

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Representative Kenny Wilk at 9:00 a.m. on February 26, 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
Julian Efird, Legislative Research
Deb Hollon, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Others attending: See Attached

Representative Peterson, Chairperson of the Tax, Judicial, and Transportation Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Revenue for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 (Attachment 1). Motion was seconded by Representative Light. Motion carried.

Representative Peterson, Chairperson of the Tax, Judicial, and Transportation Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Department of Revenue for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 with the noted adjustments (Attachment 1). Motion was seconded by Representative Hermes. Motion carried.

The past due revenue and tax collections are on schedule in that \$49 million has been collected by the Department of Revenue as of mid-February. The high rate of compliance was accredited to the efforts of the Department, the improved tracking ability, and negotiated settlements. Demanded shrinkage of the Division of Motor Vehicles has led to seven or eight positions being held open for every 100 FTE positions. Legislative Research Department was asked to find the actual numbers for shrinkage, turnover, and retirement for the past ten years. Also questioned was the amount of sick leave that is used per state employee versus that of federal employees.

Representative Pottorff, Chairperson of the General Government and Human Resources Budget Committee, presented the Budget Committee report on the Department of Commerce and Housing for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 (Attachment 2). Motion was seconded by Representative Stone. Motion carried.

Representative Pottorff, Chairperson of the General Government and Human Resources Budget Committee, presented the Budget Committee report on the Department of Commerce and Housing for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 with notations (Attachment 2). Motion was seconded by Representative Stone. Motion carried.

In response to questions regarding the Department of Commerce and Housing's lack of supporting documentation for proposed 5 percent budget cuts in certain programs and areas, representatives of the Department explained that they were incrementally adopting the new budgeting procedures and would be carefully analyzing each program. Benchmarks would be set with successes and failures noted during this developmental phase. Details would appear in their annual report. Also discussed was whether the Department of Commerce should be funded out of the state general fund and what should it actually fund.

Representative Stone, a member of the General Government and Human Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas, Inc., for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 (Attachment 2).

Motion was seconded by Representative Pottorff. Motion carried.

Representative Stone, a member of the General Government and Human Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas, Inc., for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 (Attachment 2). Motion was seconded by Representative Pottorff. Motion carried.

Representative Shriver, a member of the General Government and Human Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas Technology Enterprise Corporation for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 (Attachment 2). Motion was seconded by Representative Pottorff. Motion carried.

Representative Shriver, a member of the General Government and Human Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for Kansas Technology Enterprise Corporation for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 with notations (Attachment 2). Motion was seconded by Representative Pottorff. Motion carried.

The Committee discussed the option of restructuring Kansas Technology Enterprise Corporation, Kansas, Inc., and the Department of Commerce and Housing as a public policy issue. Chairman Wilk instructed staff to contact those involved requesting such a review by first adjournment. Also to be included in such a review are, Representatives Mason and Mayans. The timing of the Lt. Governor leaving and a new president of K-Tec makes this a most appropriate time for such a review.

Representative Pottorff, Chairperson of the General Government and Human Resources Budget Committee, presented the Budget Committee reports on the Governor's budget recommendations for the Governmental Ethics Commission for FY 2002 and FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2002 and FY 2003 (Attachment 2). Motion was seconded by Representative Stone. Motion carried.

Staff distributed copies of the programs and a comparison of the Legislatively approved funding for FY 2002 and the Governor's Recommendations for FY 2002 for the Economic Development Initiatives Fund (Attachment 3).

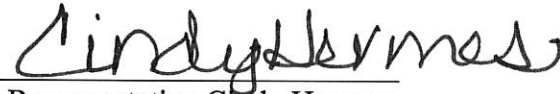
The meeting was adjourned at 10:45 a.m. The next meeting is scheduled for February 27, 2002.

