gaul	DOB
JK Shivel	Ks LEGAL SERVICES
Carol Williams	Gov Ethics
Fons Chapman	Budget
Luth Scott	KCC
Susan Huff	KCC
Mike Hetzler	Ks. Gov't. Consulting
Gary Tugman	DOB

## 2001-2002 SENATE SUBCOMMITTEE

Kansas Corporation Commission  
Citizens Utility Ratepayer Board

  
\_\_\_\_\_  
Senator Larry Salmans, Chairman

  
\_\_\_\_\_  
Senator Jim Barone

Senate ways and means  
2-13-01  
Attachment 1

## Subcommittee Report

**Agency:** Citizens' Utility Ratepayer Board **Bill No.**

**Bill Sec.**

**Analyst:** Severn

**Analysis Pg. No.** 1409

**Budget Page No.** 91

Expenditure Summary	Agency Estimate FY 01	Governor's Recommendation FY 01	Subcommittee Adjustments
State Operations			
Special Revenue Funds	\$ 485,058	\$ 560,524	\$ 0
FTE Positions	4.0	4.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	4.0	4.0	0.0

### Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2001 of \$485,058 is the same as the approved budget (with the addition of \$14,055 of KSIP expenditures) and is an increase of \$40,187 (9.0 percent) over the actual FY 2000 expenditures. The agency's estimate included an increase of \$8,500 in contractual services for professional consulting fees. After it submitted its budget, the agency requested an additional \$75,000 to \$125,000 for professional consultant fees in order to respond timely to three major rate cases.

The Governor recommends expenditures of \$560,524, an increase of \$115,653 above the actual FY 2000 expenditures, and \$75,466 above the agency estimate. The Governor made a \$466 correction to salaries and wages for fringe benefits, and added \$75,000 for professional consulting fees. The Governor's recommendation includes \$257,287 for salaries and wages, \$299,312 for contractual services, \$2,425 for commodities, and \$1,500 for capital outlay.

### Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

### Fee Fund Analysis

Because the Utility Regulatory Fee Fund is funded by quarterly assessments that may change in response to funding requirements, receipts will change to accommodate to expenditures, so the balances shown below are less meaningful than for most agencies.

<u>Resource Estimate</u>	<u>Actual FY 2000</u>	<u>Agency Estimate FY 2001</u>	<u>Gov. Rec. FY 2001</u>	<u>Subcomm. Rec. FY 2001</u>
Beginning Balance	\$ 159,797	\$ 173,358	\$ 173,358	\$ 173,358
Projected Receipts	<u>458,210</u>	<u>461,380</u>	<u>461,380</u>	<u>461,380</u>
Total Available	\$ 618,007	\$ 634,738	\$ 634,738	\$ 634,738
Less: Expenditures	<u>444,649</u>	<u>485,058</u>	<u>560,524</u>	<u>560,524</u>
Ending Balance	<u>\$ 173,358</u>	<u>\$ 149,680</u>	<u>\$ 74,217</u>	<u>\$ 74,217</u>
Ending Balance as a Percent of Expenditures	39.0%	30.9%	13.2%	13.2%

## Subcommittee Report

**Agency:** Citizens' Utility Ratepayer Board **Bill No.**

**Bill Sec.**

**Analyst:** Severn

**Analysis Pg. No.** 1409

**Budget Page No.** 91

Expenditure Summary	Agency Request FY 02	Governor's Recommendation FY 02	Subcommittee Adjustments*
State Operations			
Special Revenue Funds	\$ 652,593	\$ 555,019	\$ (6,512)
FTE Positions	6.0	4.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	6.0	4.0	0.0

\* The reduction is entirely for the Governor's recommended employee pay plan adjustment.

### Agency Request/Governor's Recommendation

The agency's request for FY 2002 of \$652,593 is an increase of \$40,187 (9.0 percent) over the estimated FY 2001 expenditures.

The agency's request includes two enhancements. The first enhancement is for 2.0 additional FTE, a staff attorney and a secretary, with salaries and wages and associated start-up costs totaling \$107,064. The second enhancement is for \$50,000 in contractual services for professional consulting fees. The agency anticipated several major rate and merger cases within the year.

The Governor recommends expenditures of \$555,019, a decrease of \$5,505 (1.0 percent) below the FY 2001 recommendation. The Governor added \$65,000 for professional consulting fees but did not recommend the 2.0 FTE positions. The Governor's recommendation includes \$261,919 for salaries and wages, \$289,155 for contractual services, \$2,445 for commodities, and \$1,500 for capital outlay.

### Senate Subcommittee Recommendation

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

1. Delete \$6,512 for the Governor's recommended employee pay plan adjustment.



## Fee Fund Analysis

Because the Utility Regulatory Fee Fund is funded by quarterly assessments that may change in response to funding requirements, receipts will change to accommodate to expenditures, so the balances shown below are less meaningful than for most agencies.

<u>Resource Estimate</u>	<u>Agency Estimate FY 2001</u>	<u>Gov. Rec. FY 2001</u>	<u>Subcom. Rec. FY 2001</u>	<u>Agency Request FY 2002</u>	<u>Gov. Rec. FY 2002</u>	<u>Subcom. Rec. FY 2002</u>
Beginning Balance	\$ 173,358	\$ 173,358	\$ 173,358	\$ 149,680	\$ 74,217	\$ 74,217
Projected Receipts	<u>461,380</u>	<u>461,380</u>	<u>461,380</u>	<u>671,500</u>	<u>514,436</u>	<u>514,436</u>
Total Available	\$ 634,738	\$ 634,738	\$ 634,738	\$ 821,180	\$ 588,653	\$ 588,653
Less: Expenditures	<u>485,058</u>	<u>560,524</u>	<u>560,524</u>	<u>652,593</u>	<u>555,019</u>	<u>548,507</u>
Ending Balance	<u>\$ 149,680</u>	<u>\$ 74,217</u>	<u>\$ 74,217</u>	<u>\$ 168,587</u>	<u>\$ 33,634</u>	<u>\$ 40,146</u>
Ending Balance as a Percent of Expenditures	30.9%	13.2%	13.2%	25.8%	6.1%	6.1%

