

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:35 a.m. on March 13, 2002 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
Deb Hollon, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Becky Krahl, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Robert Waller, Kansas Legislative Research Department
Robert Chapman, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Assistant to the Chairman
Mary Shaw, Committee Secretary

Conferees appearing before the committee: none

Others attending: See attached list

Copies of a letter were distributed that was addressed to the Kansas Legislative Research Department in response to a question raised by Senator Salmans in regard to the Capitol Complex Consolidation (Attachment 1).

Subcommittee reports on:

Biennial Budget Agencies (Attachment 2):

Abstracter's Board of Examiners
Board of Accountancy
Board of Mortuary Arts
Board of Pharmacy
Board of Barbering
Board of Cosmetology
Board of Veterinary Medical Examiners
Kansas Dental Board
Board of Nursing
Board of Optometry Examiners
Real Estate Appraisal Board
Real Estate Commission
Bank Commissioner
Department of Credit Unions
Securities Commissioner
Board of Technical Professions
Behavioral Sciences Regulatory Board
Board of Hearing Aid Examiners
Board of Healing Arts

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the Governor's recommendations and read only those Fee Boards with adjustments as listed in the subcommittee budget reports. Those Fee Boards with adjustments were: Bank Commissioner, Department of Credit Unions and the Real Estate Commission.

CONTINUATION SHEET

Senator Salmans moved, with a second by Senator Jackson, to adopt the subcommittee budget report on all of the Biennial Budget Agencies for the FY 2002 and FY 2003 budget. Motion carried on a voice vote.

Kansas Lottery (Attachment 3)

Subcommittee Chair Schodorf reported that the Subcommittee concurs with the Governor's recommendations for FY 2002.

Subcommittee Chairman Morris reported that the Subcommittee concurs with the Governor's recommendations for FY 2003.

Senator Schodorf moved, with a second by Senator Jordan, to adopt the subcommittee budget report on the Kansas Lottery for the FY 2002 and FY 2003 budget. Motion carried on a voice vote.

Kansas Racing and Gaming Commission (Attachment 4)

Subcommittee Chairman Schodorf reported that the Subcommittee concurs with the Governor's recommendations for FY 2002 with additional recommendation and comments as listed in the subcommittee budget report.

Subcommittee Chairman Schodorf reported that the Subcommittee concurs with the Governor's recommendations for FY 2003.

Senator Schodorf moved, with a second by Senator Jordan, to adopt the subcommittee budget report on the Kansas Racing and Gaming Commission for the FY 2002 and FY 2003 budget. Motion carried on a voice vote.

Staff distributed information regarding the State General Fund Unencumbered Cash Balance per records of the Department of Administration, Division of Accounts and Reports, as of March 12, 2002 (Attachment 5).

The meeting was adjourned at 11:45 a.m. The next meeting is scheduled for March 14, 2002.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

DATE March 13, 2002

NAME	REPRESENTING
Stephanie Buchanan	DOB
Wicki Lynn Hessel	Budget
Kyle Kessler	DOB
Jin Liu	DOB
DAVID WYSONG	citizen
Gary Swille	Ks. Lottery
Ed Van Patten	" "
Keith Kocher	" "
TRACY Diehl	KRBG / State Gaming Agency
Sherry Diehl	KS Real Estate Commission
Penny Bowie	Board of Optometry
Carrie O'Toole	PBPGC
Luth Vega	PBPGC
Doree Guessard	PBP Gaming Commission
ROCKY VACEK	KS Board of Barbering
Mack Smith	KS ST Bd of Mortuary Arts
Betty Lee	KS St Bd. of Technical Professions
Susan Linn	Board of Pharmacy
Mary Lou Davis	Ks Bd of Cosmetology
Marsha Schrempf	Behavioral Sciences
Jenni Freed	KS Dental Bd
John Pinegar	Washburn University

SENATE WAYS AND MEANS COMMITTEE
GUEST LIST

DATE March 13, 2002

NAME	REPRESENTING
Lynn Wilcox	KBOR
Lynn Wilcox	KBOR
Mary Kewitt	KBOR



DEPARTMENT OF ADMINISTRATION

Division of Facilities Management

PM-02-0815

BILL GRAVES
Governor

JOYCE H. GLASSCOCK
Acting Secretary of Administration

JOE FRITTON, P.E.
Director of Facilities Management
900 S.W. Jackson, Room 653
Landon State Office Building
Topeka, KS 66612-2210
(785) 296-4142
FAX (785) 296-3456
www.da.state.ks.us/fm

MEMORANDUM

TO: Martha Dorsey
Legislative Research
Kansas Statehouse

FROM: Gary Hibbs, Design Supervisor *GH*

DATE: March 11, 2001

SUBJECT: Capitol Complex Consolidation

Reference the question from Senator Larry Salmans regarding what cost items are included in funding for the "backfill" of the LSOB. This is the process of moving agencies into space vacated by the move of the KDHE to the Curtis building.