TAX, JUDICIAL, AND TRANSPORTATION BUDGET COMMITTEE

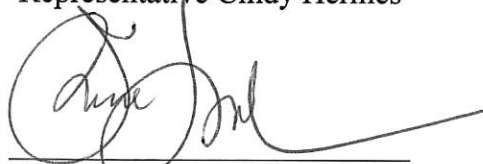
Department of Revenue Budget Report



Representative Jeff Peterson, Chairperson

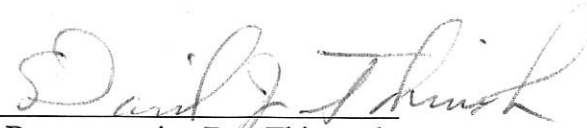


Representative Cindy Hermes



Representative Ward Loyd

Representative Doug Spangler



Representative Dan Thimesch

HOUSE APPROPRIATIONS

DATE 2/26/02
ATTACHMENT 1

House Budget Committee Report

Agency: Department of Revenue

Bill No. 2743

Bill Sec. 26

Analyst: Efirid

Analysis Pg. No. Vol. I - 403 **Budget Page No.** 369

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	Budget Adjustments
State Operations	\$ 74,095,753	\$ 74,095,753	\$ 0
State Aid	8,443,250	8,443,250	0
Other Assistance	3,500,000	3,500,000	0
Total-All Funds	<u>\$ 86,039,003</u>	<u>\$ 86,039,003</u>	<u>\$ 0</u>
State General Fund	\$ 35,805,101	\$ 35,055,101	\$ 0
DOV Operating Fund	31,729,721	31,729,721	0
All Other Funds	18,504,181	19,254,181	0
Total-All Funds	<u>\$ 86,039,003</u>	<u>\$ 86,039,003</u>	<u>\$ 0</u>
FTE Positions	1,196.0	1,196.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>1,196.0</u>	<u>1,196.0</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

The agency's estimate for FY 2002 operating expenditures of \$86.0 million is a net increase of \$3.7 million from the approved budget. This results from:

- No change in the requested State General Fund (SGF) appropriation (except \$1 due to rounding);
- No change in the approved expenditure limitation for the Division of Vehicles (DOV) Operating Fund;
- A net increase of \$3.7 million from all other funds, including a \$1.0 million increase due to new legislation for the ethyl alcohol incentive program, over \$1.0 million from the Electronic Databases Fee Fund due to a veto last Session, and over \$1.7 million from County Mineral Tax Fund due to higher production taxes and subsequent payments than previously estimated.

The Governor recommends a current year budget of \$86.0 million, a net change of \$3.7 million from the approved budget. The Governor concurs with the revised expenditures, but recommends a different financing package. This results from:

- A net reduction of \$750,001 in SGF expenditures;
- No change in the approved expenditure limitation for the DOV Operating Fund;
- A net change of \$3.7 million from all other funds, including the three items requested by the agency for addition of \$1.0 million for the ethyl alcohol incentive program, over \$1.0 million from the Electronic Databases Fee Fund, and over \$1.7 million from County Mineral Tax Fund .
- An increase in financing by \$750,000 from Electronic Databases Fee Fund to offset a reduction in SGF financing for FY 2002, with a fee increase for public records sales effective January 1, 2002.

House Budget Committee Recommendation

The Committee concurs with the Governor's FY 2002 recommendation.

House Budget Committee Report

Agency: Department of Revenue

Bill No.

Bill Sec.

Analyst: Efirid

Analysis Pg. No. Vol. I - 403 **Budget Page No.** 369

Expenditure Summary	Agency Req. FY 03	Governor's Recommendation FY 03	Budget Adjustments
State Operations	\$ 74,637,543	\$ 74,765,843	\$ (446,298)
State Aid	7,931,750	7,931,750	0
Other Assistance	3,500,000	3,500,000	0
Total-All Funds	<u>\$ 86,069,293</u>	<u>\$ 86,197,593</u>	<u>\$ (446,298)</u>
State General Fund	\$ 35,805,102	\$ 34,479,022	\$ 0
DOV Operating Fund	32,755,967	32,755,967	0
All Other Funds	17,508,224	18,962,604	(446,298)
Total-All Funds	<u>\$ 86,069,293</u>	<u>\$ 86,197,593</u>	<u>\$ (446,298)</u>
FTE Positions	1,196.0	1,196.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>1,196.0</u>	<u>1,196.0</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

The agency requests a net expenditure increase of \$30,290 from the current fiscal year's revised budget. The agency request:

- Includes a substantial increase in financing from the Division of Vehicles (DOV) Operating Fund as the amount of increase totals \$1,026,246.
- Enhances expenditures on commodities by \$880,527, or 22.6 percent more than FY 2002, primarily for the manufacture of license plates which increases from \$1,447,708 in FY 2002 to \$2,197,480 in FY 2003 from the DOV Operating Fund.
- Adds net expenditure increases of \$624,191 in the Division of Vehicles, in part due to higher license plate expenses and also attributed to adjusting the shrinkage rate from \$1,097,762 in FY 2002 to \$918,234 in FY 2003. Reductions in contractual services also are requested in FY 2003 to reduce the amount of net increase in the DOV Operating Fund financing.
- Includes \$100,000 for the electronic filing of applications and self-issuance of apportioned registration for motor carriers. This request includes a needs

analysis, system design, software development, testing and implementation. Financing is requested from the Federal Commercial Motor Vehicle Safety Fund in anticipation of a federal grant for the project.

