

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Vice- Chairperson Representative Melvin Neufeld at 9:00 a.m. on February 25, 2002, in Room 514-S of the Capitol.

All members were present except: Representative Spangler, Excused
Representative McCreary, Excused

Committee staff present: Amy Kramer, Legislative Research
Becky Krahl, Legislative Research
Alan Conroy, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Others attending: See Attached

Representative Schwartz, Chairperson of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Board of Nursing for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 (Attachment 1). Motion was seconded by Representative Peterson. Motion carried.

Representative Schwartz, Chairperson of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Board of Nursing for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 with exceptions and notes (Attachment 1). Motion was seconded by Representative Peterson. Motion carried.

Representative Schwartz, Chairperson of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the State Board of Veterinary examiners FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 with notations (Attachment 1). Motion was seconded by Representative Campbell. Motion carried.

Representative Campbell, Chairperson of the Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the State Board of Technical Professions for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 2). Motion was seconded by Representative Minor. Motion carried.

Representative Campbell, Chairperson of the Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Abstractors' Board of Examiners for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 2). Motion was seconded by Representative Minor. Motion carried.

Representative Hermes, member of the Tax, Judicial, and Transportation Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Real Estate Appraisal Board for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 3). Motion was seconded by Representative Peterson. Motion carried.

Representative Hermes, member of the Tax, Judicial, and Transportation Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Real Estate Commission for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 (Attachment 3). Motion was seconded by Representative Peterson. Motion carried.

Representative Hermes, member of the Tax, Judicial, and Transportation Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Real Estate Commission for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 3). Motion was seconded by Representative Peterson. Motion carried.

Representative Hermes, member of the Tax, Judicial, and Transportation Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Board of Accountancy for FY

2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 3). Motion was seconded by Representative Peterson. Motion carried.

Representative Schwartz, Chairperson of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the State Bank Commissioner for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 with an exception (Attachment 4). Motion was seconded by Representative Weber.

Representative Klein, member of the Agriculture and Natural Resources Budget Committee, presented the Minority Report on the Governor's budget recommendations for the State Bank Commissioner for FY 2002 and made a substitute motion for the adoption of the Minority Report recommendations for FY 2002 (Attachment 5). Motion was seconded by Representative Shriver. Motion failed.

The motion by Representative Schwartz, Chairperson of the Agriculture and Natural Resources Budget Committee, for the adoption of the budget recommendations for the State Bank Commissioner for FY 2002, and seconded by Representative Weber carried.

Representative Schwartz, Chairperson of the Agriculture and Natural Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the State Bank Commissioner for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 with an exception (Attachment 4). Motion was seconded by Representative Weber.

Representative Klein explained that the Minority Report he presented for the budget of the State Bank Commissioner was for both FY 2002 and FY 2003 but that he did not wish to put it in the form of a motion for FY 2003.

Representative Nichols moved for the introduction of legislation which would authorize the state to provide state funding for Washburn University and all community colleges costs of operation replacing the sales tax for Washburn University and the property tax levies for maintenance and operations of these educational institutions. The motion was seconded by Representative Henry. Motion carried.

The meeting was adjourned at 9:45 a.m. The next meeting is scheduled for Tuesday, February 26, 2002.

**2002 AGRICULTURE AND NATURAL
RESOURCES BUDGET COMMITTEE**


Board of Nursing
Board of Veterinary Examiners


Representative Sharon Schwartz, Chairperson


Representative Vaughn Flora


Representative Alan Goering


Representative Carl Holmes


Representative Tom Klein

Representative Bill McCreary


Representative Don Myers

SUBCOMMITTEE REPORT

Agency: Biennial Budget Agencies

Bill No.

Bill Sec.