## Senate Subcommittee Report

**Agency:** State Corporation Commission

**Bill No. ---**

**Bill Sec. ---**

**Analyst:** Severn

**Analysis Pg. No. 1419**

**Budget Page No. 113**

<u>Expenditure Summary</u>	<u>Agency Estimate FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Subcommittee Adjustments</u>
State Operations			
Special Revenue Funds	\$ 17,727,286	\$ 17,639,274	\$ 96,240
FTE Positions	209.0	209.0	0.0
Other Unclassified Positions	1.0	1.0	0.0
TOTAL	<u>210.0</u>	<u>210.0</u>	<u>0.0</u>

### Agency Estimate/Governor's Recommendation

The agency's estimated expenditures for FY 2001 of \$17,727,286 exceed the approved budget by \$1,792,842. Most of the increase is accounted for by an estimated increase in well plugging and remediation expenditures from the Oil and Gas Well Plugging Fund. The agency also estimated staffing of 1.0 other unclassified position for the Oil and Gas Well Plugging Coordinator approved by the 2000 Legislature as an FTE position. Included in the agency's request was \$298,503 in KSIP expenditures.

The Governor recommends expenditures of \$17,639,274, an increase of \$1,704,830 above the approved budget. The Governor made a \$2,483 reduction to salaries and wages for base salary and fringe benefit corrections and increased shrinkage, and recommended a total of \$463,521 of eligible expenditures from the agency's KSIP accounts. The Governor's recommendation includes \$10,049,410 for salaries and wages, \$6,450,372 for contractual services, \$159,492 for commodities, \$760,000 for Aid to Local Units, and \$220,000 for Other Assistance, Grants, and Benefits.

### Senate Subcommittee Recommendation

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

1. The Subcommittee recognizes the progress of the Conservation Division with respect to oil and gas well plugging and remediation. The Committee views with approval the Division goal of expending nearly all of its available funding for well plugging and remediation in FY 2001 and in FY 2002. The Subcommittee also notes that one remediation project, the Burrton project in Reno and Harvey Counties, is expected to cost nearly \$3 million over several years.

*Senate Ways and means  
2-13-01  
Attachment 2*

2. To continue this important program of oil and gas well plugging and remediation, the Subcommittee recommends that a bill be introduced to extend the sunset date in K.S.A. 55-193 by seven years, from July 1, 2002, to July 1, 2009.
3. The Subcommittee notes that it was assured by the Chairman of the Commission by letter that the Commission could fulfill its responsibilities within the recommended budget.
4. The Subcommittee learned that a brine spill remediation project funded through a federal grant and included in the agency's amended budget was not addressed by the Governor. Spending for the project in FY 2001 and FY 2002 will total \$248,520, of which \$191,000 will be from federal funds and \$57,520 will be in-kind contributions from the Conservation Division. The Subcommittee adds \$96,240 in FY 2001 from federal funds to reflect this expenditure. The Subcommittee notes that the FY 2001 agency match of \$26,580 will be made through expenditures already reflected in the agency budget.

**Senate Subcommittee Report**

**Agency:** State Corporation Commission

**Bill No. ---**

**Bill Sec. ---**

**Analyst:** Severn

**Analysis Pg. No. 1419**

**Budget Page No. 113**

Expenditure Summary	Agency Request FY 02	Gov. Rec. FY 02	Subcommittee Adjustments *
State Operations			
Special Revenue Funds	\$ 17,142,039	\$ 16,922,899	\$ (184,914)
FTE Positions	212.0	210.0	0.0
Other Unclassified Positions	1.0	1.0	0.0
<b>TOTAL</b>	<u>213.0</u>	<u>211.0</u>	<u>0.0</u>

\* The reduction includes \$279,674 for the Governor's recommended employee pay plan adjustment, offset by an addition of \$94,760 for a federal grant.

**Agency Request/Governor's Recommendation**

The agency's request for FY 2002 of \$17,142,039 is a decrease of \$585,247 (3.3 percent) from the estimated FY 2001 expenditures. The request includes \$1.6 million for well plugging and remediation expenditures from the Oil and Gas Well Plugging Fund, a decrease of approximately \$1.2 million from the FY 2001 estimate.

The agency's request includes four enhancements. The first is for two Special Investigators in the Transportation program to address "at risk" carriers, 2.0 FTE and \$119,094, including some start-up and operating costs. The second enhancement request is for a Financial Compliance Auditor in the Conservation Division, 1.0 FTE and \$27,839. The third enhancement request is for an additional \$200,000 in contractual services for professional consulting fees for the Utilities program. The agency anticipated several major rate and merger cases within the year. The fourth enhancement request is for \$47,500 for training costs in the Utilities program. Of these enhancement requests, the Governor recommends only one, the Financial Compliance Auditor in the Conservation Division.

The Governor recommends expenditures of \$16,922,899, a decrease of \$716,375 (4.1 percent) below the FY 2001 recommendation. The Governor's recommendation includes \$10,457,419 for salaries and wages, \$5,330,226 for contractual services, \$163,311 for commodities, \$271,943 for capital outlay, and \$700,000 for Aid to Local Units.

## Senate Subcommittee Recommendation

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

1. The Subcommittee recognizes the progress of the Conservation Division with respect to oil and gas well plugging and remediation. The Committee views with approval the Division goal of expending nearly all of its available funding for well plugging and remediation in FY 2001 and in FY 2002. The Subcommittee also notes that one remediation project, the Burrton project in Reno and Harvey Counties, is expected to cost nearly \$3 million over several years.
2. To continue this important program of oil and gas well plugging and remediation, the Subcommittee recommends that a bill be introduced to extend the sunset date in K.S.A. 55-193 by seven years, from July 1, 2002, to July 1, 2009.
3. The Subcommittee learned that a brine spill remediation project funded through a federal grant and included in the agency's amended budget was not addressed by the Governor. Spending for the project in FY 2001 and FY 2002 will total \$248,520, of which \$191,000 will be from federal funds and \$57,520 will be in-kind contributions from the Conservation Division. The Subcommittee adds \$94,760 in FY 2002 from federal funds to reflect this expenditure. The Subcommittee notes that the FY 2002 agency match of \$30,940 will be made through expenditures already reflected in the agency budget.
4. The Subcommittee notes that it was assured by the Chairman of the Commission by letter that the Commission could fulfill its responsibilities within the recommended budget.
5. Delete \$279,674 for the Governor's recommended employee pay plan adjustment.