- Increases VIPS/CAMA financing by \$106,100 from FY 2002.

The **Governor recommends** a net expenditure increase of \$158,590. The Governor's recommendations:

- Reduce the SGF financing by \$576,079 from the revised FY 2002 amount (that also was recommended for a reduction of \$750,001 from financing approved by the 2001 Legislature). The Governor's two-year recommendation reduces financing by \$1,326,080 from the SGF.
- Include a substantial increase in financing from the DOV Operating Fund totaling \$1,026,246.
- Include a net increase of \$294,872 from the Electronic Databases Fee Fund from the revised FY 2002 amount (that was recommended for an increase of \$750,000 above the agency request in FY 2002). The Governor's two-year recommendation increases financing by \$1,044,872 from this fund and assumes a fee increase effective January 1, 2002.
- Enhance expenditures on commodities by \$880,527, primarily for the manufacture of license plates which increases from \$1,447,708 in FY 2002 to \$2,197,480 in FY 2003 from the DOV Operating Fund.
- Add net expenditure increases of \$502,245 in the Division of Vehicles, in part due to higher license plate expenses and increasing the shrinkage rate from \$1,097,762 in FY 2002 to \$1,261,544 in FY 2003.
- Include \$100,000 for the electronic filing of applications and self-issuance of apportioned registration for motor carriers to be financed from a federal grant.
- Increase VIPS/CAMA financing by \$106,100 from FY 2002.

House Budget Committee Recommendation

The Committee concurs with the Governor's recommendation in FY 2003 and makes the following additional adjustments or comments:

1. Reduce \$446,298 in FY 2003 expenditures for replacement equipment in the Computer Assisted Mass Appraisal (CAMA) project due to a June 30, 2002, expiration of authority to collect fees used in this project's financing. SB 364 must be passed in order to extend a \$1.00 surcharge on motor vehicle registrations which was the intended financing source in the Governor's FY 2003 recommendation. The fee bill currently is in House Appropriations Committee. The Budget Committee plans to hold a hearing on the bill.

2. Make a technical correction in the appropriations bill, if necessary after the bill is printed for review, to increase the transfer from the State Highway Fund by \$503 in FY 2003 in order to finance the amount of expenditures recommended by the Governor. A calculation error was noted in the cash flow for the agency's Division of Vehicles Operating Fund that is financed primarily from this transfer.
3. Note a number of pending tax cases which may impact the State General Fund. The agency indicates that there are a number of cases pending with a potential negative impact. The following table summaries by venue the number of pending cases and where known, the potential dollar impact.
 - Administrative Appeals, 1,273, N/A
 - Board of Tax Appeals, 406, N/A
 - Kansas Court of Appeals, 7, \$8,035,000
 - Kansas Supreme Court, 2, greater than \$100,000,000
 - U. S. District Court, 4, \$4,700,000

All dollar amounts are approximate values as of the filing of the proceedings. Of the two cases pending before the Kansas Supreme Court, one has a potential impact of about \$1.0 million and the other one could be in excess of \$100,000,000.

4. Note that the 2001 Legislature approved the Governor's recommendation to convert the Homestead Property Tax Refund Program from reporting payments as expenditures (reportable) to reporting payments as refunds (nonreportable). FY 2001 was the last year that payments of \$13,085,524 were reported as expenditures from the State General Fund. Beginning in FY 2002, homestead payments are treated like food sales tax refunds, and therefore, no budget was submitted for the program in FY 2002 or FY 2003.