Analyst: Various

Analysis Pg. No. 513

	Actual FY 01	Approved FY 02	Agency Est. FY 02	Gov. Rec. FY 02	Approved FY 03	Agency Req. FY 03	Gov. Rec. FY 03
Financial Institutions Regulatory Agencies							
Bank Commissioner, State	\$ 4,289,995	\$ 5,299,375	\$ 5,556,407	\$ 5,400,669	\$ 5,500,236	\$ 5,838,913	\$ 5,721,964
Credit Unions, State Dept. of	765,832	859,789	859,789	859,789	870,801	888,217	896,620
Securities Commissioner	1,880,687	2,042,207	2,042,207	2,042,207	2,092,598	2,092,598	2,113,020
TOTAL	\$ 6,936,514	\$ 8,201,371	\$ 8,458,403	\$ 8,302,665	\$ 8,463,635	\$ 8,819,728	\$ 8,731,604

Occupational and Professional Licensing Boards

Abstracters Board of Examiners	\$ 18,164	\$ 20,168	\$ 20,168	\$ 20,168	\$ 20,045	\$ 20,285	\$ 20,285
Accountancy, Board of	166,145	179,432	179,432	179,432	187,915	187,915	189,663
Barbering, Board of	119,005	126,914	129,914	129,914	131,177	131,177	132,390
Behavioral Sciences Regulatory	431,322	484,954	486,815	486,815	512,945	512,945	517,271
Cosmetology, Board of	583,754	722,187	722,187	722,187	752,980	752,980	761,970
Dental, Kansas Board	287,762	321,902	321,902	321,902	327,208	327,208	328,839
Healing Arts, Board of	1,916,016	1,990,963	1,990,963	1,990,963	2,066,884	2,066,884	2,084,630
Hearing Aid Examiners, Board	14,733	21,243	21,243	21,243	21,937	21,937	21,937
Mortuary Arts, Board of	199,269	205,929	213,541	213,541	214,222	214,222	216,514
Nursing, Board of	1,192,574	1,424,287	1,430,221	1,430,221	1,383,705	1,383,705	1,397,017
Optometry Examiners, Board of	59,980	83,770	83,770	83,770	84,631	84,631	85,305
Pharmacy, State Board of	509,316	553,254	553,254	553,254	566,462	566,462	571,321
Real Estate Appraisal Board	222,640	245,753	245,753	245,753	254,104	254,104	256,455
Real Estate Commission	644,381	647,312	690,942	670,112	668,570	752,266	714,473
Technical Professions, Board of	463,357	535,155	535,155	535,155	550,711	550,711	555,193
Veterinary Examiners, Board of	234,580	282,854	282,854	282,854	290,967	268,889	270,992
TOTAL	\$ 7,062,998	\$ 7,846,077	\$ 7,908,114	\$ 7,887,284	\$ 8,034,463	\$ 8,096,321	\$ 8,124,255

Total Expenditures **\$ 13,999,512** **\$ 16,047,448** **\$ 16,366,517** **\$ 16,189,949** **\$ 16,498,098** **\$ 16,916,049** **\$ 16,855,859**

Percentage Change from Previous Fiscal Year	5.0%	14.6%	15.8%	15.6%	2.8%	3.4%	4.1%
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Other Biennial Agencies

Governmental Ethics Commission

State General Fund	\$ 400,528	\$ 407,766	\$ 407,766	\$ 407,766	\$ 458,165	\$ 458,165	\$ 464,056
All Funds	\$ 536,486	\$ 570,303	\$ 570,303	\$ 570,303	\$ 574,491	\$ 574,491	\$ 581,182

Percent Change:

State General Fund	7.3%	1.8%	1.8%	1.8%	12.4%	12.4%	13.8%
All Funds	6.5%	6.3%	6.3%	6.3%	0.7%	0.7%	1.9%

FTE Positions	238.5	248.2	248.2	248.2	248.2	249.2	248.2
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FTE Positions