The following is a listing of the items included. I have also identified specific items that are not included that may have been mistakenly thought to be included.

- Includes those agencies that DOA identifies to move into vacated space in LSOB.
- Includes those current agencies in LSOB that choose to expand their current space.
- Includes the cost of fees for space planning & A/E design services.
- Includes the cost of remodeling the spaces.
- Includes the cost to move the agency into, or to expand within, LSOB. This includes the moving company, the modular furniture vendor (to disassemble/assemble), and DISC tele/comm wiring & connections.
- Excludes new furniture, computer equipment, and similar items.
- Excludes any increase to the agency's rent rate, or increase in total rent amount.
- Excludes any loss of rent to DOA.

I hope this provides the information requested. Please contact me at 368-6484 to discuss.

GH:nl

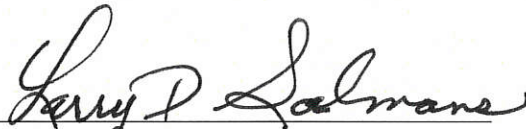
legisresltr.doc

pc: Joe Fritton

*Senate Ways and Means
3-13-02
Attachment 1*

SENATE SUBCOMMITTEE FEE BOARDS

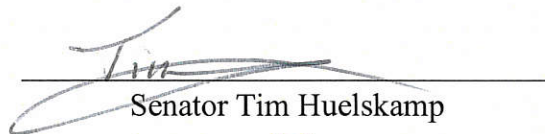
Abstracters' Board of Examiners
Board of Accountancy
Board of Mortuary Arts
Board of Pharmacy
Board of Barbering
Board of Cosmetology
Board of Veterinary Medical Examiners
Kansas Dental Board
Board of Nursing
Board of Optometry Examiners
Real Estate Appraisal Board
Real Estate Commission
Bank Commissioner
Department of Credit Unions
Securities Commissioner
Board of Technical Professions
Behavioral Sciences Regulatory Board
Board of Hearing Aid Examiners
Board of Healing Arts



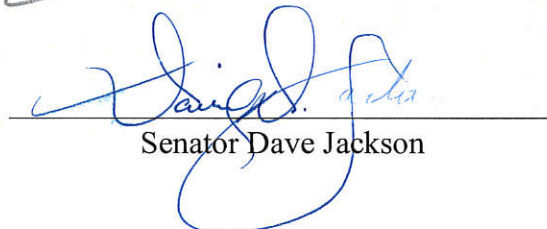
Senator Larry Salmans, Chairperson



Senator Jim Barone



Senator Tim Huelskamp



Senator Dave Jackson

Senate Ways and Means
3-13-02
Attachment 2

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

MORTUARY ARTS, BOARD OF

FY 2002. The agency requests \$213,541, which is \$7,612 or 3.7 percent above the approved amount. The increase is due to additional expenses requested for travel and communication costs.

The Governor concurs with the agency's FY 2002 estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

FY 2003. The agency's request remains the same as the approved amount of \$214,222.

The Governor concurs with the agency's FY 2003 requests and adds \$2,292 for additional health insurance expenses, while reducing expenditures for the recommended death and disability moratorium adjustment.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee 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 Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

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.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

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.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

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

1. Add \$87,236 (Bank Fee Fund) in FY 2002 to fund the requested salary upgrade for Financial Examiners. The Subcommittee 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 2000 Senate

Subcommittee 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 Director 01-313 on August 21, 2002 to implement the salary upgrade. This additional money will simply fund the salary upgrades that are already being paid to the agency's employees.

2. Add \$58,376 (Bank Fee Fund) in FY 2002 to fund capital outlay with the agency. The Governor's recommendation utilizes Kansas Savings Incentive Program (KSIP) funds to finance \$58,376 of capital outlay expenditures in FY 2002. The agency was strongly encouraged by the 2000 Senate Subcommittee to utilize the KSIP funds to pay employee bonuses to key staff to address the problems the agency was experiencing with staff retention and turnover. The agency responded to the Senate Subcommittee to fully participate in the KSIP bonus program and to seek the Financial Examiner salary upgrade, previously discussed. The agency testified to the Subcommittee that the KSIP employee bonuses, coupled with the salary upgrade has tremendously helped with employee retention and morale. The Subcommittee notes, that the use of KSIP money for capital outlay is an acceptable use of the funds, but the intention of the 2000 and 2001 Senate Subcommittees was to utilize the KSIP money for employee bonuses. The 2002 Subcommittee still agrees with use of the KSIP funds for employee bonuses. The agency has followed the suggestion of the Subcommittee, with very positive results.

