

MINUTES OF THE SENATE WAYS AND MEANS.

The meeting was called to order by Chairperson Stephen Morris at 10:30 a.m. on March 13, 2003, in Room 123-S of the Capitol.

All members were present except: All present

Committee staff present:

Alan Conroy, Director, Kansas Legislative Research Department
J. G. Scott, Chief Fiscal Analyst, Kansas Legislative Research Department
Martha Dorsey, Kansas Legislative Research Department
Melissa Calderwood, Kansas Legislative Research Department
Becky Krahl, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Amy Deckard, Kansas Legislative Research Department
Nicoletta Buonasera, Kansas Legislative Research Department
Amy VanHouse, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Assistant Revisor of Statutes
Judy Bromich, Administrative Analyst
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERs)

Others attending: See attached list

Chairman Morris welcomed Glenn Deck, Executive Director, Kansas Public Employees Retirement System (KPERs), who presented an overview of the KPERs long-term funding and pension obligation bonds (Attachment 1). Mr. Deck explained funding sources, the long-term funding outlook, updated funding projections, market overview, funding alternatives and issues to consider concerning issuance of pension obligation bonds.

In conclusion, Mr. Deck noted that the KPERs objective is to develop a consensus among the Board of Trustees, the Governor, the Legislature, and other state officials on a long-term funding plan to ensure the System's financial health. He also mentioned that their goal has been for the funding to be developed during 2003 with adoption no later than the 2004 Legislative session. The Committee discussed the following bill:

SB 260--Employer contribution rates and pension obligation bonds for the Kansas public employees retirement system

Committee questions and discussion followed for Mr. Deck.

Copies of the Kansas Legislative Research Department Budget Analysis Report for FY 2003 and FY 2004 were distributed to the committee.

Subcommittee reports on:

Department of Credit Unions (Attachment 2)
Real Estate Appraisal Board (Attachment 3)
Board of Accountancy (Attachment 4)
Board of Cosmetology (Attachment 5)
Board of Mortuary Arts (Attachment 6)
Board of Hearing Aid Examiners (Attachment 7)

CONTINUATION SHEET

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with no comments for FY 2003, FY 2004 and FY 2005 with the agencies listed above.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Department of Credit Unions, Real Estate Appraisal Board, Board of Accountancy, Board of Cosmetology, Board of Mortuary Arts and Board of Hearing Aid Examiners for the FY 2003, FY 2004 and FY 2005 budgets. Motion carried on a voice vote.

Securities Commissioner (Attachment 8)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with notations for FY 2004.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with a notation for FY 2005.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Office of the Securities Commissioner of Kansas for the FY 2003, FY 2004 and FY 2005 budgets. Motion carried on a voice vote.

Board of Barbering (Attachment 9)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with a notation for FY 2004.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2005.

Senator Salmans moved, with a second by Senator Jackson, to adopt the subcommittee budget report on the Board of Barbering for the FY 2003, FY 2004 and FY 2005 budget. Motion carried on a voice vote.

Board of Optometry Examiners (Attachment 10)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with a notation for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with a notation for FY 2004.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2005.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Board of Examiners in Optometry for the FY 2003, FY 2004 and FY 2005 budget. Motion carried on a voice vote.

Board of Pharmacy (Attachment 11)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with adjustment for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2004.

CONTINUATION SHEET

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2005.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Board of Pharmacy for the FY 2003, FY 2004 and FY 2005 budget. Motion carried on a voice vote.

Kansas Dental Board (Attachment 12)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with notation for FY 2004.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2005.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Kansas Dental Board for the FY 2003, FY 2004 and FY 2005 budget. Motion carried on a voice vote.

Abstracters' Board of Examiners (Attachment 13)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with notations for FY 2004.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2005.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Abstracters' Board of Examiners for the FY 2003, FY 2004 and FY 2005 budget. Motion carried on a voice vote.

Board of Technical Professions (Attachment 14)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with adjustment for FY 2004.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2005.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Board of Technical Professions for the FY 2003, FY 2004 and FY 2005 budget. Motion carried on a voice vote.

Real Estate Commission (Attachment 15)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with adjustments for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with adjustment for FY 2004.

CONTINUATION SHEET

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with adjustment for FY 2005.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Real Estate Commission for the FY 2003, FY 2004 and FY 2005 budget. Motion carried on a voice vote.

Board of Healing Arts (Attachment 16)

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with notations and observations for FY 2003.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor with notations and observations for FY 2004.

Subcommittee Chairman Salmans reported that the Subcommittee concurs with the recommendation of the Governor for FY 2005.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Board of Healing Arts for the FY 2003, FY 2004 and FY 2005 budget. Motion carried on a voice vote.

Behavioral Sciences Regulatory Board (Attachment 17)

Senator Barone reported that the Subcommittee concurs with the recommendation of the Governor for FY 2003.

Senator Barone reported that the Subcommittee concurs with the recommendation of the Governor with adjustment for FY 2004.

Senator Barone reported that the Subcommittee concurs with the recommendation of the Governor with adjustment for FY 2005.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Behavioral Sciences Regulatory Board for the FY 2003, FY 2004 and FY 2005 budget. Motion carried on a voice vote.

Board of Nursing (Attachment 18)

Senator Barone reported that the Subcommittee concurs with the recommendation of the Governor for FY 2003.

Senator Barone reported that the Subcommittee concurs with the recommendation of the Governor with changes and notations for FY 2004.

Senator Barone reported that the Subcommittee concurs with the recommendation of the Governor with notations for FY 2005.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Board of Nursing for the FY 2003, FY 2004 and FY 2005 budget. Motion carried on a voice vote.

Board of Veterinary Medical Examiners (Attachment 19)

Senator Barone reported that the Subcommittee concurs with the recommendation of the Governor for FY 2003.

Senator Barone reported that the Subcommittee concurs with the recommendation of the Governor with a notation for FY 2004.

Senator Barone reported that the Subcommittee concurs with the recommendation of the Governor with a notation for FY 2005.

CONTINUATION SHEET

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Board of Veterinary Medical Examiners for the FY 2003, FY 2004 and FY 2005 budget. Motion carried on a voice vote.

Office of State Bank Commissioner (Attachment 20)

Senator Barone reported that the Subcommittee concurs with the recommendation of the Governor with adjustment for FY 2003.

Senator Barone reported that the Subcommittee concurs with the recommendation of the Governor with adjustments for FY 2004.

Senator Barone reported that the Subcommittee concurs with the recommendation of the Governor with notation for FY 2005.

Senator Salmans moved, with a second by Senator Barone, to adopt the subcommittee budget report on the Office of the State Bank Commissioner for the FY 2003, FY 2004 and FY 2005 budget. Motion carried on a voice vote.

The meeting adjourned at 12:00 noon. The next meeting is scheduled for March 14, 2003.

SENATE WAYS AND MEANS COMMITTEE

GUEST LIST

DATE march 13, 2003

NAME	REPRESENTING
Coralyn Middendorf	Ks St Ns Area
Leola Breedlove	KPERS
Kyle Wood	KPERS
J Mann	KNEA
Don M Repac	S.E.A.K
Barb Jensen	League of Women Voters
Marska Skemp	BSRB
Sherry Dale	BSRB KREC
Judith Jensen	Board of Accountability
Penney Bennie	Board of Optometry
Joni Pennington	LWVA
Doris Slocumb	LWVK
Marta	KOFA
Marta	KOFA
Jeff Thompson	Division of the Budget
Linda Denton	Budget
Keith Broadshaw	Budget
Jim Liu	Budget
Twila Drybread	Budget
Kara Lock	Intern - Sen. Downey
Kenneth Woods	COF
Travis Barnhart	KNASW

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

DATE 3.13.03

NAME	REPRESENTING
Pat Martin	League of Women Voters
Mike Hupples	Ks. Governmental Consulting
Kevin Barone	Hein Law firm
Susan Low	KBOP
Pat Johnson	KS BTP
Betsy Rose	" "
Mary Bluebuck	KSBN
Jeni Freed	KS Dental Bd
ONEL'S HUKW	KARSP / USA
Keith Haxton	SEAK
Kevin Glendering	Banking Department

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KPERS

Long-Term Funding and Pension Obligation Bonds

Senate Ways and Means Committee

March 13, 2003

Senate Ways and Means
3-13-03
Attachment 1

Funding Sources

The System's retirement benefit payments of more than \$600 million annually are funded by:

- **Member Contributions:** Active members contribute 4 percent of compensation.
→ This rate has been 4 percent since KPERS was established in 1962.