	Actual FY 01	Approved FY 02	Agency Est. FY 02	Gov. Rec. FY 02	Approved FY 03	Agency Req. FY 03	Gov. Rec. FY 03
Financial Institutions Regulatory Agencies							
Bank Commissioner, State	77.0	85.0	85.0	85.0	85.0	85.0	85.0
Credit Unions, State Dept. of	12.0	13.0	13.0	13.0	13.0	13.0	13.0
Securities Commissioner	27.8	27.8	27.8	27.8	27.8	27.8	27.8
TOTAL	116.8	125.8	125.8	125.8	125.8	125.8	125.8
Occupational and Professional Licensing Boards							
Abstracters Board of Examiners	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accountancy, Board of	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Barbering, Board of	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Behavioral Sciences Regulatory	7.8	8.0	8.0	8.0	8.0	8.0	8.0
Cosmetology, Board of	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Dental, Kansas Board	2.0	2.5	2.5	2.5	2.5	2.5	2.5
Healing Arts, Board of	29.0	29.0	29.0	29.0	29.0	29.0	29.0
Hearing Aid Examiners, Board	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Mortuary Arts, Board of	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Nursing, Board of	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Optometry Examiners, Board of	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Pharmacy, State Board of	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Real Estate Appraisal Board	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Real Estate Commission	13.0	13.0	13.0	13.0	13.0	14.0	13.0
Technical Professions, Board of	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Veterinary Examiners, Board of	3.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL	112.7	113.4	113.4	113.4	113.4	114.4	113.4
Other Biennial Agencies							
Governmental Ethics Commission	9.0	9.0	9.0	9.0	9.0	9.0	9.0
TOTAL	238.5	248.2	248.2	248.2	248.2	249.2	248.2

NURSING, BOARD OF

FY 2002. The agency requests \$1,430,221, which is \$5,934 or 0.4 percent above the approved amount. The increase is due to a \$5,934 KSIP reappropriation.

The Governor concurs.

FY 2003. The agency made no additional request.

The Governor recommends the addition of \$15,394 for additional health insurance expenses, and the reduction of \$2,082 for the recommended death and disability moratorium adjustment, for a net increase of \$13,312.

House Budget Committee Recommendations

The Budget Committee concurs with the Governor's recommendation, with the following exception and note:

1. The Budget Committee recommends adding a proviso to the FY 2003 appropriations bill that would allow no more than \$100,000 in unexpended FY 2002 moneys to be carried over to FY 2003 for moving expenses, including furniture, telephone and other related moving costs. The Board of Nursing was approved and scheduled for a move from the 5th to the 10th Floor of the Landon State Office Building in FY 2002. It now appears the move might be delayed until after June 30, 2002.
2. The Budget Committee commends the Board of Nursing for its proactive conduct in seeking and receiving a grant from Kansas, Inc. for approximately \$19,000 to purchase a new computer server. The Budget Committee also commends the Board for aggressively pursuing grants to assist in recruiting nurses, given the current shortage of nurses in Kansas.

VETERINARY EXAMINERS, BOARD OF

FY 2003. The agency makes no additional requests.

The Governor recommends for FY 2003 an increase of \$2,103 for salaries and wages to adjust for group health insurance increases and the death and disability moratorium.

Budget Committee Recommendation

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

1. The Budget Committee is pleased to note that the agency's request and the Governor's recommendation is approximately \$20,000 less than the approved amount. The agency reports that the Governor's recommendation is sufficient to finance FY 2003 expenditures.

2002 PUBLIC SAFETY BUDGET COMMITTEE

Board of Technical Professions
Abstracters Board of Examiners



Representative Larry Campbell, Chairperson



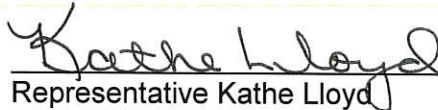
Representative Bill Feuerborn



Representative Doug Gatewood



Representative Steve Huebert



Representative Kathe Lloyd



Representative Melvin Minor



Representative Dean Newton

HOUSE APPROPRIATIONS

DATE 2/25/02

ATTACHMENT 2

SUBCOMMITTEE REPORT

Agency: Biennial Budget Agencies

Bill No.

Bill Sec.