**2001 DEPARTMENT OF ADMINISTRATION  
SUBCOMMITTEE**

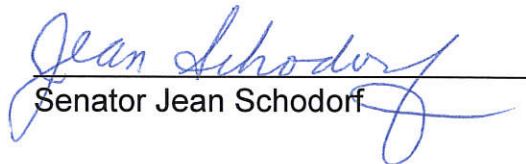
**Department of Administration  
(Including Public Broadcasting)**



\_\_\_\_\_  
Senator David Adkins, Chairman



\_\_\_\_\_  
Senator Christine Downey



\_\_\_\_\_  
Senator Jean Schodorf

## Senate Subcommittee Report

**Agency:** Department of Administration

**Bill No. --**

**Bill Sec. --**

**Analyst:** Robinson

**Analysis Pg. No.** 1365

**Budget Page No.** 13

Expenditure Summary	Agency Estimate FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
<b>All Funds:</b>			
State Operations	\$ 20,627,556	\$ 20,460,481	\$ 0
Aid to Local Units	487,222	487,222	0
Other Assistance	4,095,001	3,891,381	0
Subtotal-Operating	<u>25,209,779</u>	<u>24,839,084</u>	<u>0</u>
Capital Improvements	3,337,859	3,628,585	0
<b>TOTAL</b>	<u><u>\$ 28,547,638</u></u>	<u><u>\$ 28,467,669</u></u>	<u><u>\$ 0</u></u>
<b>State General Fund:</b>			
State Operations	\$ 19,716,150	\$ 19,549,075	\$ 0
Aid to Local Units	267,222	267,222	0
Other Assistance	2,074,820	1,871,200	0
Subtotal-Operating	<u>\$ 22,058,192</u>	<u>\$ 21,687,497</u>	<u>\$ 0</u>
Capital Improvements	2,988,167	3,094,593	0
<b>TOTAL</b>	<u><u>\$ 25,046,359</u></u>	<u><u>\$ 24,782,090</u></u>	<u><u>\$ 0</u></u>
<b>FTE Positions</b>			
Reportable Budget	288.9	288.9	0.0
Nonreportable Budget	585.5	585.5	0.0
Subtotal-FTE Positions	<u>874.4</u>	<u>874.4</u>	<u>0.0</u>
Other Unclassified Positions	14.7	14.7	0.0
<b>TOTAL</b>	<u><u>889.1</u></u>	<u><u>889.1</u></u>	<u><u>0.0</u></u>

### Agency Estimate/Governor's Recommendation

The agency's current year estimate of reportable expenditures is \$25.2 million, a net increase of \$851,903 from the approved budget. Major changes from the approved budget include: a requested State General Fund **supplemental appropriation** of \$203,620 for debt service payments on bonds authorized by the 2000 Legislature for conversion of public broadcasting stations to digital technology; funding of \$631,398 in the General Administration program, largely due to payments made under the Federal Cash Management program; and a downward reduction of \$133,745 in funds the Division of Personnel Services expects to receive from Unified School Districts participating in the group health insurance plan.

**The Governor** recommends a current year reportable operating budget of \$24.8 million, a net decrease of \$370,695 from the agency's estimate. The Governor does not recommend the State General Fund supplemental for the Public Broadcasting Council's requested debt service payment, because the bonds will not be issued until after the 2000 Legislative Session. The Governor's other adjustments largely adjust fringe benefit calculations and provide for slight shrinkage adjustments in some programs.

**Nonreportable Budget.** The agency estimates a current year nonreportable operating budget of \$97.76 million, a net increase of \$1.18 million from the approved budget. The major adjustments from the approved budget include increases in expenditures in the Division of Facilities Management (including increased motor pool fuel costs and annualization of operating costs for Memorial Hall), partially offset by reductions in anticipated workers' compensation costs. **The Governor** recommends a current year nonreportable operating budget of \$97.81 million, a slight increase (\$48,853) from the agency's estimate.

### **Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the recommendations of the Governor.



## Senate Subcommittee Report

**Agency:** Department of Administration

**Bill No. --**

**Bill Sec. --**

**Analyst:** Robinson

**Analysis Pg. No.** 1365

**Budget Page No.** 13

Expenditure Summary	Agency Request FY 02	Gov. Rec. FY 02	Senate Subcommittee Adjustments*
All Funds:			
State Operations	\$ 20,978,988	\$ 21,435,024	\$ (1,155,089)
Aid to Local Units	522,154	558,687	0
Other Assistance	4,235,132	3,909,503	0
Subtotal-Operating	<u>25,736,274</u>	<u>25,903,214</u>	<u>(1,155,089)</u>
Capital Improvements	2,857,864	2,659,864	0
TOTAL	<u><u>\$ 28,594,138</u></u>	<u><u>\$ 28,563,078</u></u>	<u><u>\$ (1,155,089)</u></u>
State General Fund:			
State Operations	\$ 19,995,803	\$ 20,444,438	\$ (364,623)
Aid to Local Units	302,154	338,687	0
Other Assistance	2,564,951	2,239,322	0
Subtotal-Operating	<u>\$ 22,862,908</u>	<u>\$ 23,022,447</u>	<u>\$ (364,623)</u>
Capital Improvements	2,773,000	2,480,000	0
TOTAL	<u><u>\$ 25,635,908</u></u>	<u><u>\$ 25,502,447</u></u>	<u><u>\$ (364,623)</u></u>
FTE Positions			
Reportable Budget	292.9	280.9	0.0
Nonreportable Budget	611.5	598.5	0.0
Subtotal-FTE Positions	<u>904.4</u>	<u>879.4</u>	<u>0.0</u>
Other Unclassified Positions	14.3	14.3	0.0
TOTAL	<u><u>918.7</u></u>	<u><u>893.7</u></u>	<u><u>0.0</u></u>

\* The entire adjustment reflects deletion of the Governor's recommended pay plan adjustments.