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 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.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

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

1. Add \$126,662 (Bank Fee Fund) in FY 2003 to fund the requested salary upgrade for Financial Examiners. The Subcommittee 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 2000 Senate Subcommittee 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 Director 01-313 on August 21, 2002 to implement the salary upgrade. This additional money will simply fund the salary upgrades that are already being paid to the agency's employees.
2. Add \$95,830 (Bank Fee Fund) in FY 2003 to fund capital outlay with the agency. The Governor's recommendation utilizes Kansas Savings Incentive Program (KSIP) funds to finance \$95,830 of capital outlay expenditures in FY 2003. The agency was strongly encouraged by the 2000 Senate Subcommittee to utilize the KSIP funds to pay employee bonuses to key staff to address the problems the agency was experiencing with staff retention and turnover. The agency responded to the Senate Subcommittee to fully participate in the KSIP bonus program and to seek the Financial Examiner salary upgrade, previously discussed. The agency testified to the Subcommittee that the KSIP employee bonuses, coupled with the salary upgrade has tremendously helped with employee retention and morale. The Subcommittee notes, that the use of KSIP money for capital outlay is an acceptable use of the funds, but the intention of the 2000 and 2001 Senate Subcommittees was to utilize the KSIP money for employee bonuses. The 2002 Subcommittee still agrees with the use of the KSIP funds for employee bonuses. The agency has followed the suggestion of the Subcommittee, with very positive results.

BARBERING, BOARD OF

FY 2002. The agency requests \$129,914 which is \$3,000 or 2.4 percent above the approved amount. The amount is due to unexpected car repairs for their inspector and the need to hire a temporary employee for five weeks due to an employee illness.

The Governor concurs with the FY 2002 agency request.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

FY 2003. The agency made no additional request.

The Governor recommends for FY 2003 the addition of \$1,213 for additional health expenses and to reflect reduction for the death and disability moratorium.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

BEHAVIORAL SCIENCES REGULATORY BOARD

FY 2002. The agency requests \$486,815, which is \$1,861 or 0.4 percent above the approved amount. The increase is due to a \$1,861 KSIP reappropriation.

The Governor concurs with the FY 2002 agency request.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendations in FY 2002.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

FY 2003. The agency made no additional request.

The Governor recommends for FY 2003 the addition of \$4,326 to account for increased health insurance and the death and disability moratorium adjustment.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendations in FY 2003.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

COSMETOLOGY, BOARD OF

FY 2003. The agency makes no additional requests.

The Governor recommends an FY 2003 salaries and wages increase of \$8,900 for health insurance and death and disability moratorium adjustments.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

CREDIT UNIONS, STATE DEPT. OF

FY 2002. The agency requests \$859,789, which is the same as the approved amount.

The Governor concurs with the agency's FY 2002 request.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

FY 2003. The agency requests \$888,217, which is \$17,416 or 2.2 percent above the approved amount. The additional funding is requested due to increased salaries and wages resulting from reclassification of examiner positions.

The Governor for FY 2003 recommends \$896,620 which is \$8,403 above the agency request. The net additional funding is for employer costs for group health insurance increases and the KPERS Death and Disability moratorium.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes that the agency was scheduled to move into the Landon State Office Building in FY 2003. The move has been delayed and will not take place in FY 2003. The budgeted cost for rent in FY 2003 in the state-owned Landon State Office Building is \$11.64. The agency is currently located in private office space and pays \$11.00 per square foot, including parking space for employees. In addition, in Landon State Office Building state agencies are charged for their pro-rata share of the public or common space within the building.

DENTAL, KANSAS BOARD

FY 2003. The agency made no additional request.

The Governor recommends for FY 2003 the addition of \$1,631 for additional health expenses and the death and disability moratorium.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

HEALING ARTS, BOARD OF

FY 2003. The agency makes no additional requests.

The Governor recommends an FY 2003 salaries and wages increase of \$17,746 for health insurance and death and disability moratorium adjustments.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

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.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

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 Recommendation

The House 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.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

OPTOMETRY EXAMINERS, BOARD OF

FY 2003. The agency made no additional request.

The Governor recommends for FY 2003 the addition of \$674 for additional health expenses and the death and disability moratorium.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

PHARMACY, BOARD OF

FY 2003. The agency makes no additional request.