2002 GENERAL GOVERNMENT AND HUMAN RESOURCES BUDGET COMMITTEE

Department of Commerce and Housing
Kansas, Inc.
Kansas Technology Enterprise Corporation
Governmental Ethics Commission


Representative Jo Ann Pottorff, Chairperson

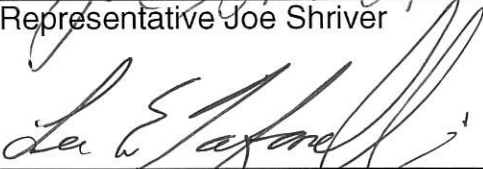

Representative Ralph Ostmeier


Representative Annie Kuether


Representative Marti Crow


Representative Joe Shriver


Representative Lloyd Stone


Representative Lee Tafanelli

HOUSE APPROPRIATIONS

DATE 2/26/02
ATTACHMENT 2

House Budget Committee Report

Agency: Department of Commerce and Housing **Bill No. --** **Bill Sec. --**

Analyst: Hollon **Analysis Pg. No.** Vol I - 435 **Budget Page No.** 91

Expenditure Summary	Agency Est. FY 02	Gov. Rec. FY 02	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 24,489,703	\$ 24,489,703	\$ 0
Aid to Local Units	70,255,929	70,255,929	0
Other Assistance	10,384,723	10,379,723	0
TOTAL	\$ 105,130,355	\$ 105,125,355	\$ 0
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	200,000	200,000	0
TOTAL	\$ 200,000	\$ 200,000	\$ 0
Economic Development Initiatives Fund	\$ 16,019,951	\$ 16,014,951	\$ 0
FTE Positions	149.0	149.0	0.0
Non-FTE Unclass. Perm. Positions	4.0	4.0	0.0
TOTAL	153.0	153.0	0.0

Agency Estimate/Governor's Recommendation

The agency estimates FY 2002 operating expenditures of \$105,130,355 which is a decrease of \$18,879,611 from the approved budget. The estimate includes: \$7,103,024 for salaries and wages; \$6,741,937 for contractual services; \$236,905 for commodities; \$372,654 for capital outlay; \$10,035,183 for debt service; \$70,255,929 for aid to local units; and \$10,384,723 for other assistance.

The Governor recommends operating expenditures of \$105,125,355 for FY 2002 which is a decrease of \$18,884,611 from the approved budget. The recommendation includes: \$7,103,024 for salaries and wages; \$6,741,937 for contractual services; \$236,905 for commodities; \$372,654 for capital outlay; \$10,035,183 for debt service; \$70,255,929 for aid to local units; and \$10,379,723 for other assistance.

House Budget Committee Recommendations

The Budget Committee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Department of Commerce and Housing **Bill No. --** **Bill Sec. --**

Analyst: Hollon **Analysis Pg. No.** Volume I - 435 **Budget Page No.** 91

Expenditure Summary	Agency Req. FY 03	Gov. Rec. FY 03	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 26,436,849	\$ 24,154,896	\$ 0
Aid to Local Units	88,425,241	87,708,041	0
Other Assistance	10,709,723	10,118,549	0
TOTAL	<u>\$ 125,571,813</u>	<u>\$ 121,981,486</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	200,000	200,000	0
TOTAL	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 0</u>
Economic Development Initiatives Fund	\$ 18,965,061	\$ 15,338,185	\$ 0
FTE Positions	149.0	148.0	0.0
Non-FTE Unclass. Perm. Positions	4.0	4.0	0.0
TOTAL	<u>153.0</u>	<u>152.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests FY 2003 operating expenditures of \$125,571,813 which is an increase of \$20,441,458 from the FY 202 estimate. The request includes: \$7,296,741 for salaries and wages; \$8,509,894 for contractual services; \$291,687 for commodities; \$154,345 for capital outlay; \$10,184,182 for debt service; \$88,425,241 for aid to local units; and \$10,709,723 for other assistance.

The Governor recommends FY 2003 operating expenditures of \$121,981,486 which is an increase of \$16,856,131 from the FY 2002 recommendation. The recommendation includes: \$7,233,600 for salaries and wages; \$6,352,282 for contractual services; \$233,487 for commodities; \$151,345 for capital outlay; \$10,184,182 for debt service; \$87,708,041 for aid to local units; and \$10,118,549 for other assistance.

House Budget Committee Recommendations

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

1. The Budget Committee commends Lieutenant Governor Sherrer and notes that through his leadership economic development in the state has been enhanced.
2. While not recommending additional funding at this time, the Budget Committee acknowledges the priorities of tourism and rural development stated by the agency in discussions of the Governor's enhanced budget recommendations. According to the agency, Kansas currently ranks 49th in the nation in terms of state tourism advertising budgets. Increased funding would allow the agency to market Kansas historical and cultural attractions to the citizens of Kansas and neighboring states.