### Agency Request/Governor's Recommendation

**The agency requests** an FY 2002 **reportable** operating budget of \$25.7 million, an increase of \$526,495 (2.1 percent) from the current year estimate. The request includes \$720,744 for budget enhancements. **The Governor** recommends an FY 2002 **reportable** operating budget of \$25.9 million, an increase of \$1.1 million (4.3 percent) from the current year. The Governor's recommendation includes the elimination of the Performance Review Board at the end of FY 2001. Current year funding for the Board is recommended at \$291,570. The recommendation includes a net decrease of 8.0 FTE positions from the current year recommendation, which reflects the shift of 5.0 FTE positions in General Administration, the Division of Personnel Services and the Division of Purchases

from the reportable to nonreportable budgets, and the elimination of 3.0 FTE positions related to the Governor's recommendation to eliminate the Performance Review Board.

**The agency** requests an FY 2002 **nonreportable** operating budget of \$105.6 million, an increase of \$7.8 million (8.0 percent) from the current year. The request includes \$2.3 million and 24.0 FTE position for enhancements. An additional 2.0 FTE positions are shifted from the reportable budget to the nonreportable budget. **The Governor** recommends an FY 2002 **nonreportable** budget of \$104.7 million, an increase of \$6.9 million (7.0 percent) from the current year. The recommendation includes the shift of 5.0 FTE positions from the reportable budget to the nonreportable budget, and the addition of 8.0 new FTE positions related to recommended enhancements.

### Senate Subcommittee Recommendation

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

1. Delete \$1,155,089, including \$364,623 from the State General Fund, to remove the Governor's recommended pay plan adjustments for longevity bonus payments (\$397,251), an annualized 3.0 percent classified base salary increase (\$675,069), and an annualized 3.0 percent unclassified merit pool (\$82,769) from individual agency budgets for consideration in a separate bill.
2. The Subcommittee notes that the Governor's recommendation includes elimination of the Performance Review Board at the end of FY 2001. The Board was established by the 1996 Legislature to examine governmental functions and recommend whether they should be privatized, eliminated, retained, or modified. As a basis for the Governor's recommendation, Volume 1 of the *Governor's Budget Report* indicates: "Its role in state government in the four years of its existence has not been well defined. Some of its functions appear to overlap those of Legislative Post Audit. And the Board's organizational location in the Department of Administration has been a poor fit." Given the recent emphasis placed on public-private partnerships for the delivery of services to the people of the state of Kansas, the Subcommittee is very supportive of the mission and goals of the Performance Review Board. The Subcommittee believes, however, that without the support of the executive branch, there is very little chance that the Board, as presently structured, can succeed. While concurring with the recommendation of the Governor, the Subcommittee challenges the Governor and the Department of Administration to seek other methods for achieving the necessary and valuable goals of the Board.
3. The Subcommittee is supportive of the Governor's recommendation to provide an additional \$100,000 from the State General Fund for increased grants to the Public Broadcasting Council in FY 2002. The Subcommittee notes that the Council had requested an additional \$296,301 for grants in addition to the current services amount of \$1,978,009. In addition, the Subcommittee notes that not only did the Council participate in the one percent current year State General Fund reduction approved by the 2000 Legislature, FY 2001 grants were funded at a 6.0

percent reduction from the requested current services level, actually reducing per capita state funding for grants from \$.81 in FY 2000 to \$.75 in FY 2001. The Governor's recommendation for FY 2002 provides funding of approximately \$.79 per capita, approximately where the Council's current services funding would normally have been expected to be last fiscal year. The Subcommittee is very supportive of the efforts of the Public Broadcasting Council, and notes in particular that in many areas of the State the only news concerning the activities of the Legislature comes from the Council's public radio and television stations. For those reasons, the Subcommittee recommends concurring with the recommendations of the Governor to provide total FY 2002 grants of \$2,078,009 to the Council.

4. The Subcommittee discussed shifting State General Fund expenditures to agency special revenue funds and was satisfied that the Governor's recommendations have maximized the use of special revenue funds. In some instances, the funds have been utilized to the point of causing some concern with cashflow. As an example, fee fund analyses for two nonreportable funds, the state buildings operating fund (to which rents collected from state agencies to provide maintenance and upkeep of buildings are deposited), and the architectural services recovery fund (into which a 1.0 percent fee for all capital improvement projects is deposited), are reflected below:

#### State Buildings Operating Fund

	Actual FY 2000	Gov. Rec. FY 2001	Gov. Rec. FY 2002
Beginning Balance	\$ 7,210,994	\$ 5,352,835	\$ 0
Net Receipts	16,463,244	16,492,352	21,079,976
Total Available	\$ 23,674,238	\$ 21,845,187	\$ 21,079,976
Expenditures	18,321,403	21,845,187	21,079,976
Ending Balance	<u>\$ 5,352,835</u>	<u>\$ 0</u>	<u>\$ 0</u>
Ending Balance as a % of Expenditures	29.2%	0.0%	0.0%

#### Architectural Services Recovery Fund

	Actual FY 2000	Gov. Rec. FY 2001	Gov. Rec. FY 2002
Beginning Balance	\$ 970,843	\$ 530,342	\$ 631,324
Net Receipts	933,056	1,725,626	1,192,400
Total Available	\$ 1,903,899	\$ 2,255,968	\$ 1,823,724
Expenditures	1,373,557	1,624,644	1,688,553
Ending Balance	<u>\$ 530,342</u>	<u>\$ 631,324</u>	<u>\$ 135,171</u>
Ending Balance as a % of Expenditures	38.6%	38.9%	8.0%