The Governor recommends for FY 2003 the addition of \$5,473 for increased health insurance expenses, and the reduction of \$614 for the KPERS death and disability moratorium adjustment, totaling a net increase of \$4,859.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendations.

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.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

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.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

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.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

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

1. The Senate Subcommittee recommends reconsideration of the issues of potential rent increase and the reclassification of FTE positions before the appropriations bill is approved by the full Committee if additional information becomes available.

SECURITIES COMMISSIONER

FY 2002. The agency requests \$2,042,207, which is the same as the approved amount.

The Governor concurs with the agency's FY 2002 request.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

FY 2003. The agency requests \$2,092,598, which is the same as the approved amount.

The Governor for FY 2003 recommends \$2,113,020 which is \$20,422 above the agency request. The net additional funding is for employer health insurance costs and for the KPERS death and disability moratorium adjustment.

House Budget Committee Recommendation

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

1. The Budget Committee notes that anticipated fees are currently running approximately \$600,000 below expectations. The lower receipts are a result of fewer agent registrations and fewer registered security offerings, both impacted by the current condition of the financial markets.
2. The Budget Committee also notes that the lower than expected fee receipts could impact the transfer from the agency fee fund to the State General Fund. This agency's fee fund above \$50,000 is transferred to the State General Fund. Under the Governor's recommendations, the agency will transfer \$6.9 million from the agency's fee fund in FY 2002 and FY 2003.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

TECHNICAL PROFESSIONS, BOARD OF

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.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House Committee of the Whole has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

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.

House 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.

House Committee Recommendation

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

House Committee of the Whole Recommendation

The House has not yet considered this agency's budget.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas Lottery

Bill No. 2743

Bill Sec. 27

Analyst: Efird

Analysis Pg. No. Vol. I - 378

Budget Page No. 343

Expenditure Summary	Agency Request FY 02	Governor's Recommendation FY 02	House Budget Committee Adjustments
State Operations	\$ 22,191,228	\$ 22,191,228	0
Prizes and Commissions	117,556,000	117,556,000	0
TOTAL	\$ 139,747,228	\$ 139,747,228	\$ 0
Financing:			
State General Funds	\$ 0	\$ 0	0
Lottery Funds	139,747,228	139,747,228	0
FTE Positions	89.8	89.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	89.8	89.8	0.0

Agency/Governor's Recommendation

The agency's revised FY 2002 budget is based on sales of \$199.0 million, \$1.0 million less than approved by the 2001 Legislature. Transfers to the State Gaming Revenues Fund (SGRF) would decrease to \$59.25 million from the \$60.0 million approved by the 2001 Legislature. Based on the agency's FY 2002 budget, the current approved expenditure limitation of \$9,257,161 for agency operations is reduced to \$8,424,267 in the revised request. Expenditures will increase by an additional \$161,011 from the Kansas Savings Incentive Program (KSIP) funding and that spending is in addition to any expenditure limitation on the Lottery Operating Fund.

The Governor concurs with the agency's revised FY 2002 budget request and adjusts the SGRF transfer estimate to \$59,250,000, based on sales of \$199.0 million. Actual FY 2001 sales were \$186.7 million. The Governor recommends reducing the expenditure limitation from \$9,257,161 to \$8,424,267 in the FY 2002 supplemental appropriations bill.

House Budget Committee Recommendation

The Committee concurs with the Governor's recommendations, including a reduction of \$832,894 in the FY 2002 expenditure limitation. The net reduction in spending is \$671,883 after adding back the KSIP expenditures of \$161,011 in FY 2002 that would be in addition to the expenditure limitation amount. Transfers to the SGRF are estimated at \$59.25 million in FY 2002, of which \$9.25 million will be transferred to the State General Fund (SGF) on June 25, 2002.

*Senate Ways and Means
3-13-02
Attachment 3*

House Appropriations Committee

The Committee concurs.