- **Employer Contributions:** Employers also contribute a percentage of member compensation.
→ Between 1962 and 1992, employer contribution rates were adjusted annually to reflect the amounts actuarially required to fund benefits. During this time, the State contribution rate fluctuated from a high of 6.8 percent in fiscal year 1976 to a low of 2.44 percent in fiscal year 1989.

→ In 1993, benefits were enhanced and a 40-year payment plan was established for those enhancements. The original statutory cap of 0.1 percent for annual increases in State contribution rates was later increased to 0.2 percent.

→ For fiscal year 2003, the State contribution rate is 4.38 percent.

- **Investment Earnings:** Investment earnings provide nearly 70 percent of the System's funding.
→ Investment earnings vary significantly from year-to-year depending on economic conditions and capital market returns.

→ The Retirement System's actuarial models assume that invested assets will, on average, earn 8 percent each year.

Long-Term Funding Outlook

The December 31, 2001 actuarial valuation showed that the Retirement System's funding situation had deteriorated and the System was not in "actuarial balance."

- In fiscal year 2005, the State should be contributing 7.69 percent of compensation to pay for benefits promised to existing and former members. The statutory (capped) employer rate for this group is scheduled to be 4.78 percent. This difference has resulted in a long-term funding shortfall, and the State's annual contribution would need to increase by approximately \$100 million to contribute at the full actuarial rate.
- The System's consulting actuary strongly recommended that action be taken to increase future contributions to a level that would restore the System to actuarial balance.
- The System's unfunded actuarial liability had grown to approximately \$1.8 billion at December 31, 2001.
- The funded ratio (ratio of actuarial value of assets to actuarial liabilities) had declined to 82 percent for the State/School group and 89 percent for the local group.
- KPERS staff have been working closely with the Joint Committee on Pensions, Investments and Benefits to educate members of the Legislature, executive officials and other interested parties about the long-term funding situation.

Updated Funding Projections

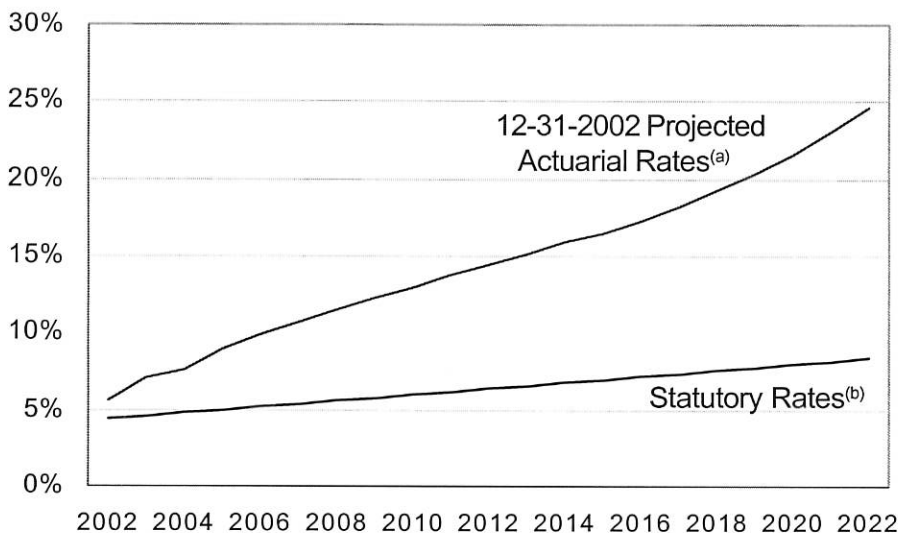
Funding projections presented in August 2002 were based on actuarial valuation and investment performance as of December 31, 2001. For the calendar year ended December 31, 2002, the System's portfolio returned negative 6.9 percent. The System's assets declined from \$9.1 billion to \$8.2 billion during the same period.

Incorporating these additional negative returns and the resulting lower asset value into the projection model increases the unfunded actuarial liability (UAL) and contribution rates necessary to reduce the UAL.

Funding projections are very long-term and volatile:

- All projections represent assumptions based on an average of several decades, not years.
- Actual results will more likely rest somewhere between the extremes of 2000 and 2003.

Employer Contribution Rates



(a) 12-31-2002 Projected Actuarial Rates based on actuarial valuation as of 12-31-2001, investment performance through 12-31-2002, and assumed annual investment return of flat 8 percent beginning 1-1-2003.

(b) Current statutory rates increase by 0.2 percent annually.

Funding Projections and Alternatives

Increased employer contributions are essential to the System's long-term financial health.

Various studies have shown that KPERS employer contribution rates are low when compared with employer rates for comparable public systems.

Alternatives for increasing employer contributions include:

- Various rates of increase to actuarially-required rates
- Employer contribution increases and issuance of pension obligation bonds
- Employer contribution increases coupled with changes in amortization period and other actuarial methods

Funding Projections and Alternatives

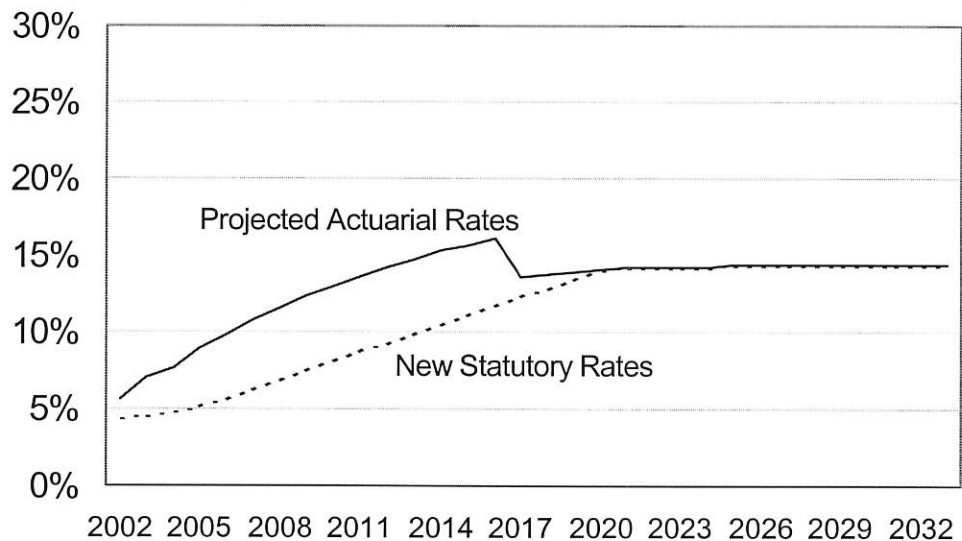
The funding outlook improves by moving toward actuarially sound contribution levels.

The following example illustrates the potential impact of increasing employer contributions beginning in fiscal year 2006 and reamortizing the unfunded actuarial liability in 2015.