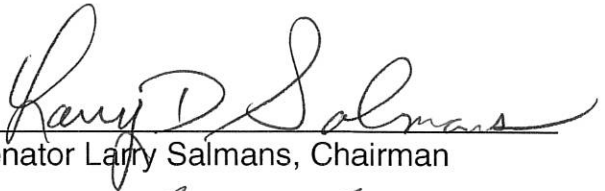
5. The Subcommittee notes that the new Signature Building is scheduled to be ready for occupancy in the summer of 2001. The Department of Health and Environment, the Board of Regents, the Department of Commerce and Housing, and the

Office of the Secretary of Administration are planning to move from their current locations to the new facility during the summer and fall. As a result, there will be increased costs in two categories: rent or other ongoing costs; and one time expenditures related to moving, telecommunications connections, and purchase of furniture and equipment. Expenditures for rent or other ongoing costs are reflected in the budgets of the affected agencies. The total costs for the one-time expenditures is estimated at \$662,511, including \$637,476 from the State General Fund. Under the Governor's recommendation, all of the State General Fund portion of the one-time costs are recommended in the budget of the Department of Administration so that expenses under this category can be managed for maximum cost effectiveness. The remaining \$25,035 from special revenue funds is included in the budget of the Department of Commerce and Housing. The following table reflects expenditures estimated for the relocation.

<u>Agency</u>	<u>State General Fund</u>	<u>All Funds</u>
<b>Health and Environment</b>		
Moving, including rotary files	\$ 197,500	\$ 197,500
Telecommunications costs	40,000	40,000
<b>Board of Regents</b>		
Moving	17,240	17,240
Board room furnishings	15,000	15,000
<b>Commerce and Housing</b>		
Moving, including AS/400	64,375	89,410
<b>Department of Administration</b>		
Debt Finance All Furniture	303,361	303,361
TOTAL	<u>\$ 637,476</u>	<u>\$ 662,511</u>

**2001 and 2002  
DEPARTMENT OF ADMINISTRATION/KCC/KPERS  
SUBCOMMITTEE**

Kansas Human Rights Commission

  
\_\_\_\_\_  
Senator Larry Salmans, Chairman

  
\_\_\_\_\_  
Senator Jim Barone

Senate Ways and Means  
2-13-01  
Attachment 4

**Senate Subcommittee Report**

**Agency:** Kansas Human Rights Commission

**Bill No.** –

**Bill Sec.** –

**Analyst:** Nogle

**Analysis Pg. No.** 1351

**Budget Page No.** 251

<u>Expenditure Summary</u>	<u>Agency Request FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Subcommittee Adjustments</u>
State Operations			
State General Fund	\$ 1,470,143	\$ 1,470,143	\$ 0
Special Revenue Funds	<u>416,000</u>	<u>416,000</u>	<u>0</u>
TOTAL	<u>\$ 1,886,143</u>	<u>\$ 1,886,143</u>	<u>\$ 0</u>
FTE Positions	36.0	36.0	0.0
Other Unclassified Positions	<u>1.0</u>	<u>1.0</u>	<u>0.0</u>
TOTAL	<u>37.0</u>	<u>37.0</u>	<u>0.0</u>

**Agency Request/Governor's Recommendation**

The agency estimate for FY 2001 is an increase of \$43,565 (2.4 percent) from the amount approved by the 2000 Legislature. There are no capital improvement requests and all of the request is for state operations. Of the total estimate, \$1,470,143 (77.9 percent) is from the State General Fund, with the remaining \$416,000 (22.1 percent) from federal and special revenue funds. The State General Fund increase includes a request to expend \$22,257 in Kansas Savings Incentive Program (KSIP) funds and \$21,308 from a limited reappropriation of State General fund moneys from FY 2000 to FY 2001.

The Governor concurs with the agency FY 2001 estimate.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation.

## Senate Subcommittee Report

**Agency:** Kansas Human Rights Commission

**Bill No.** —

**Bill Sec.** —

**Analyst:** Nogle

**Analysis Pg. No.** 1351

**Budget Page No.** 251

Expenditure Summary	Agency Estimate FY 02	Gov. Rec. FY 02	Subcommittee Adjustments*
State Operations			
State General Fund	\$ 1,605,391	\$ 1,477,897	\$ (30,862)
Special Revenue Fund	403,500	458,500	(13,204)
TOTAL	<u>\$ 2,008,891</u>	<u>\$ 1,936,397</u>	<u>\$ (44,066)</u>
FTE Positions	37.0	37.0	0.0
Other Unclassified Positions	1.0	0.0	0.0
TOTAL	<u>38.0</u>	<u>37.0</u>	<u>0.0</u>

\* The total reduction reflects the removal of the Governor's pay plan.

### Agency Estimate/Governor's Recommendation

The **agency requests** \$2,008,891 for FY 2002, an increase of \$122,748 (6.5 percent) from the agency's FY 2001 estimate. Of the total request, \$1,605,391 (79.9 percent) is from the State General Fund and \$403,500 (20.1 percent) is from other funds. The increase is primarily due to enhancements totaling \$53,643(State General Fund).

**The Governor recommends** \$1,936,397 for FY 2002, an increase of \$50,254 from the FY 2002 recommendation. Of the total recommendation, \$1,477,897 (76.3 percent) is from the State General Fund and \$458,500 (23.7 percent) is from other funds. The Governor recommends enhancements totaling \$38,048 (State General Fund).