The agency also stated that rural development is essential to the economic health of the state and that the Enterprise Facilitation program would provide opportunities for rural communities to increase their capacity and create new entrepreneurial businesses.

3. The Budget Committee notes that, based upon the recommendation of the Legislative Budget Committee, the Economic Development Initiatives Fund is being appropriated as a block grant on a trail basis for FY 2003. The use of an operating grant will provide the agency with more flexibility to shift funds between programs as needed.
4. The Budget Committee also notes the agency's request for restoration of the FTE position eliminated as a part of the Governor's reduction package, but takes no action at this time. The agency included the proposal as a part of its reduced resources budget submission before the EDIF block grant had been recommended. The agency believes that, with the block grant, the position could be funded within the total recommended budget.

House Budget Committee Report

Agency: Kansas, Inc.

Bill No. ----

Bill Sec. ----

Analyst: Hollon

Analysis Pg. No. Volume 1 - 475

Budget Page No. 303

Expenditure Summary	Agency Estimate FY 02	Gov. Rec. FY 02	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 385,706	\$ 384,102	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	<u>\$ 385,706</u>	<u>\$ 384,102</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Economic Development Initiatives Fund:			
State Operations	\$ 344,706	\$ 343,102	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	<u>\$ 344,706</u>	<u>\$ 343,102</u>	<u>\$ 0</u>
FTE Positions	4.0	4.0	0.0
Non-FTE Unclass. Perm. Positions	0.0	0.0	0.0
TOTAL	<u>4.0</u>	<u>4.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency estimates FY 2002 operating expenditures of \$385,706 which is an increase of \$42,439 from the approved budget. The estimate includes: \$280,665 for salaries and wages; \$100,541 for contractual services; and \$4,500 for commodities.

The Governor recommends FY 2002 operating expenditures of \$384,102 which is an increase of \$40,835 from the approved budget. The recommendation includes: \$280,665 for salaries and wages; \$98,937 for contractual services; and \$4,500 for commodities.

House Budget Committee Recommendations

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

House Budget Committee Report

Agency: Kansas, Inc.

Bill No. ----

Bill Sec. ----

Analyst: Hollon

Analysis Pg. No. Volume 1 - 475

Budget Page No. 303

Expenditure Summary	Agency Request FY 03	Gov. Rec. FY 03	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 416,333	\$ 354,444	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 416,333	\$ 354,444	\$ 0
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0
Economic Development Initiatives Fund:			
State Operations	\$ 375,181	\$ 313,292	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 375,181	\$ 313,292	\$ 0
FTE Positions	4.0	4.0	0.0
Non-FTE Unclass. Perm. Positions	0.0	0.0	0.0
TOTAL	4.0	4.0	0.0

Agency Request/Governor's Recommendation

The agency requests FY 2003 operating expenditures of \$416,333 which is an increase of \$30,627 from the FY 2002 estimate. The request includes: \$281,883 for salaries and wages; \$129,950 for contractual services; and \$4,500 for commodities.

The Governor recommends FY 2003 operating expenditures of \$354,444 which is a decrease of \$29,658 from the FY 2002 recommendation. The recommendation includes: \$284,801 for salaries and wages; \$65,143 for contractual services; and \$4,500 for commodities.

House Budget Committee Recommendations

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

1. The Budget Committee notes the agency's mission of planning, evaluation, and implementation of economic development in the state and strongly supports its continued existence as an independent entity.
2. The Budget Committee expresses concern over the increasing demands being made upon the Economic Development Initiatives Fund and supports the removal of the statutory maximum on receipts to the Fund. The operations of the economic development agencies are being funded through the EDIF rather than the State General Fund as in previous years. In addition, non-economic development activities are being funded with EDIF monies. The result is fewer funds available for economic development activities.