Alternative: Reamortize the Unfunded Actuarial Liability in 2015^(a)
 Increase Employer Contributions Beginning July 1, 2005^(b)

- State/School group equilibrium rate of 14.06 percent in fiscal year 2021

Employer Contribution Rates



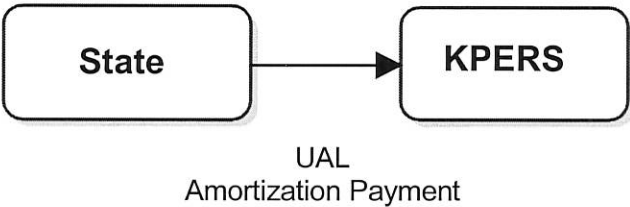
Fiscal Year	Contributions (\$millions)		
	Current	This Alternative	Difference
2005	\$ 166.2	\$ 166.2	\$ --
2006	177.9	185.0	7.1
2007	190.0	208.3	18.3
2008	202.5	236.3	33.9
2009	215.4	265.6	50.2
2010	228.8	296.2	67.3
2015	305.3	471.9	166.6
2020	406.4	704.1	297.7
2025	543.0	883.7	340.8

(a) Assumes the UAL is reamortized in 2015 to a fixed period of 30 years with a floor of 10 years and investment returns average 8 percent beginning January 1, 2003.

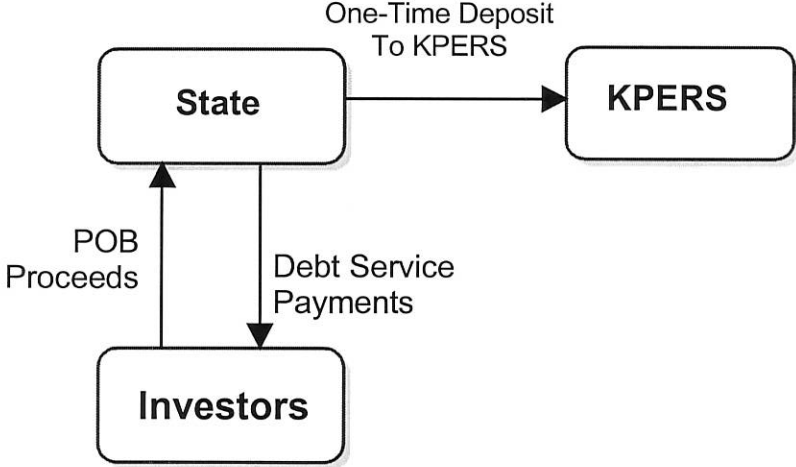
(b) Assumes employer contributions increase by 0.4 percent for fiscal year 2006, 0.5 percent for fiscal year 2007, and 0.6 percent for fiscal year 2008 and beyond.

Pension Obligation Bond Overview

Current Plan



After POB Transaction

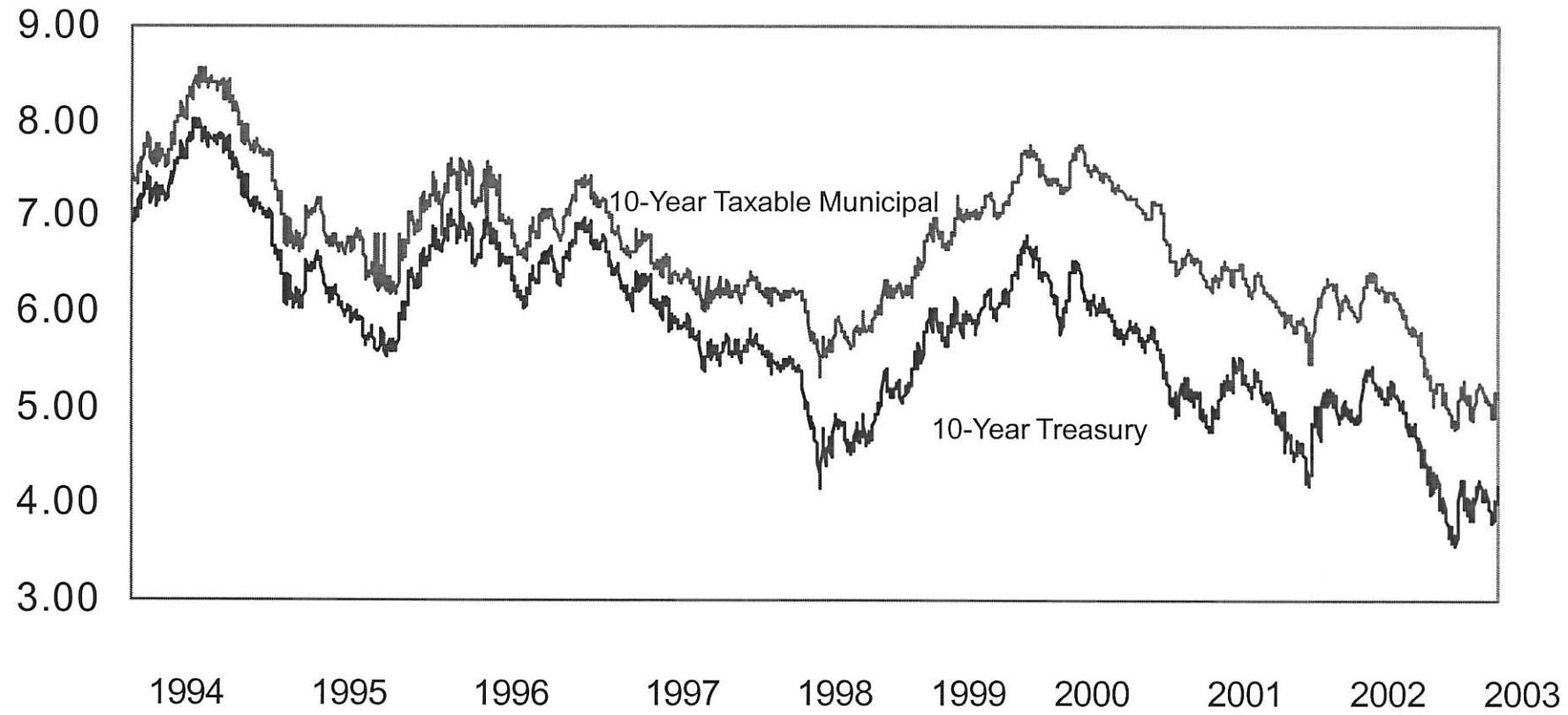


- Proceeds of pension obligation bond (POBs) deposited in pension fund.
- State obligation to make UAL payments replaced with principal and interest payments to bondholders.
- Net effect is to lower expected KPERS payments.

Market Overview

Pension obligation bonds are issued on a taxable basis and, therefore, priced relative to U.S. Government Bonds.

Interest rates are very low. Earlier this week, the yield on 10-year Treasury notes fell to its lowest level in 44 years.



Bond Interest Rates

Currently, the State could issue POBs at interest rates below the 8 percent investment return assumption.

Current Estimated True Interest Cost (TIC) of 30-year issue is approximately 6 percent.

Estimated Pension Obligation Bond Scale

Maturity	Year	US Treasury Yield	POB Spread to Treasuries	POB Yields
1	2004	1.24	65	1.89
2	2005	1.49	70	2.19
3	2006	1.85	75	2.60
4	2007	2.24	85	3.09
5	2008	2.62	90	3.52
6	2009	2.83	95	3.78
7	2010	3.03	95	3.98
8	2011	3.24	102	4.26
9	2012	3.44	108	4.52
10	2013	3.65	115	4.80
11	2014	3.76	115	4.91
12	2015	3.87	115	5.02
13	2016	3.99	115	5.14
14	2017	4.10	115	5.25
15	2018	4.21	115	5.36
16	2019	4.32	115	5.47
17	2020	4.43	115	5.58
18	2021	4.55	115	5.70
19	2022	4.66	115	5.81
20	2023	4.77	115	5.92
21	2024	4.77	120	5.97
22	2025	4.77	120	5.97
23	2026	4.77	120	5.97
24	2027	4.77	120	5.97
25	2028	4.77	120	5.97
26	2029	4.77	120	5.97
27	2030	4.77	120	5.97
28	2031	4.77	120	5.97
29	2032	4.77	120	5.97
30	2033	4.77	120	5.97

Source: Kansas Development Finance Authority

Bond Issue Structure

Pension obligation bonds could be issued for a portion or nearly all of the System's unfunded actuarial liability.