### Senate Subcommittee Recommendation

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

1. Delete funding for the Governor's pay plan adjustments of \$44,066 (\$30,862 State General Fund).

2001 DEPARTMENT OF ADMINISTRATION/KCC/KPERS  
SUBCOMMITTEE

KPERS Budget



\_\_\_\_\_  
Senator Dave Kerr, Chairman



\_\_\_\_\_  
Senator David Adkins



\_\_\_\_\_  
Senator Christine Downey

Senate Ways and means  
2-13-01  
Attachment 5



## Subcommittee Report

**Agency:** Kansas Public Employees Retirement System    **Bill No. --**

**Bill Sec. --**

**Analyst:** Efird

**Analysis Pg. No. 1322**

**Budget Page No. 309**

Expenditure Summary	Agency Req. FY 01	Governor's Recommendation FY 01	Subcommittee Adjustments
State Operations	\$ 35,822,561	\$ 35,822,561	\$ (3,785,996)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Total--Operations	\$ 35,822,561	\$ 35,822,561	\$ (3,785,996)
<u>Financing Summary</u>			
KPERS Fund	\$ 35,162,561	\$ 35,162,561	\$ (3,355,032)
Non-KPERS Funds	660,000	660,000	(430,964)
Total--All Funds	\$ 35,822,561	\$ 35,822,561	\$ (3,785,996)
FTE Positions	80.0	80.0	0.0
Other Unclassified	0.0	0.0	0.0
TOTAL	80.0	80.0	0.0

### Agency/Governor's Recommendation

The approved budget at the end of the 2000 Legislature totaled \$35,385,342 in reportable expenditures. The **agency's revised estimate in FY 2001** is \$35,822,561.

The **Governor concurs** with the **revised FY 2001 request**. The State Finance Council approved an increase in expenditure and FTE position limitations at a December 2000 meeting that adopted the revised FY 2001 budget which included additions of \$660,000 and 1.0 FTE position for investing non-KPERS funds. Reductions of \$222,781 in FY 2001 estimates for the KPERS Fund were not addressed by the State Finance Council. The Governor's FY 2001 recommendations concur with the agency identified reductions in the KPERS Fund expenditures totaling \$222,781.

### Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations in FY 2001 and makes the following additional adjustments:

1. Reduce \$1,200,000 of financing for the technology project and authorize expenditures in FY 2002. Currently, \$2,283,913 is authorized in FY 2001 and the agency indicates that it will spend only \$1,083,913 this fiscal year. To complete

its project, the agency requests FY 2002 expenditures of \$1.2 million for the technology project.

2. Reduce \$2,155,032 for paying managers who invest KPERS monies based on investment performance below targets in FY 2001.
3. Reduce \$430,964 for paying managers who invest non-KPERS monies based on investment performance below targets in FY 2001.

**2002 DEPARTMENT OF ADMINISTRATION/KCC/KPERS  
SUBCOMMITTEE**

KPERS Budget



\_\_\_\_\_  
Senator Dave Kerr, Chairman



\_\_\_\_\_  
Senator David Adkins



\_\_\_\_\_  
Senator Christine Downey

## Subcommittee Report

**Agency:** Kansas Public Employees Retirement System **Bill No. --**

**Bill Sec. --**

**Analyst:** Efird

**Analysis Pg. No. 1322**

**Budget Page No. 309**

Expenditure Summary	Agency Req. FY 02	Governor's Recommendation FY 02	Subcommittee Adjustments
State Operations	\$ 36,712,453	\$ 36,485,546	\$ (2,987,401)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Total--Operations	\$ 36,712,453	\$ 36,485,546	\$ (2,987,401)
<u>Financing Summary</u>			
KPERS Fund	\$ 34,987,453	\$ 34,847,546	\$ (1,818,586)
Non-KPERS Funds	1,725,000	1,638,000	(1,168,815)
Total--All Funds	\$ 36,712,453	\$ 36,485,546	\$ (2,987,401)
FTE Positions	84.0	80.0	4.0
Other Unclassified	0.0	0.0	0.0
TOTAL	84.0	80.0	4.0

Note: Includes a reduction of \$111,404 from all other funds for the Governor's employee salary plan adjustments. Absent the Subcommittee's adjustment to the Governor's salary plan, the total adjustment is a reduction of \$2,875,997 from all other funds.

### Agency Req./Governor's Recommendation

The **agency's budget request in FY 2002** reflects a net increase of 2.5 percent in operating costs. Included in the budget are a reduction of \$175,108 for KPERS financing and an increase of \$1,065,000 for non-KPERS financing, compared with the current year revised budget request. Additional staffing of 4.0 FTE positions also is requested next fiscal year.

The **Governor's FY2002 recommendations** provide for a net increase of 1.9 percent in operating expenditures. The Governor's recommendations include a reduction of \$315,015 from KPERS funds and an increase of \$978,000 from non-KPERS funds, compared with the recommended FY 2001 budget. No increase in staffing is recommended.

### Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations and makes the following additional adjustments. Many of the following Subcommittee recommendations, beginning with item

six, are made to increase the agency's flexibility in order to respond in a timely manner to its customers and environment. KPERS presented a number of management strategies which the Subcommittee believes will improve its efficiency and increase the service to its members. The Joint Committee on Pensions, Investments and Benefits had reviewed a KPERS proposal to establish it as an "authority" modeled after the Kansas Turnpike Authority or University of Kansas Hospital Authority. The Joint Committee then recommended that KPERS develop other alternatives to improve its ability to respond to members' needs in a timely manner and to adapt to its rapidly changing environment without authority status. The agency presented a proposal to the Subcommittee for its consideration in reviewing the agency's budget. Most KPERS suggestions were incorporated into the Subcommittee's report. Below, the first five items reflect the more traditional budget adjustments, followed by the flexibility recommendations of the Subcommittee.