House Budget Committee Report

Agency: Kansas Technology Enterprise Corporation **Bill No. --** **Bill Sec. --**

Analyst: Hollon **Analysis Pg. No.** Vol. I - 461 **Budget Page No.** 321

Expenditure Summary	Agency Est. FY 02	Gov. Rec. FY 02	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 2,625,021	\$ 2,573,360	\$ 0
Aid to Local Units	0	0	0
Other Assistance	13,620,163	13,620,163	0
TOTAL	\$ 16,245,184	\$ 16,193,523	\$ 0
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 0	\$ 0	\$ 0
Economic Development Initiatives Fund:			
State Operations	\$ 1,387,840	\$ 1,341,174	\$ 0
Aid to Local Units	0	0	0
Other Assistance	11,555,303	11,555,303	0
TOTAL	\$ 12,943,143	\$ 12,896,477	\$ 0
FTE Positions	30.0	29.0	0.0
Non-FTE Unclass. Perm. Positions	1.0	1.0	0.0
TOTAL	31.0	30.0	0.0

Agency Estimate/Governor's Recommendation

The agency estimates FY 2002 operating expenditures of \$16,245,184 which is a decrease of \$1,579,846 from the approved budget. The estimate includes: \$1,879,941 for salaries and wages; \$714,780 for contractual services; \$30,300 for commodities; and \$13,620,163 for other assistance.

The Governor recommends \$16,193,523 for FY 2002 operating expenditures which is a decrease of \$1,631,507 from the approved budget. The recommendation includes: \$1,833,275 for salaries and wages; \$709,785 for contractual services; \$30,300 for commodities; and \$13,620,163 for other assistance.

House Budget Committee Recommendations

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

House Budget Committee Report

Agency: Kansas Technology Enterprise Corporation **Bill No. --** **Bill Sec. --**

Analyst: Hollon **Analysis Pg. No.** Vol. I - 461 **Budget Page No.** 321

Expenditure Summary	Agency Req. FY 03	Gov. Rec. FY 03	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 2,521,180	\$ 2,380,051	\$ 0
Aid to Local Units	0	0	0
Other Assistance	36,518,582	12,971,082	0
TOTAL	<u>\$ 39,039,762</u>	<u>\$ 15,351,133</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 0	\$ 0	\$ 0
Aid to Local Units	0	0	0
Other Assistance	20,000,000	0	0
TOTAL	<u>\$ 20,000,000</u>	<u>\$ 0</u>	<u>\$ 0</u>
Economic Development Initiatives Fund:			
State Operations	\$ 1,438,374	\$ 1,291,549	\$ 0
Aid to Local Units	0	0	0
Other Assistance	14,457,803	10,915,702	0
TOTAL	<u>\$ 15,896,177</u>	<u>\$ 12,207,251</u>	<u>\$ 0</u>
FTE Positions	30.0	29.0	0.0
Non-FTE Unclass. Perm. Positions	1.0	1.0	0.0
TOTAL	<u>31.0</u>	<u>30.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests FY 2003 operating expenditures of \$39,039,762 which is an increase of \$22,794,578 from the FY 2002 estimate. The request includes: \$1,889,407 for salaries and wages; \$608,663 for contractual services; \$23,110 for commodities; and \$36,518,582 for other assistance.

The Governor recommends FY 2003 operating expenditures of \$15,351,133 which is a decrease of \$842,390 from the FY 2002 recommendation. The recommendation includes: \$1,857,365 for salaries and wages; \$499,576 for contractual services; \$23,110 for commodities; and \$12,971,082 for other assistance.

House Budget Committee Recommendations

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

1. The Budget Committee supports the concept of block grant appropriations from the Economic Development Initiatives Fund and believes that this agency could benefit from the flexibility such a block grant could provide should the proposal be expanded in the future.

Senate Subcommittee Report

Agency: Governmental Ethics Commission

Bill No. 457

Bill Sec. 19

Analyst: Hollon

Analysis Pg. No. 513

Budget Page No. 509

<u>Expenditure Summary</u>	<u>Agency Est. FY 02</u>	<u>Gov. Rec. FY 02</u>	<u>Senate Subcommittee Adjustments</u>
State General Fund	\$ 407,766	\$ 407,766	\$ 0
Special Revenue Funds	162,537	162,537	0
TOTAL	<u>\$ 570,303</u>	<u>\$ 570,303</u>	<u>\$ 0</u>
FTE Positions	9.0	9.0	0.0
Non-FTE Unclass. Perm. Positions	0.5	0.5	0.0
TOTAL	<u>9.5</u>	<u>9.5</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency estimates FY 2002 funding of \$570,303 (\$407,766 SGF) which is equal to the approved budget. The estimate includes \$444,000 for salaries and wages; \$103,880 for contractual services; \$5,025 for commodities; and \$17,398 for capital outlay.

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendations

The Senate Committee concurs with the Subcommittee's recommendation.