Subcommittee Report

Agency: Kansas Lottery

Bill No. 457

Bill Sec. 27

Analyst: Efirid

Analysis Pg. No. 378

Budget Page No. 343

<u>Expenditure Summary</u>	<u>Agency Estimate FY 02</u>	<u>Governor's Recommendation FY 02</u>	<u>Subcommittee Adjustments</u>
State Operations	\$ 22,191,228	\$ 22,191,228	\$ 0
Prizes and Commissions	117,556,000	117,556,000	0
Total-All Funds	<u>\$ 139,747,228</u>	<u>\$ 139,747,228</u>	<u>\$ 0</u>
Financing:			
State General Fund	\$ 0	\$ 0	\$ 0
Lottery Funds	139,747,228	139,747,228	0
FTE Positions	89.8	89.8	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>89.8</u>	<u>89.8</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's revised FY 2002 budget is based on sales of \$199.0 million, \$1.0 million less than approved by the 2001 Legislature. Transfers to the State Gaming Revenues Fund (SGRF) would decrease to \$59.25 million from the \$60.0 million approved by the 2001 Legislature. Based on the agency's FY 2002 budget, the current approved expenditure limitation of \$9,257,161 for agency operations is reduced to \$8,424,267 in the revised request. Expenditures will increase by an additional \$161,011 from the Kansas Savings Incentive Program (KSIP) funding and that spending is in addition to any expenditure limitation on the Lottery Operating Fund.


The Governor concurs with the agency's revised FY 2002 budget request and adjusts the SGRF transfer estimate to \$59,250,000, based on sales of \$199.0 million. Actual FY 2001 sales were \$186.7 million. The Governor recommends reducing the expenditure limitation from \$9,257,161 to \$8,424,267 in the FY 2002 supplemental appropriations bill.

Senate Subcommittee Recommendation

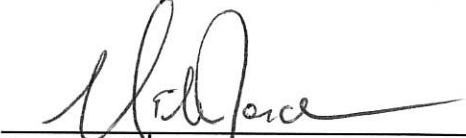
The Subcommittee concurs with the Governor's recommendations, including a reduction of \$832,894 in the FY 2002 expenditure limitation. The net reduction in spending is \$671,883 after adding back the KSIP expenditures of \$161,011 in FY 2002 that would be in addition to the expenditure limitation amount. Transfers to the SGRF are estimated at \$59.25 million in FY 2002, of which \$9.25 million will be transferred to the State General Fund (SGF) on June 25, 2002. Monitoring of the SGRF transfers should continue during the Omnibus period this fiscal year.



Senator Jean Schodorf, Chairperson



Senator Jim Barone



Senator Nick Jordan

House Budget Committee Report

Agency: Kansas Lottery

Bill No. 3008

Bill Sec. 22

Analyst: Efirid

Analysis Pg. No. Vol. I - 378

Budget Page No. 343

Expenditure Summary	Agency Request FY 03	Governor's Recommendation FY 03	House Budget Committee Adjustments
State Operations	\$ 20,910,975	\$ 19,805,356	0
Prizes and Commissions	143,040,000	116,202,000	0
TOTAL	\$ 163,950,975	\$ 136,007,356	0
Financing:			
State General Funds	\$ 0	\$ 0	0
Lottery Funds	163,950,975	136,007,356	0
FTE Positions	89.8	89.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	89.8	89.8	0.0

Agency/Governor's Recommendation

The agency requests reduced state operations expenditures of \$1,280,253, or 5.8 percent, in FY 2003 over the current fiscal year, but increased sales due to a proposed enhancement will result in increased prizes and commission payments of \$25.5 million over this fiscal year. Transfers to the SGRF would be \$57.0 million based on the proposed FY 2003 budget. Of that amount, \$7.0 million would be deposited in the State General Fund on June 25, 2003.

The Governor concurs with the agency's FY 2003 budget without the proposed enhancement, and with minor adjustments in salaries and benefits. Transfers to the SGRF are recommended at \$57.45 million in FY 2003, with 12 monthly transfers anticipated in the recommendations. Sales are estimated to decrease in FY 2003, with corresponding decreases in state operations expenditures (\$2,385,372) and payments for prizes and commissions (\$1,354,000). Total sales are estimated at \$193.5 million. Actual FY 2001 sales were \$186.7 million.

House Budget Committee Recommendations

The Committee concurs with the Governor's recommendations. Transfers to the SGRF are estimated at \$57.45 million in FY 2003, with \$7.45 million for the SGF. The Committee wishes to note the increased sales of pull-tab lottery tickets after reducing the transfer rate from 30.0 to 20.0 percent in FY 2002 and allowing the additional money to be paid in prizes as part of a new game format. The following table shows a comparison of the first six months in FY 2001 with FY 2002. Although the new pull-tab format was not implemented until October 2001, the increased sales compared with last year's sales by month reveals the change produced a significant growth in sales.

<u>Period</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>Six Months</u>
FY 2001	\$ 31,752	\$ 65,616	\$ 43,800	\$ 60,264	\$ 76,962	\$ 48,090	\$ 326,484
FY 2002	28,923	40,472	0	364,774	507,683	306,633	1,248,485

House Appropriations Committee

The Committee concurs.