Analyst: Various

Analysis Pg. No. Vol. I - 513

	Actual FY 01	Approved FY 02	Agency Est. FY 02	Gov. Rec. FY 02	Approved FY 03	Agency Req. FY 03	Gov. Rec. FY 03
Financial Institutions Regulatory Agencies							
Bank Commissioner, State	\$ 4,289,995	\$ 5,299,375	\$ 5,556,407	\$ 5,400,669	\$ 5,500,236	\$ 5,838,913	\$ 5,721,964
Credit Unions, State Dept. of	765,832	859,789	859,789	859,789	870,801	888,217	896,620
Securities Commissioner	1,880,687	2,042,207	2,042,207	2,042,207	2,092,598	2,092,598	2,113,020
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TOTAL	\$ 7,062,998	\$ 7,846,077	\$ 7,908,114	\$ 7,887,284	\$ 8,034,463	\$ 8,096,321	\$ 8,124,255

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Other Biennial Agencies

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All Funds	\$ 536,486	\$ 570,303	\$ 570,303	\$ 570,303	\$ 574,491	\$ 574,491	\$ 581,182

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All Funds	6.5%	6.3%	6.3%	6.3%	0.7%	0.7%	1.9%

FTE Positions	238.5	248.2	248.2	248.2	248.2	249.2	248.2
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FTE Positions

	Actual FY 01	Approved FY 02	Agency Est. FY 02	Gov. Rec. FY 02	Approved FY 03	Agency Req. FY 03	Gov. Rec. FY 03
Financial Institutions Regulatory Agencies							
Bank Commissioner, State	77.0	85.0	85.0	85.0	85.0	85.0	85.0
Credit Unions, State Dept. of	12.0	13.0	13.0	13.0	13.0	13.0	13.0
Securities Commissioner	27.8	27.8	27.8	27.8	27.8	27.8	27.8
TOTAL	116.8	125.8	125.8	125.8	125.8	125.8	125.8
Occupational and Professional Licensing Boards							
Abstracters Board of Examiners	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accountancy, Board of	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Barbering, Board of	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Behavioral Sciences Regulatory	7.8	8.0	8.0	8.0	8.0	8.0	8.0
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Pharmacy, State Board of	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Real Estate Appraisal Board	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Real Estate Commission	13.0	13.0	13.0	13.0	13.0	14.0	13.0
Technical Professions, Board of	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Veterinary Examiners, Board of	3.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL	112.7	113.4	113.4	113.4	113.4	114.4	113.4
Other Biennial Agencies							
Governmental Ethics Commission	9.0	9.0	9.0	9.0	9.0	9.0	9.0
TOTAL	238.5	248.2	248.2	248.2	248.2	249.2	248.2

Board of Technical Professions

FY 2003. The agency made no additional request.

The Governor recommends for FY 2003 the addition of \$4,482 to account for increased health insurance and the death and disability moratorium adjustment.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

ABSTRACTERS BOARD OF EXAMINERS

FY 2003. The agency requests a total of \$20,285, an increase of \$240 over the approved amount to fund salary increases approved in FY 2002.

The Governor concurs.

House Budget Committee Recommendations

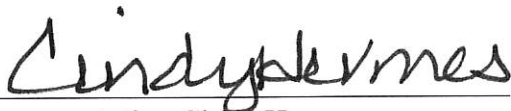
The House Budget Committee concurs with the Governor's recommendations.

**2002 TAX, JUDICIAL, AND TRANSPORTATION BUDGET
COMMITTEE**

Real Estate Appraisal Board

Real Estate Commission

Board of Accountancy

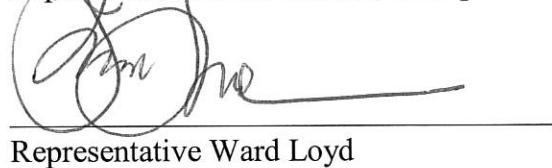


Representative Cindy Hermes

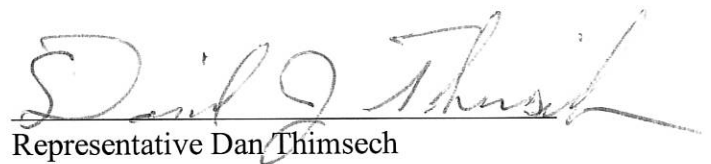
Representative Doug Spangler



Representative Jeff Peterson, Chairperson



Representative Ward Loyd



Representative Dan Thimsech

HOUSE APPROPRIATIONS

DATE 2/25/02
ATTACHMENT 3

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State General Fund	\$ 400,528	\$ 407,766	\$ 407,766	\$ 407,766	\$ 458,165	\$ 458,165	\$ 464,056
All Funds	\$ 536,486	\$ 570,303	\$ 570,303	\$ 570,303	\$ 574,491	\$ 574,491	\$ 581,182