1. Remove \$111,404 recommended by the Governor for salary plan financing. Additional funding for unclassified merit is included in the unclassified salary base recommended by the Governor that would be in addition to the basic salary plan financing. This additional funding of \$25,746 should be removed as a technical adjustment in the Governor's recommendations. Total reductions would be \$137,150.
2. Add \$1.2 million in expenditures to continue the technology project in FY 2002. This amount represents funding already appropriated in the current fiscal year that would carry over for expenditure next fiscal year in completing the project. This project is designed to improve workflow management and to provide a data base management system with digital documents.
3. Reduce \$3,078,682 in expenditures for paying managers who invest KPERS monies based on a revised agency estimate showing lower earnings.
4. Reduce \$968,815 in expenditures for paying managers who invest non-KPERS monies based on a revised agency estimate showing lower earnings.
5. Reduce \$200,000 in expenditures from agency operations for administrative expenses associated with managing non-KPERS monies as included in a revised agency estimate.
6. Add expenditures of \$147,246, including \$111,266 for salaries and benefits plus \$35,981 for other operating expenses, for 4.0 new FTE positions to assist in the member services area. KPERS projections indicate an increase in the number of active/inactive members from 173,734 in FY 2000 to 201,451 in FY 2005 and to 253,897 in FY 2010. KPERS projections also indicate an increase in retired members from 53,141 in FY 2000 to 62,341 in FY 2005 and to 74,284 in FY 2010. With an increasing workload in member services, the additional staff is justified.
7. Add \$50,000 for a consultant services contract to assist KPERS in addressing its telephony needs and developing a plan to improve services to members. From September 1999 to September 2000, the agency was unable to answer all incoming calls. Although the number of calls answered each month averaged between 5,000 and 7,000, the total number of incoming calls ranged between 9,000 and 15,000 for most months. The Subcommittee believes that abandoned calls need to be addressed, and that this study is expected to produce a workable solution to the agency's telephone needs. Implementation of the solution should come after the completion of the information technology project in FY 2002.

8. Change all of the dollar amount limitations to no limit items in the Governor's FY 2002 recommended appropriations bill for agency operations and investment related services. In addition, provide for subaccounts to differentiate KPERS funded expenditures from non-KPERS funded expenditures within agency operations and investment related services. Currently, only KPERS funded expenditures for retirement benefit payments, the group insurance reserve fund, and the optional death benefit plan reserve fund are allowed to be expended on a no limit basis. The non-KPERS funds all have no limit expenditure authority.

The KPERS Board of Trustees has a fiduciary responsibility and current law would ensure that its budget would include "reasonable expenditures" in discharging its responsibilities.

9. Delete the FTE limitation of 80.0 recommended by the Governor in FY 2002 from the appropriations bill and allow KPERS to hire staff as needed, with the Board of Trustees to determine the appropriate level of staffing. Other state agencies, such as the Legislature, the Governor's Office, Judicial Branch, and Board of Regents institutions, are allowed this flexibility by not imposing an FTE limitation in an appropriations bill. The Legislature has allowed KPERS to add staff over the last 10 years, generally as requested.
10. Recommend introduction of a bill to modify statutory provisions establishing a limited list of unclassified positions. KSA 74-4908(6) prescribes eligible positions in the unclassified service. The Subcommittee recommends assigning this responsibility to the KPERS Board of Trustees. It is anticipated that the Board will continue 12 existing staff positions in the unclassified service and will have the flexibility to add new positions as either classified or unclassified staff. Recently, the State Finance Council in December 2000 authorized KPERS a new investment analyst to assist with non-KPERS investments. This position should be in the unclassified service and in order to establish that new position, a change is required in the current law listing which KPERS staff may be in the unclassified service. The Subcommittee recommendation will accommodate the present need as well as future needs. This Subcommittee recommendation will not affect existing classified staff who will continue in the classified service. The Board of Trustees will determine which positions in the classified service, when they become vacant, should be placed in the unclassified service. Likewise, when new positions are established, the Board of Trustees will determine which new positions will be classified and which will be unclassified. The Board of Trustees, in turn, will continue to be authorized to set the salaries of the unclassified staff as is the practice under current law.
11. Recommend introduction of a bill to exempt KPERS from the current state procurement negotiating provisions in KSA 75-37,102, as required in KSA 2000 Supp. 75-37,130 et seq (Professional Services Sunshine Act), and to allow the long-standing practice for the Board of Trustees to conduct negotiations with the different management firms with which it contracts for investment and other services. The Subcommittee believes that an unintended consequence of 2000 HB 2627, which enacted the Professional Services Sunshine Act, is caused by a failure to exempt KPERS from the procurement negotiating statute. KPERS plans to follow all other procedures in the public bidding law (KSA 75-37,102), except that the Board of Trustees, and not a procurement negotiating committee, would be responsible for deciding with which firms and on what terms a contract should be negotiated. Until last year, this practice of allowing the Board to act as its own procurement negotiating committee has been followed, based on a waiver allowed by the Director of Purchases. With the recent change in law by 2000 HB 2627, the Director of Purchases rescinded that waiver. This Subcommittee recommendation would codify the exemption for KPERS and allow the Board of Trustees to negotiate contracts under the same

guidelines as established in KSA 75-37,102 in order to ensure competitive public bidding as envisioned by the Professional Services Sunshine Act.

12. Monitor these recommended changes to determine if KPERS flexibility is improved. These recommendations will not reduce the budgetary or financial information provided by KPERS. KPERS will continue to have appropriations recommended by the Governor and approved by the Legislature after budgetary review of its operations. Among the financial reports that KPERS currently prepares and provides on a monthly basis, the Subcommittee recommends that whenever the Board approves any change in any budget items previously reviewed and approved by the Legislature, that the change be identified in the monthly financial information summaries prepared by the Board of Trustee's Chief Fiscal Officer.

### Summary of Senate Subcommittee Actions

<u>Reportable Expenditures</u>	<u>Governor's Recommendations</u>	<u>Subcommittee Adjustments</u>	<u>Subcommittee Recommendations</u>
<b>KPERS Funded</b>			
Administration	\$ 6,130,480	\$ 1,260,096	\$ 7,390,576
Investments	<u>28,717,066</u>	<u>(3,078,682)</u>	<u>25,638,384</u>
Subtotal	\$ 34,847,546	\$ (1,818,586)	\$ 33,028,960
<b>Non-KPERS Funded</b>			
Administration	455,000	(200,000)	255,000
Investments	<u>1,183,000</u>	<u>(968,815)</u>	<u>214,185</u>
Subtotal	\$ 1,638,000	\$ (1,168,815)	\$ 469,185
<b>TOTAL—All Funds</b>	<u>\$ 36,485,546</u>	<u>\$ (2,987,401)</u>	<u>\$ 33,498,145</u>