Various options could be structured to provide alternate payment schedules:

- 30-year vs. shorter term
- Level annual debt service
- Gradually increasing debt service
- One large issue or several small series over a 2-3 year period depending on the market

The modeled POBs assume a level debt payment structure.

Actual structure would be a function of interest rates (the shape of the yield curve), cash-flow targets and market demand.

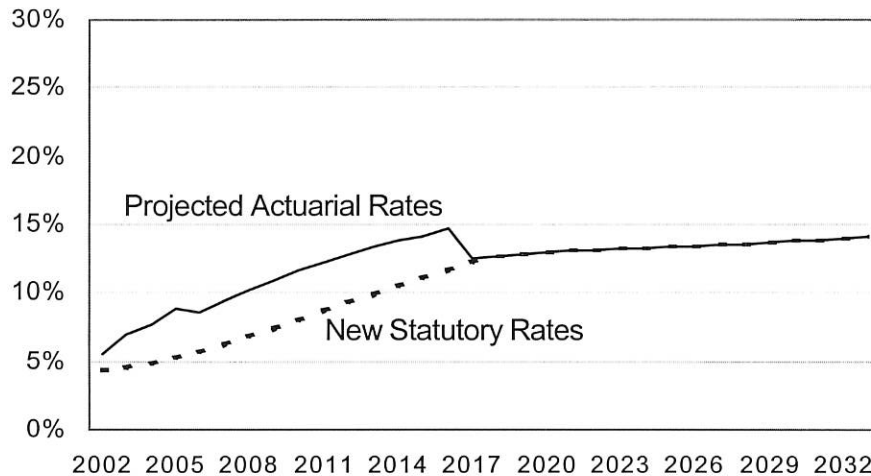
Funding Alternatives with POBs

The following example illustrates the potential impact of issuing POBs (with level debt service payments) coupled with reamortization and employer contribution rate increases.

Alternative: Issue \$750 Million POBs in 2003
 Reamortize the Unfunded Actuarial Liability in 2015^(a)
 Increase Employer Contributions Beginning July 1, 2005^(b)

- State/School group equilibrium rate of 12.66 percent in fiscal year 2019.
- The estimated present value of the difference in contributions is \$137 million^(c).

Employer Contribution Rates



Fiscal Year	Contributions (\$millions)		
	Current	This Alternative	Difference
2005	\$ 166.2	\$ 166.2	\$ --
2006	177.9	185.0	7.1
2007	190.0	208.3	18.3
2008	202.5	236.3	33.9
2009	215.4	265.6	50.2
2010	228.8	296.2	67.3
2015	305.3	471.9	166.6
2020	406.4	669.6	263.2
2025	543.0	821.3	278.3

(a) Assumes the UAL is reamortized in 2015 to a fixed period of 30 years with a floor of 10 years and investment returns average 8 percent beginning January 1, 2003.
 (b) Assumes employer contributions increase by 0.4 percent for fiscal year 2006, 0.5 percent for fiscal year 2007, and 0.6 percent for fiscal year 2008 and beyond.
 (c) As compared with the employer contribution increases described in (b) without the POB issue.

POB Issues to Consider

Risk of investment performance not achieving the borrowing rate:

- 10 year average investment performance of 8.1 percent
- 3 year average investment performance of negative 4.5 percent
- 1 year return of negative 6.9 percent

Timing of one-time deposit of bond proceeds in relation to market performance

Debt capacity of State and impact on State credit and other borrowing

Reduced flexibility to State budget of converting a portion of employer contributions into fixed debt service payments

POB Issuance Process

Authorizing legislation establishes bond issuance authority and process:

- Kansas Development Finance Authority (KDFFA) is the borrowing entity.
- Agreement between KDFFA, State (Department of Administration) and KPERS to carry out transactions.
- KDFFA would work with underwriting team to develop final bond issue structure.
- Final transaction approval delegated to the State Finance Council.
- Debt service on bonds would be paid through annual appropriation.

Conclusion

KPERS objective is to develop a consensus among the Board of Trustees, the Governor, the Legislature, and other state and local officials on a long-term funding plan to ensure the System's financial health.

Our goal has been for the funding plan to be developed during 2003 with adoption no later than the 2004 Legislative Session.

KPERS Board and staff are available to provide any information or assistance requested by the Legislature or the Governor regarding funding alternatives and pension obligation bonds.

Appendix

Summary of Pension Obligation Bond Issues in Other States

Pension Obligation Bond Issues in Other States

Date	Amount	Issuer	State	Sale Type	Objective ^(a)
10-10-02	\$ 774,663,000	Oregon School Board	OR	neg	
9-17-02	737,340,000	San Diego County	CA	neg	
3-15-02	228,615,000	Oregon Local Governments	OR	neg	
3-13-02	117,055,000	Fresno County	CA	neg	Near/Immediate Budget Relief
1-23-02	205,335,000	City of Fresno	CA	neg	
10-03-01	195,639,000	City of Oakland	CA	neg	
7-7-01	111,000,000	City of Portland	ME	neg	Long-Term Savings, Pension Funding
3-8-01	107,005,000	Contra Costa County	CA	neg	
12-10-00	171,685,000	City of New Orleans	LA	neg	Immediate Relief, Pension Funding
8-22-00	350,000,000	City of Bridgeport	CT	neg	Long-Term Budget Relief and Pension Funding
7-11-00	105,650,000	City of Fresno	CA	neg	Long-Term Savings, Pension Funding
7-11-00	105,650,000	City of Fresno	CA	neg	
11-17-99	184,548,160	Multnomah County	OR	neg	
10-22-99	150,848,346	City of Portland	OR	neg	
7-29-99	101,940,000	Pasadena	CA	neg	
1-21-99	1,291,913,112	City of Philadelphia	PA	neg	Intermediate Relief, Pension Funding
12-8-98	220,979,365	City of Worcester	MA	neg	Pension Funding
3-12-98	184,910,000	Fresno County	CA	neg	
2-3-98	255,865,000	Pittsburgh	PA	comp	
7-9-97	384,168,000	Denver Public Schools	CO	neg	Long-Term Budget Relief, Pension Funding
6-25-97	2,803,042,000	State of New Jersey	NJ	neg	Near-Term Budget Relief
2-15-97	436,289,659	City of Oakland	CA	neg	Intermediate Term Relief, Pension Funding
1-7-97	136,923,000	Orange County	CA	neg	
12-12-96	306,863,000	Alameda County	CA	neg	
11-1-96	773,475,000	NYS Dorm Authority	NY	neg	Debt Service Savings vs hard UAAL obligation
6-6-96	121,680,000	Orange County	CA	neg	
4-27-96	327,400,000	Los Angeles County	CA	neg	
11-30-95	154,510,000	Ventura County	CA	neg	
11-22-95	420,527,000	San Bernadino County	CA	neg	
11-10-95	227,818,000	Kern County	CA	neg	Long-Term Budget Relief, Pension Funding
10-25-95	108,635,000	City of Long Beach	CA	neg	
10-19-95	600,000,000	Los Angeles County	CA	neg	
9-13-95	108,970,000	Stanislaus County	CA	neg	
6-22-95	538,060,000	Sacramento County	CA	neg	
4-12-95	310,150,000	Alameda County	CA	neg	

Pension Obligation Bond Issues in Other States (continued)

Date	Amount	Issuer	State	Sale Type	Objective ^(a)
10-13-94	\$ 1,965,230,000	Los Angeles County	CA	neg	
9-23-94	320,040,000	Orange County	CA	neg	
3-17-94	245,555,000	City of Fresno	CA	neg	
2-15-94	337,365,000	Contra Costa County	CA	neg	
2-3-94	430,430,000	San Diego County	CA	neg	
<i>Pending - Underwriters Named</i>					
	\$ 3,900,000,000	West Virginia	WV	neg	Awaiting court test, goal of pension funding
	400,000,000	Government of Guam		neg	Budget Relief, Pension Funding
	200,000,000	Sonoma County	CA	neg	Budget Relief, Pension Funding
	250,000,000	Kern County	CA	neg	Budget Relief, Pension Funding
	200,000,000	Sacramento County	CA	neg	
<i>Under Consideration per Bond Buyer - No Legislation, Firm Plans or Banking Team Named</i>					
	\$ 5,000,000,000	Illinois	IL		Near/Immediate Relief, Pension Funding
	750,000,000	Wisconsin	WI		Near/Immediate Relief
	1,500,000,000	California	CA		Near-Term Relief, Normal Cost Takeout

(a) POB objective represents the opinion of experienced POB market participants.