Percent Change:

State General Fund	7.3%	1.8%	1.8%	1.8%	12.4%	12.4%	13.8%
All Funds	6.5%	6.3%	6.3%	6.3%	0.7%	0.7%	1.9%

FTE Positions	238.5	248.2	248.2	248.2	248.2	249.2	248.2
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FTE Positions

	Actual FY 01	Approved FY 02	Agency Est. FY 02	Gov. Rec. FY 02	Approved FY 03	Agency Req. FY 03	Gov. Rec. FY 03
Financial Institutions Regulatory Agencies							
Bank Commissioner, State	77.0	85.0	85.0	85.0	85.0	85.0	85.0
Credit Unions, State Dept. of	12.0	13.0	13.0	13.0	13.0	13.0	13.0
Securities Commissioner	27.8	27.8	27.8	27.8	27.8	27.8	27.8
TOTAL	116.8	125.8	125.8	125.8	125.8	125.8	125.8
Occupational and Professional Licensing Boards							
Abstracters Board of Examiners	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accountancy, Board of	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Barbering, Board of	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Behavioral Sciences Regulatory	7.8	8.0	8.0	8.0	8.0	8.0	8.0
Cosmetology, Board of	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Dental, Kansas Board	2.0	2.5	2.5	2.5	2.5	2.5	2.5
Healing Arts, Board of	29.0	29.0	29.0	29.0	29.0	29.0	29.0
Hearing Aid Examiners, Board	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Mortuary Arts, Board of	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Nursing, Board of	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Optometry Examiners, Board of	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Pharmacy, State Board of	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Real Estate Appraisal Board	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Real Estate Commission	13.0	13.0	13.0	13.0	13.0	14.0	13.0
Technical Professions, Board of	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Veterinary Examiners, Board of	3.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL	112.7	113.4	113.4	113.4	113.4	114.4	113.4
Other Biennial Agencies							
Governmental Ethics Commission	9.0	9.0	9.0	9.0	9.0	9.0	9.0
TOTAL	238.5	248.2	248.2	248.2	248.2	249.2	248.2

REAL ESTATE APPRAISAL BOARD

FY 2003. The agency made no additional request.

The Governor recommends for FY 2003 the addition of \$2,351 for additional health expenses and the death and disability moratorium.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendations.

REAL ESTATE COMMISSION

FY 2002. The agency requests an additional \$43,730 (7.2 percent) for FY 2002. This request includes:

- \$2,270 - Executive Director salary increase
- \$7,960 - copying and printing costs and faster on-line connection
- \$16,500 - moving costs and increased rent
- \$5,000 - office supplies
- \$6,000 - legal services
- \$6,000 - travel

The Governor does not recommend these requests. The Governor recommends an increase of \$22,800 for FY 2002. The recommendation includes:

- \$2,270 - Executive Director salary increase
- \$6,000 - legal services
- \$5,800 - moving costs and rent
- \$8,730 - contractual services

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendations.

FY 2003. The agency requests an additional \$83,893 (16.2 percent) for FY 2003. The request includes:

- \$39,721 - 1.0 addition FTE (Investigator I)
- \$3,839 - Executive Director salary increase
- \$3,053 - salaries and wages increase
- \$18,280 - printing, copying, faster on-line connection
- \$2,700 - commodities
- \$16,300 - rent increase
- (\$197) - commodities

The Governor does not recommend these requests. The Governor recommends an increase of \$45,903 for FY 2003. The recommendation includes:

- \$4,500 - Executive Director salary increase
- \$16,300 - rent increase
- \$15,500 - contractual services
- \$9,603 - health insurance and death and disability moratorium adjustment

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendations.

ACCOUNTANCY, BOARD OF

FY 2003. The agency made no additional request above the currently authorized FY 2003 amount of \$187,915.