House Budget Committee Report

Agency: Governmental Ethics Commission **Bill No. ----** **Bill Sec. ----**

Analyst: Hollon **Analysis Pg. No.** Volume 1 - 513 **Budget Page No.** 509

Expenditure Summary	Agency Est. FY 02	Gov. Rec. FY 02	House Budget Committee Adjustments
State General Fund	\$ 407,766	\$ 407,766	\$ 0
Special Revenue Funds	162,537	162,537	0
TOTAL	\$ 570,303	\$ 570,303	\$ 0
FTE Positions	9.0	9.0	0.0
Non-FTE Uncl. Perm. Positions	0.5	0.5	0.0
TOTAL	9.5	9.5	0.0

Agency Estimate/Governor's Recommendation

The agency estimates FY 2002 funding of \$570,303 (\$407,766 SGF) which is equal to the approved budget. The estimate includes \$444,000 for salaries and wages; \$103,880 for contractual services; \$5,025 for commodities; and \$17,398 for capital outlay.

The Governor concurs with the agency's estimate.

House Budget Committee Recommendations

The Budget Committee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Governmental Ethics Commission **Bill No.** 457 **Bill Sec.** 19

Analyst: Hollon **Analysis Pg. No.** 513 **Budget Page No.** 509

Expenditure Summary	Agency Req. FY 03	Gov. Rec. FY 03	Senate Subcommittee Adjustments
State General Fund	\$ 458,165	\$ 464,056	\$ 0
Special Revenue Fund	116,326	117,126	0
TOTAL	<u>\$ 574,491</u>	<u>\$ 581,182</u>	<u>\$ 0</u>
FTE Positions	9.0	9.0	0.0
Non-FTE Uncl. Perm. Positions	0.5	0.5	0.0
TOTAL	<u>9.5</u>	<u>9.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests funding for FY 2003 of \$574,491 (\$458,165 SGF) which is equal to the approved budget. The request includes: \$448,384 for salaries and wages; \$100,726 for contractual services; \$5,125 for commodities; and \$20,256 for capital outlay.

The Governor concurs with the agency's request with the following adjustments:

- \$7,717 for group health insurance increases; and
- (\$1,026) for a six-month moratorium on employer contributions to the KPERS Death and Disability Fund.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendations.

House Budget Committee Report

Agency: Governmental Ethics Commission **Bill No.** ---- **Bill Sec.** ----

Analyst: Hollon **Analysis Pg. No.** Volume 1 - 513 **Budget Page No.** 509

Expenditure Summary	Agency Req. FY 03	Gov. Rec. FY 03	House Budget Committee Adjustments
State General Fund	\$ 458,165	\$ 464,056	\$ 0
Special Revenue Fund	116,326	117,126	0
TOTAL	<u>\$ 574,491</u>	<u>\$ 581,182</u>	<u>\$ 0</u>
FTE Positions	9.0	9.0	0.0
Non-FTE Uncl. Perm. Positions	0.5	0.5	0.0
TOTAL	<u>9.5</u>	<u>9.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests funding for FY 2003 of \$574,491 (\$458,165 SGF) which is equal to the approved budget.. The request includes: \$448,384 for salaries and wages; \$100,726 for contractual services; \$5,125 for commodities; and \$20,256 for capital outlay.

The Governor concurs with the agency's request with the following adjustments:

- \$7,717 for group health insurance increases; and
- (\$1,026) for a six-month moratorium on employer contributions to the KPERs Death and Disability Fund.

House Budget Committee Recommendations

The Budget Committee concurs with the Governor's recommendation.