Source: UBS Paine Webber

FY 2003, 2004, and 2005

SENATE SUBCOMMITTEE REPORTS

*Department of Credit Unions
Real Estate Appraisal Board
Board of Accountancy
Board of Cosmetology
Board of Mortuary Arts
Board of Hearing Aid Examiners*

*Securities Commissioner
Board of Barbering
Board of Examiners in Optometry
Board of Pharmacy
Kansas Dental Board
Abstracters' Board of Examiners
Board of Technical Professionals*

*Real Estate Commission
Board of Healing Arts
Behavioral Sciences Regulatory Board
Board of Nursing
Board of Veterinary Medical Examiners
State Bank Commissioner*



Senator Larry Salmons, Chair



Senator Dave Jackson



Senator Jim Barone

Senate Ways and Means
3-13-03
Attachment 2

House Budget Committee Report

Agency: Department of Credit Unions

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No. Vol. 3 - 1627

Budget Page No. 483

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 850,554	\$ 850,554	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>13.0</u>	<u>13.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency requests for FY 2003 operating expenditures of \$850,554, which is a decrease of \$46,066 (5.1 percent) from the approved budget. The estimate includes: \$709,874 for salaries and wages, \$130,780 for contractual services, \$5,400 for commodities, and \$4,500 for capital outlay.

The Governor concurs with the agency estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Department of Credit Unions **Bill No.** **Bill Sec.**

Analyst: Krahl **Analysis Pg. No.** Vol 3 - 1627 **Budget Page No.** 483

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 850,554	\$ 850,554	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>13.0</u>	<u>13.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency requests for FY 2003 operating expenditures of \$850,554, which is a decrease of \$46,066 (5.1 percent) from the approved budget. The estimate includes: \$709,874 for salaries and wages, \$130,780 for contractual services, \$5,400 for commodities, and \$4,500 for capital outlay.

The Governor concurs with the agency estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Department of Credit Unions **Bill No.** **Bill Sec.**
Analyst: Krahl **Analysis Pg. No.** Vol. 3 - 1627 **Budget Page No.** 483

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
State Operations:			
Special Revenue Funds	\$ 872,750	\$ 821,258	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

Agency Request/Governor's Recommendation

The agency requests for FY 2004 operating expenditures of \$872,750, which is an increase of \$22,196 (2.6 percent) from the FY2003 estimate. The request includes: \$722,818 for salaries and wages, \$141,532 for contractual services, \$5,900 for commodities, and \$2,500 for capital outlay.

The Governor recommends for FY 2004 operating expenditures \$821,258, which is a decrease of \$29,296 (3.4 percent) from the FY 2003 recommendation. The recommendation includes a 5.9 percent reduction of resources of \$51,492. The recommendation includes: \$722,818 for salaries and wages, \$141,532 for contractual services, \$5,900 for commodities, \$2,500 for capital outlay and a 5.9 percent reduction of resources of \$51,492.

House Budget Committee Recommendation

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

1. The House Budget Committee wishes to commend the Department of Credit Unions which leases its computers and software from the National Credit Union Administration saving the agency thousands of dollars in capital outlay each fiscal year. The House Budget Committee recommends that other agencies investigate the possibility of leasing or sharing computer equipment and software to meet their computer needs.

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Department of Credit Unions **Bill No.** **Bill Sec.**

Analyst: Krahl **Analysis Pg. No.** Vol. 3 - 1627 **Budget Page No.** 483

<u>Expenditure Summary</u>	<u>Agency Request FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 872,750	\$ 821,258	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>13.0</u>	<u>13.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests for FY 2004 operating expenditures of \$872,750, which is an increase of \$22,196 (2.6 percent) from the FY2003 estimate. The request includes: \$722,818 for salaries and wages, \$141,532 for contractual services, \$5,900 for commodities, and \$2,500 for capital outlay.

The Governor recommends for FY 2004 operating expenditures \$821,258, which is a decrease of \$29,296 (3.4 percent) from the FY 2003 recommendation. The recommendation includes a 5.9 percent reduction of resources of \$51,492. The recommendation includes: \$722,818 for salaries and wages, \$141,532 for contractual services, \$5,900 for commodities, \$2,500 for capital outlay and a 5.9 percent reduction of resources of \$51,492.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Department of Credit Unions

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No. Vol. 3 - 1627

Budget Page No. 483

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 888,964	\$ 888,964	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>13.0</u>	<u>13.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency request for FY 2005 operating expenditures of \$888,964, is an increase of \$16,214 (1.9 percent) from the FY 2004 request. The request includes: \$732,114 for salaries and wages, \$147,450 for contractual services, \$6,400 for commodities, and \$3,000 for capital outlay.

The Governor concurs with the agency FY 2005 request.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Department of Credit Unions

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No. Vol 3- 1627 **Budget Page No.** 483

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
State Operations:			
Special Revenue Funds	\$ 888,964	\$ 888,964	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

Agency Request/Governor's Recommendation

The agency request for FY 2005 operating expenditures of \$888,964, is an increase of \$16,214 (1.9 percent) from the FY 2004 request. The request includes: \$732,114 for salaries and wages, \$147,450 for contractual services, \$6,400 for commodities, and \$3,000 for capital outlay.

The Governor concurs with the agency FY 2005 recommendation.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Real Estate Appraisal Board **Bill No.** **Bill Sec.**

Analyst: Krahl **Analysis Pg. No.** Vol. 3 - 1741 **Budget Page No.** 501

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 256,455	\$ 207,855	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures of \$256,455 is consistent with the approved budget. The estimate includes: \$170,699 for salaries and wages, \$73,006 for contractual services and \$12,750 for commodities.

The Governor recommends for FY 2003 operating expenditures of \$207,855, a decrease of \$48,600, which is the non-expense funding inadvertently included in the approved budget. The recommendation includes: \$125,006 for salaries and wages, \$70,099 for contractual services, and \$12,750 for commodities.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Ways and Means
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Senate Subcommittee Report

Agency: Real Estate Appraisal Board

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No. Vol 3 - 1741

Budget Page No. 501

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 256,455	\$ 207,855	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures of \$256,455 is consistent with the approved budget. The estimate includes: \$170,699 for salaries and wages, \$73,006 for contractual services and \$12,750 for commodities.

The Governor recommends for FY 2003 operating expenditures of \$207,855, a decrease of \$48,600, which is the non-expense funding inadvertently included in the approved budget. The recommendation includes: \$125,006 for salaries and wages, \$70,099 for contractual services, and \$12,750 for commodities.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Real Estate Appraisal Board **Bill No.** **Bill Sec.**
Analyst: Krahl **Analysis Pg. No.** Vol. 3 - 1741 **Budget Page No.** 501

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
State Operations:			
Special Revenue Funds	\$ 237,705	\$ 221,439	\$ 0
FTE Positions	3.0	3.0	(1.0)
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	(1.0)

Agency Request/Governor's Recommendation

The agency requests for FY 2004 operating expenditures of \$237,705, which is a decrease of \$18,750 (7.3 percent) from the FY 2003 estimate. The request includes: \$129,100 for salaries and wages, \$92,140 for contractual services, \$13,800 for commodities, and \$2,665 for capital outlay.