The Governor recommends for FY 2003 the addition of \$2,029 for increased health insurance expenses and the reduction of \$281 for the KPERS death and disability moratorium adjustment, totaling a net increase of \$1,748. The Governor's revised FY 2003 recommendation is \$189,663.

House Budget Committee Recommendation

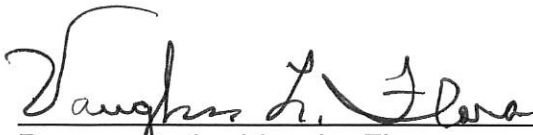
The House Budget Committee concurs with the Governor's recommendations.

2002 AGRICULTURE AND NATURAL RESOURCES BUDGET COMMITTEE

Bank Commissioner



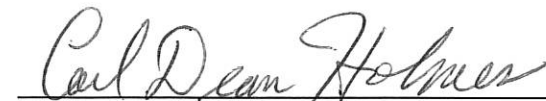
Representative Sharon Schwartz, Chairperson



Representative Vaughn Flora



Representative Alan Goering



Representative Carl Holmes

Representative Tom Klein

Representative Bill McCreary



Representative Don Myers

HOUSE APPROPRIATIONS

DATE 2/25/02

ATTACHMENT 4

SUBCOMMITTEE REPORT

Agency: Biennial Budget Agencies

Bill No.

Bill Sec.

Analyst: Various

Analysis Pg. No. 513

	Actual FY 01	Approved FY 02	Agency Est. FY 02	Gov. Rec. FY 02	Approved FY 03	Agency Req. FY 03	Gov. Rec. FY 03
Financial Institutions Regulatory Agencies							
Bank Commissioner, State	\$ 4,289,995	\$ 5,299,375	\$ 5,556,407	\$ 5,400,669	\$ 5,500,236	\$ 5,838,913	\$ 5,721,964
Credit Unions, State Dept. of	765,832	859,789	859,789	859,789	870,801	888,217	896,620
Securities Commissioner	1,880,687	2,042,207	2,042,207	2,042,207	2,092,598	2,092,598	2,113,020
TOTAL	\$ 6,936,514	\$ 8,201,371	\$ 8,458,403	\$ 8,302,665	\$ 8,463,635	\$ 8,819,728	\$ 8,731,604
Occupational and Professional Licensing Boards							
Abstracters Board of Examiners	\$ 18,164	\$ 20,168	\$ 20,168	\$ 20,168	\$ 20,045	\$ 20,285	\$ 20,285
Accountancy, Board of	166,145	179,432	179,432	179,432	187,915	187,915	189,663
Barbering, Board of	119,005	126,914	129,914	129,914	131,177	131,177	132,390
Behavioral Sciences Regulatory	431,322	484,954	486,815	486,815	512,945	512,945	517,271
Cosmetology, Board of	583,754	722,187	722,187	722,187	752,980	752,980	761,970
Dental, Kansas Board	287,762	321,902	321,902	321,902	327,208	327,208	328,839
Healing Arts, Board of	1,916,016	1,990,963	1,990,963	1,990,963	2,066,884	2,066,884	2,084,630
Hearing Aid Examiners, Board	14,733	21,243	21,243	21,243	21,937	21,937	21,937
Mortuary Arts, Board of	199,269	205,929	213,541	213,541	214,222	214,222	216,514
Nursing, Board of	1,192,574	1,424,287	1,430,221	1,430,221	1,383,705	1,383,705	1,397,017
Optometry Examiners, Board of	59,980	83,770	83,770	83,770	84,631	84,631	85,305
Pharmacy, State Board of	509,316	553,254	553,254	553,254	566,462	566,462	571,321
Real Estate Appraisal Board	222,640	245,753	245,753	245,753	254,104	254,104	256,455
Real Estate Commission	644,381	647,312	690,942	670,112	668,570	752,266	714,473
Technical Professions, Board of	463,357	535,155	535,155	535,155	550,711	550,711	555,193
Veterinary Examiners, Board of	234,580	282,854	282,854	282,854	290,967	268,889	270,992
TOTAL	\$ 7,062,998	\$ 7,846,077	\$ 7,908,114	\$ 7,887,284	\$ 8,034,463	\$ 8,096,321	\$ 8,124,255
Total Expenditures	\$ 13,999,512	\$ 16,047,448	\$ 16,366,517	\$ 16,189,949	\$ 16,498,098	\$ 16,916,049	\$ 16,855,859
Percentage Change from Previous Fiscal Year	5.0%	14.6%	15.8%	15.6%	2.8%	3.4%	4.1%
Other Biennial Agencies							
Governmental Ethics Commission							
State General Fund	\$ 400,528	\$ 407,766	\$ 407,766	\$ 407,766	\$ 458,165	\$ 458,165	\$ 464,056
All Funds	\$ 536,486	\$ 570,303	\$ 570,303	\$ 570,303	\$ 574,491	\$ 574,491	\$ 581,182
Percent Change:							
State General Fund	7.3%	1.8%	1.8%	1.8%	12.4%	12.4%	13.8%
All Funds	6.5%	6.3%	6.3%	6.3%	0.7%	0.7%	1.9%
FTE Positions	238.5	248.2	248.2	248.2	248.2	249.2	248.2