Subcommittee Report

Agency: Kansas Lottery

Bill No. 640

Bill Sec. 22

Analyst: Efird

Analysis Pg. No. Vol. I - 378

Budget Page No. 343

<u>Expenditure Summary</u>	<u>Agency Request FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Subcommittee Adjustments</u>
State Operations	\$ 20,910,975	\$ 19,805,356	\$ 0
Prizes and Commissions	143,040,000	116,202,000	0
Total-All Funds	<u>\$ 163,950,975</u>	<u>\$ 136,007,356</u>	<u>\$ 0</u>
Financing:			
State General Fund	\$ 0	\$ 0	\$ 0
Lottery Funds	163,950,975	136,007,356	0
FTE Positions	89.8	89.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>89.8</u>	<u>89.8</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests reduced state operations expenditures of \$1,280,253, or 5.8 percent, in FY 2003 over the current fiscal year, but increased sales due to a proposed enhancement will result in increased prizes and commission payments of \$25.5 million over this fiscal year. Transfers to the SGRF would be \$57.0 million based on the proposed FY 2003 budget. Of that amount, \$7.0 million would be deposited in the State General Fund on June 25, 2003.

The Governor concurs with the agency's FY 2003 budget without the proposed enhancement, and with minor adjustments in salaries and benefits. Transfers to the SGRF are recommended at \$57.45 million in FY 2003, with 12 monthly transfers anticipated in the recommendations. Sales are estimated to decrease in FY 2003, with corresponding decreases in state operations expenditures (\$2,385,372) and payments for prizes and commissions (\$1,354,000). Total sales are estimated at \$193.5 million. Actual FY 2001 sales were \$186.7 million.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations. Transfers to the SGRF are estimated at \$57.45 million in FY 2003, with \$7.45 million for the SGF. This amount represents a decrease from the FY 2002 estimate of \$59.25 million and is due to a decline in sales projected in FY 2003.


The Subcommittee was encouraged by information provided by the Lottery staff that suggests sales may be stronger next fiscal year due to improvements and changes being implemented this fiscal year. Among the revisions that should boost sales are the following:

- Introduction in February 2002 of a new Kansas Super Cash Game with more lower tier prizes
- Introduction of a new pull-tabs format in October 2001 with higher prize pay outs
- Increase in regular instant ticket sales after change in pull-tab format
- Reduction of vendor commission paid to G-TECH for services provided that results in an estimated FY 2003 savings of \$1.2 million which could be paid as increased prizes next fiscal year

The Subcommittee commends the Lottery staff for its search for innovative games and for the increased control of advertising content. The Subcommittee was especially pleased to learn that the 6.45 percent rate paid to G-TECH will decrease to 5.12 percent for the new contract to be implemented July 1, 2002.



Senator Jean Schodorf, Chairperson



Senator Jim Barone



Senator Nick Jordan

House Budget Committee Report

Agency: Kansas Racing and Gaming Commission

Bill No. 2743

Bill Sec. 28

Analyst: Efirid

Analysis Pg. No. Vol. I - 390

Budget Page No. 355

Expenditure Summary	Agency Estimate FY 02	Governor's Recommendation FY 02	House Budget Committee Adjustments
State Operations	\$ 4,618,824	\$ 4,553,702	\$ 0
Other Assistance	1,647,000	1,647,000	0
Total—All Funds	\$ 6,265,824	\$ 6,200,702	\$ 0
Financing:			
State General Fund	\$ 0	\$ 0	\$ 0
Racing Operations	5,002,697	4,937,575	0
Gaming Operations	1,263,127	1,263,127	0
Total	\$ 6,265,824	\$ 6,200,702	\$ 0
FTE Positions	64.0	64.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	64.0	64.0	0.0

Agency Estimate/Governor's Recommendation

The revised FY 2002 agency budget includes a decrease of \$30,711 in expenditures for Racing Operations and no change for Gaming Operations, resulting in the net decrease of \$30,711 for state operations. An increase of \$81,895 is estimated in other assistance payments. The current expenditure limitation of \$3,188,533 for the State Racing Fund (SRF) is not adjusted by the agency budget revisions. Under current law, the agency is permitted to spend in FY 2002 an additional \$491,145 from the SRF for purposes allowed by the Kansas Savings Incentive Program (KSIP). The agency reflects expenditure of \$80,000 in KSIP funds for FY 2002.

The Governor recommends a decrease of \$95,833 in expenditures for Racing Operations and no change for Gaming Operations, resulting in the net decrease of \$95,833 for state operations. The Governor concurs with a net increase of \$81,895 in other assistance payments. A transfer of \$271,574 to the State Gaming Revenues Fund (SGRF) is included in the Governor's FY 2002 recommendations. The expenditure limitation for the State Racing Fund is reduced from \$3,188,533 to \$3,118,575.