The Governor recommends for FY 2004 operating expenditures of \$221,439 which is an increase of \$13,584 (6.5 percent) from the FY 2003 recommendation. The recommendation includes a 5.9 percent reduction of resources of \$13,884. The request includes: \$126,718 for salaries and wages, \$92,140 for contractual services, \$13,800 for commodities, \$2,665 for capital outlay, and a reduction of \$13,884 operating adjustment.

House Budget Committee Recommendation

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

1. The House Budget Committee recommends the elimination of 1.0 FTE position as the Investigator position as been vacant since 1999 and the agency has no intention of filling the vacancy.

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Real Estate Appraisal Board **Bill No.** **Bill Sec.**

Analyst: Krahl **Analysis Pg. No.** Vol 3 - 1741 **Budget Page No.** 501

<u>Expenditure Summary</u>	<u>Agency Request FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 237,705	\$ 221,439	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests for FY 2004 operating expenditures of \$237,705, which is a decrease of \$18,750 (7.3 percent) from the FY 2003 estimate. The request includes: \$129,100 for salaries and wages, \$92,140 for contractual services, \$13,800 for commodities, and \$2,665 for capital outlay.

The Governor recommends for FY 2004 operating expenditures of \$221,439, an increase of \$13,584 (6.5 percent) from the FY 2003 recommendation. The recommendation includes a 5.9 percent reduction of resources of \$13,884. The request includes: \$126,718 for salaries and wages, \$92,140 for contractual services, \$13,800 for commodities, \$2,665 for capital outlay, and a reduction of \$13,884 operating adjustment.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Real Estate Appraisal Board **Bill No.** **Bill Sec.**

Analyst: Krahl **Analysis Pg. No.** Vol. 3 - 1741 **Budget Page No.** 501

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
State Operations:			
Special Revenue Funds	\$ 240,724	\$ 240,724	\$ 0
FTE Positions	3.0	3.0	(1.0)
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	(1.0)

Agency Request/Governor's Recommendation

The agency requests for FY 2005 operating expenditures of \$240,724, which is an increase of \$3,019 (1.3 percent) from the FY 2004 request. The request includes: \$131,177 for salaries and wages, \$92,490 for contractual services, \$14,700 for commodities, and \$2,357 for capital outlay.

The Governor concurs with the agency request.

House Budget Committee Recommendation

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

1. The House Budget Committee recommends the elimination of 1.0 FTE position as the Investigator position has been vacant since 1999 and the agency has no intentions of filling the position.

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Real Estate Appraisal Board

Bill No.

Bill Sec.

Analyst: Krahl

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Budget Page No. 501

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 240,724	\$ 240,724	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests for FY 2005 operating expenditures of \$240,724, which is an increase of \$3,019 (1.3 percent) from the FY 2004 request. The request includes: \$131,177 for salaries and wages, \$92,490 for contractual services, \$14,700 for commodities, and \$2,357 for capital outlay.

The Governor concurs with the agency request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Accountancy

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 3-1558

Budget Page No. 473

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
Board of Accountancy Fee Fund	\$ 189,663	\$ 189,663	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures is \$189,663, which is the same amount approved by the 2002 Legislature. Salaries and wages total \$124,810, with other operating expenditures totaling \$64,853.

The Governor concurs with the agency request.

House Budget Committee Recommendation

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

1. The Budget Committee acknowledges the introduction of legislation to increase the maximum level of statutory fees for the Board of Accountancy.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Ways and Means
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Senate Subcommittee Report

Agency: Board of Accountancy

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 3-1558

Budget Page No. 473

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor Recommendation FY 03</u>	<u>Senate Subcommittee Adjustments</u>
Board of Accountancy Fee Fund	\$ 189,663	\$ 189,663	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures is \$189,663, which is the same amount approved by the 2002 Legislature. Salaries and wages total \$124,810, with other operating expenditures totaling \$64,853.

The Governor concurs with the agency request.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Accountancy

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 3-1558

Budget Page No. 473

<u>Expenditure Summary</u>	<u>Agency Request FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
Board of Accountancy Fee Fund	\$ 243,696	\$ 229,318	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency's Request/Governor's Recommendation

The agency's request for FY 2004 operating expenditures of \$243,696 which is an increase of \$54,033 (28.5 percent) from the FY 2003 estimate. The agency requests \$127,506 for salaries and wages for 3.0 FTE positions. This is an increase of \$2,696 (2.2 percent) from the FY 2003 estimate. The agency requests \$112,860 for contractual services. This is an increase of \$52,912 (88.3 percent) from the FY 2003 estimate. There was a large increase in professional fees so the agency would be able to contract qualified persons or firms to conduct investigations of complaints and pay fees incurred in the disciplinary proceedings. The agency requests \$3,330 for commodities and no capital outlay was requested.

The Governor recommends funding for FY 2004 operating expenditures of \$229,318, which is an increase of \$39,655 (20.9 percent) from the FY 2003 recommendation.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies and for selected other agencies. The amount reduced from the agency's budget for the 5.9 percent reduction totals \$14,378. The amount will be transferred to the State General Fund.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Accountancy

Bill No.

Bill Sec.

Analyst: Buonasera

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Budget Page No. 473

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
Board of Accountancy Fee Fund	\$ 243,696	\$ 229,318	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Request/Governor's Recommendation

The agency requests for FY 2004 operating expenditures is \$243,696, which is an increase of \$54,033 (28.5 percent) from the FY 2003 estimate. The agency requests \$127,506 for salaries and wages for 3.0 FTE positions. This is an increase of \$2,696 (2.2 percent) from the FY 2003 estimate. The agency requests \$112,860 for contractual services. This is an increase of \$52,912 (88.3 percent) from the FY 2003 estimate. There was a large increase in professional fees so the agency would be able to contract qualified persons or firms to conduct investigations of complaints and pay fees incurred in the disciplinary proceedings. The agency requests \$3,330 for commodities and no capital outlay was requested.

The Governor recommends funding for FY 2004 operating expenditures of \$229,318, which is a decrease of \$39,655 (20.9 percent) from the FY 2003 recommendation.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies and for selected other agencies. The amount reduced from the agency's budget for the 5.9 percent reduction totals \$14,378. The amount will be transferred to the State General Fund.

Senate Subcommittee Recommendation

Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Accountancy

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. 1558

Budget Page No. 473

<u>Expenditure Summary</u>	<u>Agency Requet FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Board of Accountancy Fee Fund	\$ 247,178	\$ 247,178	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency's Request/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$247,178 which is an increase of \$3,482 (1.4 percent) from the FY 2004 estimate. Salaries and wages total \$130,261 which is an increase of \$2,755 (2.2 percent) from the FY 2004 estimate. The agency estimates \$113,587 for contractual services and \$3,330 for commodities.

The Governor concurs with the 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 Budget Committee's recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Accountancy

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 3-1558

Budget Page No. 473

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
Board of Accountancy Fee Fund	\$ 247,178	\$ 247,178	0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency's Request/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$247,178 which is an increase of \$3,482 (1.4 percent) from the FY 2004 estimate. Salaries and wages total \$130,261 which is an increase of \$2,755 (2.2 percent) from the FY 2004 estimate. The agency estimates \$113,587 for contractual services and \$3,330 for commodities.

The Governor concurs with the agency request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Cosmetology

Bill No. 2026

Bill Sec. 3

Analyst: Buonasera

Analysis Pg. No. Vol. 3-1615

Budget Page No. 481

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
Board of Cosmetology Fee Fund	\$ 661,161	\$ 661,161	\$ 0
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>12.0</u>	<u>12.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures is \$661,161, which is a decrease of \$100,809 (13.2 percent) from the amount approved by the 2002 Legislature. Salaries and wages total \$416,771, with other operating expenditures totaling \$244,390.

The Governor concurs with the agency request.

House Budget Committee Recommendation

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

The House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Ways and Means
3-13-03
Attachment 5

Senate Subcommittee Report

Agency: Board of Cosmetology

Bill No. 2026

Bill Sec. 3

Analyst: Buonasera

Analysis Pg. No.