FTE Positions

	Actual FY 01	Approved FY 02	Agency Est. FY 02	Gov. Rec. FY 02	Approved FY 03	Agency Req. FY 03	Gov. Rec. FY 03
Financial Institutions Regulatory Agencies							
Bank Commissioner, State	77.0	85.0	85.0	85.0	85.0	85.0	85.0
Credit Unions, State Dept. of	12.0	13.0	13.0	13.0	13.0	13.0	13.0
Securities Commissioner	27.8	27.8	27.8	27.8	27.8	27.8	27.8
TOTAL	116.8	125.8	125.8	125.8	125.8	125.8	125.8
Occupational and Professional Licensing Boards							
Abstracters Board of Examiners	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accountancy, Board of	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Barbering, Board of	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Behavioral Sciences Regulatory	7.8	8.0	8.0	8.0	8.0	8.0	8.0
Cosmetology, Board of	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Dental, Kansas Board	2.0	2.5	2.5	2.5	2.5	2.5	2.5
Healing Arts, Board of	29.0	29.0	29.0	29.0	29.0	29.0	29.0
Hearing Aid Examiners, Board	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Mortuary Arts, Board of	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Nursing, Board of	22.0	22.0	22.0	22.0	22.0	22.0	22.0
Optometry Examiners, Board of	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Pharmacy, State Board of	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Real Estate Appraisal Board	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Real Estate Commission	13.0	13.0	13.0	13.0	13.0	14.0	13.0
Technical Professions, Board of	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Veterinary Examiners, Board of	3.0	3.0	3.0	3.0	3.0	3.0	3.0
TOTAL	112.7	113.4	113.4	113.4	113.4	114.4	113.4
Other Biennial Agencies							
Governmental Ethics Commission	9.0	9.0	9.0	9.0	9.0	9.0	9.0
TOTAL	238.5	248.2	248.2	248.2	248.2	249.2	248.2

BANK COMMISSIONER, STATE

FY 2002. The agency requests \$5,556,407, which is \$257,032 or 4.9 percent above the approved amount. The increase includes a KSIP reappropriation of \$100,094, \$58,376 in capital outlay expenditures, and \$87,236 for a salary upgrade for Financial Examiners.

The Governor recommends \$5,400,669 in FY 2002, an increase of \$101,294 from the approved amount. The Governor's recommendation reflects a KSIP reappropriation of \$100,094, and \$1,200 in official hospitality increases.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's FY 2002 recommendation with the following exception:

1. Add \$87,236 (Bank Fee Fund) in FY 2002 to fund the requested salary upgrade for Financial Examiners. The Budget Committee notes that the agency informed the 2001 Legislature of the importance and the need for a salary upgrade for the Financial Examiners to address the unacceptably high turnover rate in these key regulatory positions. The 2001 Budget Committee strongly encouraged the agency to pursue a Division of Personnel Services position reclassification study to determine if the Financial Examiner class should receive a salary upgrade. The Division of Personnel Services completed the study after the end of the 2001 Session of the Legislature. However, the Division of Personnel Services did recommend and the Governor issued Executive Directive No. 01-313 on August 31, 2001 to implement the salary upgrade.