ECONOMIC DEVELOPMENT INITIATIVES FUND

<u>Agency/Program</u>	<u>2001 Legislative Approved FY 2002</u>	<u>Governor's Recommendation FY 2002</u>
Department of Commerce and Housing ⁽¹⁾		
Agency Operations	\$ 8,459,757	\$ 8,450,051
Small Business Development Centers	485,000	485,000
Certified Development Companies	400,000	400,000
Kansas Industrial Training/Retraining	3,600,000	3,600,000
Trade Show Promotion Grants	150,000	150,000
Community Capacity Building Grants	197,000	197,000
Kansas Economic Opportunity Initiative Fund	3,500,000	3,500,000
Kansas Existing Industry Expansion Program	500,000	500,000
Tourism Promotion Grants	1,052,100	1,052,100
Mainstreet Grant and Development Prog.	216,800	216,800
Agriculture Product Development	540,000	535,000
Training Equipment Grants	277,500	277,500
Travel Information Centers	115,000	115,000
Motion Picture and Television Rebate	75,000	75,000
HOME Program	530,000	530,000
Subtotal - KDCH	\$ 20,098,157	\$ 20,083,451
Kansas Technology Enterprise Corporation ⁽¹⁾		
Agency Operations	\$ 1,331,781	\$ 1,339,735
Centers of Excellence	4,350,000	3,552,215
Research Matching Grants	1,216,000	1,260,000
Business Innovative Research Grants	76,000	516,000
State Small Business Innovation Research	440,000	0
Special Projects	79,303	79,303
Commercialization Grants	1,450,000	1,450,000
Mid-America Manufact. Tech. Center	1,000,059	1,697,785
EPSCoR	3,000,000	3,000,000
Subtotal - KTEC	\$ 12,943,143	\$ 12,895,038
Kansas, Inc. ⁽¹⁾	\$ 343,267	\$ 343,102
Board of Regents		
Matching Grants - AVTS	\$ 166,855	\$ 166,855
Post-secondary Aid - AVTS	6,916,110	6,882,981
Capital Outlay Aid - AVTS	2,700,000	2,700,000
Comprehensive Grant Program	250,000	250,000
Subtotal - Regents	\$ 10,032,965	\$ 9,999,836
State Water Plan Fund ⁽²⁾	\$ 2,000,000	\$ 2,000,000
Adjutant General - Kansas National Guard Educational Asst.	\$ 250,000	\$ 250,000
Death and Disability Transfer	\$ 16,412	\$ 10,308
TOTAL TRANSFERS AND EXPENDITURES	\$ 45,683,944	\$ 45,581,735
EDIF Resource Estimate		
Beginning Balance	\$ 1,976,476	\$ 1,868,022
Gaming Revenues	42,500,000	42,432,000
Other Income ³⁾	1,000,000	1,108,253
Total Available	\$ 45,476,476	\$ 45,408,275
Less: Expenditures and Transfers	45,683,944	45,581,735
ENDING BALANCE	\$ (207,468)	\$ (173,460)

- 1) Does not include expenditures from prior year EDIF allocations.
2) The Legislature approved a transfer of \$1,638,180 in FY 2002. Due to a technical error, \$2,000,000 was actually transferred.
3) Other Income includes interest earnings and released encumbrances.

HOUSE APPROPRIATIONS
DATE 2/26/02
ATTACHMENT 3

ECONOMIC DEVELOPMENT INITIATIVES FUND

<u>Agency/Program</u>	<u>Governor's Recommendation FY 2003</u>
Department of Commerce and Housing ⁽¹⁾	
Operating Grant	\$ 15,320,885
Kansas Economic Initiatives Opportunity Fund	3,500,000
Kansas Existing Industry Expansion Program	500,000
Subtotal - Commerce and Housing	<u>\$ 19,320,885</u>
 Kansas Technology Enterprise Corporation ⁽¹⁾	
Agency Operations	\$ 1,291,549
Centers of Excellence	3,925,000
Research Matching Grants	1,260,000
Business Innovative Research Grants	396,000
Special Projects	79,303
Commercialization Grants	1,350,000
Mid-America Manufact. Tech. Center	905,399
EPSCoR	3,000,000
Subtotal - KTEC	<u>\$ 12,207,251</u>
 Kansas, Inc. ⁽¹⁾	 \$ 313,292
 Board of Regents	
Matching Grants - AVTS	\$ 200,000
Post-secondary Aid - AVTS	6,467,660
Capital Outlay Aid - AVTS	2,700,000
Subtotal - Regents	<u>\$ 9,367,660</u>
 State Water Plan Fund	 \$ 2,000,000
 TOTAL TRANSFERS AND EXPENDITURES	 <u>\$ 43,209,088</u>

EDIF Resource Estimate

Beginning Balance	\$ (173,460)
Gaming Revenues	42,432,000
Other Income ⁽²⁾	1,032,300
Total Available	<u>\$ 43,290,840</u>
Less: Expenditures and Transfers	43,209,088
ENDING BALANCE	<u>\$ 81,752</u>

- 1) Does not include expenditures from prior year EDIF allocations.
 2) Other Income includes interest earnings and released encumbrances.