Budget Page No. 481

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
Board of Cosmetology Fee Fund	\$661,161	\$661,161	\$0
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	12.0	12.0	0.0

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures is \$661,161, which is a decrease of \$100,809 (13.2 percent) from the amount approved by the 2002 Legislature. Due to the agency's estimation error, the restated budget for FY 2003 shows considerable reduction from the budget originally submitted. Salaries and wages total \$416,771, with other operating expenditures totaling \$244,390.

The Governor concurs with the agency request.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Cosmetology

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 3-1615

Budget Page No. 481

<u>Expenditure Summary</u>	<u>Agency Request FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
Board of Cosmetology Fee Fund	\$ 689,737	\$ 646,361	\$ 0
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>12.0</u>	<u>12.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's request for FY 2004 operating expenditures is \$689,737, which is an increase of \$28,576 (4.3 percent) from the FY 2003 estimate. Salaries and wages total \$424,258, with other operating expenditures totaling \$265,479.

The Governor recommends funding for FY 2004 operating expenditures of \$646,361, which is a decrease of \$14,800 (2.2 percent) from the FY 2003 recommendation.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies and for selected other agencies. The amount reduced from the agency's budget for the 5.9 percent reduction totals \$40,256. The amount would be transferred to the State General Fund.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Cosmetology

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 3-1615

Budget Page No. 481

<u>Expenditure Summary</u>	<u>Agency Estimate FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Board of Cosmetology Fee Fund	\$ 689,737	\$ 646,361	\$ 0
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>12.0</u>	<u>12.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures is \$661,161, which is a decrease of \$100,809 (13.2 percent) from the amount approved by the 2002 Legislature. Due to the agency's estimation error, the restated budget for FY 2003 shows considerable reduction from the budget originally submitted. Salaries and wages total \$416,771, with other operating expenditures totaling \$244,390.

The Governor concurs with the agency request.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Cosmetology

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 3-1615

Budget Page No. 481

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Board of Cosmetology Fee Fund	\$ 721,802	\$ 709,827	\$ 0
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>12.0</u>	<u>12.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$721,802 which is an increase of \$32,065 (4.6 percent) from the FY 2004 estimate. Salaries and wages total \$451,762, an increase of \$27,504 (6.5 percent) from the FY 2004 estimate. Contractual services total \$249,532, an increase of \$11,488 (4.8 percent) from the FY 2004 estimate. The agency requests \$9,900 for commodities and \$10,608 for capital outlay.

The Governor recommends funding for FY 2005 of \$709,827 which is an increase of \$63,466 (9.8 percent) from the FY 2004 recommendation. Contractual services were reduced by \$11,975 from the agency's request.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Cosmetology

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol.3-1615

Budget Page No. 481

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
Board of Cosmetology Fee Fund	\$721,802	\$709,827	\$0
FTE Positions	12.0	12.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	12.0	12.0	0.0

Agency Request/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$721,802 which is an increase of \$32,065 (4.6 percent) from the FY 2004 estimate. Salaries and wages total \$451,762, an increase of \$27,504 (6.5 percent) from the FY 2004 estimate. Contractual services total \$249,532, an increase of \$11,488 (4.8 percent) from the FY 2004 estimate. The agency requests \$9,900 for commodities and \$10,608 for capital outlay.

The Governor recommends funding for FY 2005 of \$709,827 which is an increase of \$63,466 (9.8 percent) from the FY 2004 recommendation. Contractual services were reduced by \$11,975 from the agency's request. The Governor concurs with the agency request for commodities and capital outlay.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Mortuary Arts

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 3-1690

Budget Page No. 493

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
Board of Mortuary Arts Fee Fund	\$ 216,514	\$ 216,514	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures is \$216,514, which is same amount approved by the 2002 Legislature. Salaries and wages total \$145,509, with other operating expenditures totaling \$71,005.

The Governor concurs with the 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 Budget Committee's recommendation.

House Committee of the Whole Recommendation

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

Senate Ways and Means
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Senate Subcommittee Report

Agency: Board of Mortuary Arts

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 3-1690

Budget Page No. 493

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Senate Subcommittee Adjustments</u>
Board of Mortuary Arts Fee Fund	\$ 216,514	\$ 216,514	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures is \$216,514, which is same amount approved by the 2002 Legislature. Salaries and wages total \$145,509, with other operating expenditures totaling \$71,005.

The Governor concurs with the agency request.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Mortuary Arts

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 3-1690

Budget Page No. 493

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Board of Mortuary Arts Fee Fund	\$ 226,841	\$ 213,457	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Request/Governor's Recommendation

The agency's request for FY 2004 operating expenditures is \$226,841, which is an increase of \$10,327 (4.8 percent) from the FY 2003 estimate. Salaries and wages total \$147,571, with other operating expenditures totaling \$79,270.

The Governor recommends funding for FY 2004 operating expenditures of \$213,457, which is a decrease of \$3,057 (4.5 percent) from the FY 2003 recommendation.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies and for selected other agencies. The amount reduced from the agency's budget for the 5.9 percent reduction totals \$13,384. The amount will be transferred to the State General Fund.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Mortuary Arts

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol.3-1690

Budget Page No. 493

<u>Expenditure Summary</u>	<u>Agency Request FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Board of Mortuary Arts Fee Fund	\$ 226,841	\$ 213,457	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's request for FY 2004 operating expenditures is \$226,841, which is an increase of \$10,327 (4.8 percent) from the FY 2003 estimate. Salaries and wages total \$147,571, with other operating expenditures totaling \$79,270.

The Governor recommends funding for FY 2004 operating expenditures of \$213,457, which is a decrease of \$3,057 (4.5 percent) from the FY 2003 recommendation.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies and for selected other agencies. The amount reduced from the agency's budget for the 5.9 percent reduction totals \$13,384. The amount will be transferred to the State General Fund.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Mortuary Arts

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 3-1690

Budget Page No. 493

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Board of Mortuary Arts Fee Fund	\$ 232,754	\$ 232,754	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$232,754 which is an increase of \$5,913 (2.6 percent) from the FY 2004 estimate. Salaries and wages total \$149,472, with other operating expenditures totaling \$83,282.

The Governor concurs with the 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 Budget Committee's recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Mortuary Arts

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol.3-1690

Budget Page No. 493

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
Board of Mortuary Arts Fee Fund	\$ 232,754	\$ 232,754	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Estimate/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$232,754 which is an increase of \$5,913 (2.6 percent) from the FY 2004 estimate. Salaries and wages total \$149,472, with other operating expenditures totaling \$83,282.

The Governor concurs with the agency request.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Hearing Aid Board of Examiners **Bill No.**

Bill Sec.

Analyst: Calderwood

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Budget Page No. 491

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
Special Revenue Fund	\$ 19,222	\$ 19,222	\$ 0
FTE Positions	0.4	0.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>0.4</u>	<u>0.4</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency estimate for FY 2003 operating expenditures is \$19,222 which is a \$2,715 (12.4 percent) decrease from the amount approved by the 2002 Legislature. The decrease is due to a \$8,256 decrease in salaries and wages from the approved amount of \$20,918. The agency's OOE request increased by \$5,541. Expenditures by major object are estimated as follows: \$12,662 for salaries and wages, \$5,960 for contractual services, \$600 for commodities, and \$0 for capital outlay.

The Governor concurs with the FY 2003 agency operating expenditures estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Ways and Means
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Senate Subcommittee Report

Agency: Hearing Aid Board of Examiners

Bill No.

Bill Sec.

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1679

Budget Page No. 491

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Fund	\$ 19,222	\$ 19,222	\$ 0
FTE Positions	0.4	0.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>0.4</u>	<u>0.4</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency estimate for FY 2003 operating expenditures is \$19,222 which is a \$2,715 (12/4 percent) decrease from the amount approved by the 2002 Legislature. The decrease is due to a \$8,256 decrease in salaries and wages from the approved amount of \$20,918. The agency's OOE request increased by \$5,541. Expenditures by major object are estimated as follows: \$12,662 for salaries and wages, \$5,960 for contractual services, \$600 for commodities, and \$0 for capital outlay.