House Budget Committee Recommendation

The Committee concurs with the Governor's recommendations, including transfers of \$271,574 to the SGRF in FY 2002.

*Senate Ways and Means
3-13-02
Attachment 4*

House Appropriations Committee

The Committee concurs.

Subcommittee Report

Agency: Kansas Racing and Gaming Commission

Bill No. 457

Bill Sec. 28

Analyst: Efird

Analysis Pg. No. Vol. I - 390

Budget Page No. 355

<u>Expenditure Summary</u>	<u>Agency Estimate FY 02</u>	<u>Governor's Recommendation FY 02</u>	<u>Subcommittee Adjustments</u>
State Operations	\$ 4,618,824	\$ 4,553,702	\$ 0
Other Assistance	1,647,000	1,647,000	0
Total-All Funds	<u>\$ 6,265,824</u>	<u>\$ 6,200,702</u>	<u>\$ 0</u>
Financing:			
State General Fund	\$ 0	\$ 0	\$ 0
Racing Operations	5,002,697	4,937,575	0
Gaming Operations	1,263,127	1,263,127	0
Total	<u>\$ 6,265,824</u>	<u>\$ 6,200,702</u>	<u>\$ 0</u>
FTE Positions	64.0	64.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>64.0</u>	<u>64.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The revised FY 2002 agency budget includes a decrease of \$30,711 in expenditures for Racing Operations and no change for Gaming Operations, resulting in the net decrease of \$30,711 for state operations. An increase of \$81,895 is estimated in other assistance payments. The current expenditure limitation of \$3,188,533 for the State Racing Fund (SRF) is not adjusted by the agency budget revisions. Under current law, the agency is permitted to spend in FY 2002 an additional \$491,145 from the SRF for purposes allowed by the Kansas Savings Incentive Program (KSIP). The agency reflects expenditure of \$80,000 in KSIP funds for FY 2002.

The Governor recommends a decrease of \$95,833 in expenditures for Racing Operations and no change for Gaming Operations, resulting in the net decrease of \$95,833 for state operations. The Governor concurs with a net increase of \$81,895 in other assistance payments. A transfer of \$271,574

to the State Gaming Revenues Fund (SGRF) is included in the Governor's FY 2002 recommendations. The expenditure limitation for the State Racing Fund is reduced from \$3,188,533 to \$3,118,575.


Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations, including transfers of \$271,574 to the SGRF in FY 2002, and makes the following additional recommendation and comments:

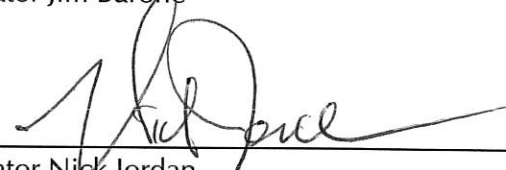
1. Enforce the Governor's recommended \$80,000 expenditure from KSIP funds by reducing the KSIP account authority to spend from \$491,145 to \$80,000 in FY 2002. The \$491,145 amount represents the amount that can be spend in addition to the expenditure limitation for the State Racing Fund. It does not represent actual cash on hand because the agency is limited to no more than \$300,000 in the State Racing Fund for cash flow purposes. All money in excess of that minimum amount must be transferred to the SGRF on a monthly basis.
2. Note that in the current fiscal year only \$69,629 has been transferred to the SGRF, considerable less than the Governor's recommended \$271,574 for FY 2002. Omnibus review of this item would be advised to monitor this situation relative to SGRF transfers since any decrease from the estimated \$271,574 impacts the SGF dollar for dollar.



Senator Jean Schodorf, Chairperson



Senator Jim Barone



Senator Niek Jordan

House Budget Committee Report

Agency: Kansas Racing and Gaming Commission

Bill No. 3008

Bill Sec. 23

Analyst: Efird

Analysis Pg. No. Vol. I - 390

Budget Page No. 355

Expenditure Summary	Agency Request FY 03	Governor's Recommendation FY 03	House Budget Committee Adjustments
State Operations	\$ 4,929,723	\$ 4,720,464	\$ 0
Other Assistance	1,647,000	1,647,000	0
TOTAL--All Funds	<u>\$ 6,576,723</u>	<u>\$ 6,367,464</u>	<u>\$ 0</u>
Financing:			
State General Fund	\$ 0	\$ 0	\$ 0
Racing Operations	5,130,097	4,974,357	0
Gaming Operations	1,446,626	1,393,107	0
TOTAL	<u>\$ 6,576,723</u>	<u>\$ 6,367,464</u>	<u>\$ 0</u>
FTE Positions	64.0	64.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>64.0</u>	<u>64.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's FY 2003 budget request reflects an increase of less than 5.0 percent, with Gaming Operations seeking a larger amount than Racing Operations. No new positions are requested for either program. Most of the increased expenditures reflect the costs of moving office locations and are included only in the enhanced budget request.