## Senate Subcommittee Report

**Agency:** Governmental Ethics Commission

**Bill No.**

**Bill Sec.**

**Analyst:** Hollon

**Analysis Pg. No.** 1338

**Budget Page No.** 498

Expenditure Summary	Agency Request FY 01	Governor's Recommendation FY 01	Senate Subcommittee Adjustments
State Operations:			
State General Fund	\$ 401,035	\$ 401,035	\$ 0
Special Revenue Funds	148,192	148,187	0
TOTAL	<u>\$ 549,227</u>	<u>\$ 549,222</u>	<u>\$ 0</u>
FTE Positions	9.0	9.0	0.0
Unclassified Temp. Positions	0.5	0.5	0.0
TOTAL	<u>9.5</u>	<u>9.5</u>	0.0

### Agency Request/Governor's Recommendation

**The agency** estimates operating expenditures for FY 2001 of \$549,227 which is equal to the amount approved by the 2000 Legislature. The estimate includes \$434,746 for salaries and wages, \$104,356 for contractual services, \$4,925 for commodities, and \$5,200 for capital outlay.

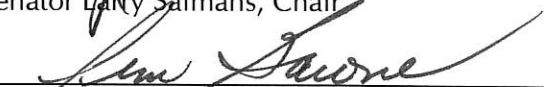
**The Governor** recommends operating expenditures for FY 2001 of \$549,222 which is a decrease of \$5 from the approved budget. The recommendation includes \$434,741 for salaries and wages, \$103,194 for contractual services, \$4,925 for commodities, and \$6,362 for capital outlay.

### Senate Subcommittee Recommendations

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

1. The Subcommittee expresses concern regarding the uncertain effect on the agency of rising natural gas prices. This uncertainty is due to the agency's quarterly billing cycle for utilities.

  
 \_\_\_\_\_  
 Senator Larry Salmans, Chair

  
 \_\_\_\_\_  
 Senator Jim Barone



## Senate Subcommittee Report

**Agency:** Governmental Ethics Commission

**Bill No.**

**Bill Sec.**

**Analyst:** Hollon

**Analysis Pg. No.** 1338

**Budget Page No.** 498

Expenditure Summary	Agency Estimate FY 02	Governor's Recommendation FY 02	Senate Subcommittee Adjustments
State Operations:			
State General Fund	\$ 419,324	\$ 428,409	\$ (8,659)
Special Revenue Funds	143,568	143,457	(424)
<b>TOTAL</b>	<b>\$ 562,892</b>	<b>\$ 571,866</b>	<b>\$ (9,083)</b>
FTE Positions	9.0	9.0	0.0
Unclassified Temp. Positions	0.5	0.5	0.0
<b>TOTAL</b>	<b>9.5</b>	<b>9.5</b>	<b>0.0</b>

### Agency Estimate/Governor's Recommendation

**The agency** requests operating expenditures for FY 2002 of \$562,892 which is an increase of \$13,665 (2.5 percent) from the FY 2001 estimate. The request includes \$440,403 for salaries and wages, \$103,880 for contractual services, \$5,025 for commodities, and \$13,584 for capital outlay.

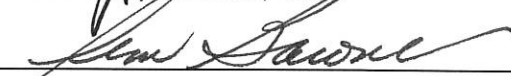
**The Governor** recommends operating expenditures for FY 2002 of \$571,866 which is an increase of \$22,644 (4.1 percent) from the FY 2001 recommendation. The recommendation includes \$449,377 for salaries and wages, \$103,880 for contractual services, \$5,025 for commodities, and \$13,584 for capital outlay.

### Senate Subcommittee Recommendations

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

1. Delete \$9,083 (\$8,659 SGF) for the Governor's pay plan adjustments.
2. The Subcommittee notes the increased postage rate and the possibility of the need for a supplemental appropriation during the 2002 Legislative Session.

  
 \_\_\_\_\_  
 Senator Larry Salmans, Chair

  
 \_\_\_\_\_  
 Senator Jim Barone

## Senate Subcommittee Report

**Agency:** Governmental Ethics Commission

**Bill No.**

**Bill Sec.**

**Analyst:** Hollon

**Analysis Pg. No.** 1338

**Budget Page No.** 498

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments*
State Operations:			
State General Fund	\$ 436,097	\$ 458,165	\$ (12,172)
Special Revenue Funds	126,949	116,326	0
<b>TOTAL</b>	<b>\$ 563,046</b>	<b>\$ 574,491</b>	<b>\$ (12,172)</b>
FTE Positions	9.0	9.0	0.0
Unclassified Temp. Positions	0.5	0.5	0.0
<b>TOTAL</b>	<b>9.5</b>	<b>9.5</b>	<b>0.0</b>

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

### Agency Estimate/Governor's Recommendation

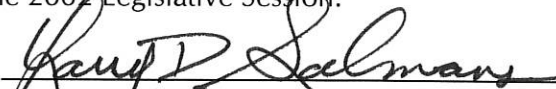
**The agency** requests operating expenditures for FY 2003 of \$563,046 which is an increase of \$154 from the FY 2002 request. The request includes \$446,720 for salaries and wages, \$100,726 for contractual services, \$5,125 for commodities, and \$10,475 for capital outlay.

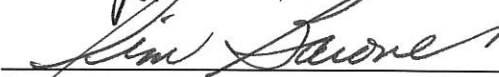
**The Governor** recommends operating expenditures for FY 2003 of \$574,491 which is an increase of \$2,625 (0.5 percent) from the FY 2002 recommendation. The recommendation includes \$458,165 for salaries and wages, \$100,726 for contractual services, \$5,125 for commodities, and \$10,475 for capital outlay.

### Senate Subcommittee Recommendation

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

1. Delete \$12,172 SGF for the Governor's pay plan adjustments.
2. The Subcommittee notes the increased postage rate and the possibility of the need for a supplemental appropriation during the 2002 Legislative Session.

  
 \_\_\_\_\_  
 Senator Larry Salmans, Chair

  
 \_\_\_\_\_  
 Senator Jim Barone