The Budget Committee is concerned that the agency has followed the proper procedures to have their key staff receive a salary upgrade, to only have the Governor not recommend funding for the upgrade after signing the Executive Directive to implement the salary upgrade. The Budget Committee further notes that the Executive Directive has been effective since September 30, 2001 and the higher salaries are already being paid to the agency's employees. The Budget Committee does recommend that appropriation language be added that would only permit the additional funds in FY 2002 be utilized for salaries and wages of Financial Examiner positions.

FY 2003. The agency requests \$5,838,913, which is \$338,677 above the approved amount. The increase includes a KSIP expenditures of \$185,865, and \$126,662 for the requested salary upgrade for Financial Examiners.

The Governor recommends FY 2003 expenditures of \$5,721,964, an increase of \$221,728 from the approved amount. The Governor's recommendation includes \$235,190 in KSIP expenditures, partially offset by reductions in operating expenditures.

House Budget Committee Recommendation

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

1. Add \$126,662 (Bank Fee Fund) in FY 2003 to fund the requested salary upgrade for Financial Examiners. The Budget Committee notes that the agency informed the 2001 Legislature of the importance and the need for a salary upgrade for the Financial Examiners to address the unacceptably high turnover rate in these key regulatory positions. The 2001 Budget Committee strongly encouraged the agency to pursue a Division of Personnel Services position reclassification study to determine if the Financial Examiner class should receive a

H-2

salary upgrade. The Division of Personnel Services completed the study after the end of the 2001 Session of the Legislature. However, the Division of Personnel Services did recommend and the Governor issued Executive Directive No. 01-313 on August 31, 2001 to implement the salary upgrade.

The Budget Committee is concerned that the agency has followed the proper procedures to have their key staff receive a salary upgrade, to only have the Governor not recommend funding for the upgrade after signing the Executive Directive to implement the salary upgrade. The Budget Committee further notes that the Executive Directive has been effective since September 30, 2001 and the higher salaries are already being paid to the agency's employees.

The Budget Committee does recommend that appropriation language be added that would only permit the additional funds in FY 2003 be utilized for salaries and wages of Financial Examiner positions.

Minority Report
Office of State Bank Commissioner

I concur with the actions of the Budget Committee on the Office of the State Bank Commissioner. However, the Committee does not go far enough in correcting the Governor's recommendation. It is clear to me that the agency is being penalized by the Governor's recommendation to utilize some of the KSIP resources for normal capital outlay items. This recommendation will ultimately prevent the agency from having the KSIP resources to pay employee bonuses to key staff positions.

The agency was strongly urged by the 2000 Legislature through the Senate Ways and Means Subcommittee and the House Budget Committee reports and comments to take advantage of the KSIP program to pay employee bonuses and seek salary upgrades for the Financial Examiner positions. The agency structured its FY 2002-FY 2003 budget request to the 2001 Legislature on this directive. The Governor in his revised FY 2002 and FY 2003 recommendation would require the agency to expend KSIP resources in the amount of \$58,376 in FY 2002 and \$95,830 in FY 2003 on normal capital outlay items, thus reducing the available KSIP resources to pay employee bonuses.

I strongly believe this is a case where the Legislature requested an agency to pursue a specific budgetary action (the use of KSIP resources for employee bonuses) and the agency responded accordingly. Now the Governor is changing the "rules of the game" after the fact. This agency should not be penalized for following the lead of the legislative budget committees. Therefore, I would recommend that the agency's FY 2002 budget be increased by \$58,376 from the Bank Fee Fund and the FY 2003 budget be increased by \$95,830, also from the Bank Fee Fund. This action would restore funding by the agency's fee fund for normal capital outlay items instead of KSIP resources. The action would be fair to the agency and honor the commitment that the Legislature made to address turnover problems of key staff within the agency.



Representative Tom Klein

HOUSE APPROPRIATIONS
DATE 2/25/02
ATTACHMENT 5