The Governor's FY 2003 recommendations provide for an increase of 2.6 percent in spending over the current fiscal year for the agency, with Racing Operations limited to less than a 1.0 percent increase. No enhancements are recommended by the Governor. SGRF transfers of \$84,686 are estimated in the Governor's FY 2003 recommendations, based on the cash flow table for the State Racing Fund.

House Budget Committee Recommendation

The Committee concurs with the Governor's recommendations, including SGRF transfers of \$84,686 in FY 2003.

House Appropriations Committee

The Committee concurs.

Subcommittee Report

Agency: Kansas Racing and Gaming Commission **Bill No.** 640 **Bill Sec.** 23

Analyst: Efird **Analysis Pg. No.** Vol. I - 390 **Budget Page No.** 355

<u>Expenditure Summary</u>	<u>Agency Request FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Subcommittee Adjustments</u>
State Operations	\$ 4,929,723	\$ 4,720,464	\$ 0
Other Assistance	1,647,000	1,647,000	0
Total-All Funds	\$ 6,576,723	\$ 6,367,464	\$ 0
 Financing:			
State General Fund	\$ 0	\$ 0	\$ 0
Racing Operations	5,130,097	4,974,357	0
Gaming Operations	1,446,626	1,393,107	0
Total	\$ 6,576,723	\$ 6,367,464	\$ 0
 FTE Positions			
FTE Positions	64.0	64.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	64.0	64.0	0.0

Agency Request/Governor's Recommendation

The agency's FY 2003 budget request reflects an increase of less than 5.0 percent, with Gaming Operations seeking a larger amount than Racing Operations. No new positions are requested for either program. Most of the increased expenditures reflect the costs of moving office locations and are included only in the enhanced budget request.

The Governor's FY 2003 recommendations provide for an increase of 2.6 percent in spending over the current fiscal year for the agency, with Racing Operations limited to less than a 1.0 percent increase. No enhancements are recommended by the Governor. SGRF transfers of \$84,686 are estimated in the Governor's FY 2003 recommendations, based on the cash flow table for the State Racing Fund.

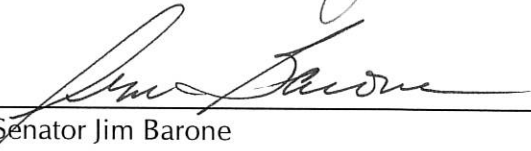
Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations, including SGRF transfers of \$84,686 in FY 2003. A significant decrease is projected next fiscal year due to increasing

operations costs and reduced revenue from racing. As noted earlier, FY 2002 transfers have totaled only \$69,629 through February 15.



Senator Jean Schodorf, Chairperson



Senator Jim Barone



Senator Nick Jordan

STATE GENERAL FUND UNENCUMBERED CASH BALANCE

PER RECORDS OF THE DEPARTMENT OF ADMINISTRATION,
DIVISION OF ACCOUNTS AND REPORTS

AS OF: 03/12/2002

CYCLE NUMBER: 3337

	<u>STATE GENERAL FUND</u>
RECEIPTS CARRIED FORWARD FROM PRIOR FISCAL YEAR	\$ 402,666,553.85
RECEIPTS DURING FISCAL YEAR 2002	<u>2,938,112,415.86 *</u>
 SUBTOTAL FOR RECEIPTS	 3,340,778,969.71
 VOUCHERS PAYABLE	 1,254,381.82
OTHER EXPENDITURES	<u>3,243,658,893.79</u>
TOTAL EXPENDITURES	<u>3,244,913,275.61</u>
 UNEXPENDED CASH BALANCE	 \$ 95,865,694.10
 ENCUMBRANCES	 <u>81,777,335.73 **</u>
 UNENCUMBERED CASH BALANCE IN STARS	 \$ <u><u>14,088,358.37</u></u>

* Receipts include Certificate of Indebtedness in the amount of \$150 million and \$200 million issued per KSA 75-3725a. These Certificate of Indebtedness are required to be repaid by June 30, 2002.

** Please note that encumbrances include \$17,284,504.91 for payroll.

Senate Ways and Means
 3-13-02
 Attachment 5