The Governor concurs with the FY 2003 agency operating expenditures estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Hearing Aid Board of Examiners **Bill No.** **Bill Sec.**
Analyst: Calderwood **Analysis Pg. No.** Vol. 3-1679 **Budget Page No.** 491

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Special Revenue Fund	\$ 19,875	\$ 18,702	\$ 0
FTE Positions	0.4	0.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	0.4	0.4	0.0

Agency Request/Governor's Recommendation

The agency requests expenditures of \$19,875 for FY 2004 which is an increase of \$653 (3.4 percent) from the FY 2003 estimate. Expenditures by major object are requested as follows: \$12,675 for salaries and wages, \$6,600 for contractual services, \$600 for commodities, and \$0 for capital outlay.

The Governor recommends expenditures for FY 2004 of \$18,702 which is a decrease of \$520 from the FY 2003 recommendation. Expenditures by major object are estimated as follows: \$12,675 for salaries and wages, \$6,600 for contractual services, \$600 for commodities, and \$0 for capital outlay.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies, and for selected other agencies. The reduction is intended to match the 5.9 percent allotment reductions that most other agencies absorbed in FY 2003 (2.0 percent in August 2002 and 3.9 percent in November 2002). According to Volume I of the *Governor's Budget Report*, the 5.9 percent reduction is intended to be an adjustment to overall operating expenditures. No attempt was made to identify reductions to specific categories. The amount reduced from this agency's budget for the 5.9 percent reduction totals \$1,173. This amount will be transferred to the State General Fund.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Hearing Aid Board of Examiners **Bill No.** **Bill Sec.**
Analyst: Calderwood **Analysis Pg. No.** Vol. 3-1679 **Budget Page No.** 491

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
Special Revenue Fund	\$ 19,875	\$ 18,702	\$ 0
FTE Positions	0.4	0.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	0.4	0.4	0.0

Agency Request/Governor's Recommendation

The agency requests expenditures of \$19,875 for FY 2004 which is an increase of \$653 (3.4 percent) from the FY 2003 estimate. Expenditures by major object are requested as follows: \$12,675 for salaries and wages, \$6,600 for contractual services, \$600 for commodities, and \$0 for capital outlay.

The Governor recommends expenditures for FY 2004 of \$18,702 which is a decrease of \$520 from the FY 2003 recommendation. Expenditures by major object are estimated as follows: \$12,675 for salaries and wages, \$6,600 for contractual services, \$600 for commodities, and \$0 for capital outlay.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies, and for selected other agencies. The reduction is intended to match the 5.9 percent allotment reductions that most other agencies absorbed in FY 2003 (2.0 percent in August 2002 and 3.9 percent in November 2002). According to Volume I of the *Governor's Budget Report*, the 5.9 percent reduction is intended to be an adjustment to overall operating expenditures. No attempt was made to identify reductions to specific categories. The amount reduced from this agency's budget for the 5.9 percent reduction totals \$1,173. This amount will be transferred to the State General Fund.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Hearing Aid Board of Examiners **Bill No.** **Bill Sec.**
Analyst: Calderwood **Analysis Pg. No.** Vol. 3-1679 **Budget Page No.** 491

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Special Revenue Fund	\$ 21,486	\$ 21,486	\$ 0
FTE Positions	0.4	0.4	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	0.4	0.4	0.0

Agency Request/Governor's Recommendation

The agency requests expenditures of \$21,486 for FY 2005 which is an increase of \$1,611 (8.1 percent) from the FY 2004 agency request. Expenditures by major object are requested as follows: \$14,186 for salaries and wages, \$6,700 for contractual services, \$600 for commodities, and \$0 for capital outlay.

The Governor concurs with the agency's FY 2005 operating expenditures request.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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



Senate Subcommittee Report

Agency: Hearing Aid Board of Examiners **Bill No.** **Bill Sec.**

Analyst: Calderwood **Analysis Pg. No.** Vol. 3-1679 **Budget Page No.** 491

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
Special Revenue Fund	\$ 21,486	\$ 21,486	\$ 0
FTE Positions	0.4	0.4	0.0
Non FTE	0.0	0.0	0.0
Uncl. Perm. Pos.			
TOTAL	<u>0.4</u>	<u>0.4</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests expenditures of \$21,486 for FY 2005 which is an increase of \$1,611 (8.1 percent) from the FY 2004 agency request. Expenditures by major object are requested as follows: \$14,186 for salaries and wages, \$6,700 for contractual services, \$600 for commodities, and \$0 for capital outlay.

The Governor concurs with the agency's FY 2005 operating expenditures request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Office of the Securities Commissioner

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No. Vol. 3 - 1764

Budget Page No. 505

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 2,132,996	\$ 2,132,996	\$ 0
FTE Positions	27.8	27.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>27.8</u>	<u>27.8</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency estimates for FY 2003 operating expenditures of \$2,132,996, which is an increase of \$22,406 (1.1 percent) from the approved amount. The estimate includes: \$1,655,398 for salaries and wages, \$414,057 for contractual services, \$38,541 for commodities, and \$25,000 for capital outlay.

The Governor concurs with the agency estimate.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

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Senate Subcommittee Report

Agency: Office of the Securities Commissioner **Bill No.** **Bill Sec.**

Analyst: Krahl **Analysis Pg. No.** Vol 3 - 1764 **Budget Page No.** 505

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
State Operations:			
Special Revenue Funds	\$ 2,132,996	\$ 2,132,996	\$ 0
FTE Positions	27.8	27.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.8	27.8	0.0

Agency Estimate/Governor's Recommendation

The agency estimates for FY 2003 operating expenditures of \$2,132,996, which is an increase of \$22,406 (1.1 percent) from the approved amount. The estimate includes: \$1,655,398 for salaries and wages, \$414,057 for contractual services, \$38,541 for commodities, and \$25,000 for capital outlay.

The Governor concurs with the agency estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Office of the Securities Commissioner **Bill No.** **Bill Sec.**
Analyst: Krahl **Analysis Pg. No.** Vol. 3 - 1764 **Budget Page No.** 505

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
State Operations:			
Special Revenue Funds	\$ 2,177,303	\$ 2,048,842	\$ 0
FTE Positions	27.8	27.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.8	27.8	0.0

Agency Request/Governor's Recommendation

The agency requests for FY 2004 operating expenditures \$2,177,303, which is an increase of \$44,307 (2.1 percent) from the FY 2003 estimate. The agency request includes: \$1,681,746 for salaries and wages, \$434,741 for contractual services, \$40,816 for commodities, and \$20,000 for capital outlay.

The Governor recommends for FY 2004 operating expenditures of \$2,048,842, which is a decrease of \$84,154 (3.9 percent) from the FY 2003 recommendation. The recommendation includes a 5.9 percent reduction of resources of \$128,461. The recommendation includes: \$1,681,746 for salaries and wages, \$434,741 for contractual services, \$40,816 for commodities, \$20,000 for capital outlay, and a reduction of \$128,461 for operating adjustments.

House Budget Committee Recommendation

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

1. The House Budget Committee recommends the deletion of the proviso to authorize hearing and litigation costs up to \$25,000 in addition to the expenditure limitation for the Securities Act Fee Fund that was added several years ago. The agency feels the proviso is no longer necessary and the requested expenditure limitation should be sufficient to cover such costs.

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Office of the Securities Commissioner **Bill No.** **Bill Sec.**
Analyst: Krahl **Analysis Pg. No.** Vol 3 - 1764 **Budget Page No.** 505

<u>Expenditure Summary</u>	<u>Agency Request FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 2,177,303	\$ 2,048,842	\$ 0
FTE Positions	27.8	27.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>27.8</u>	<u>27.8</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests for FY 2004 operating expenditures \$2,177,303, which is an increase of \$44,307 (2.1 percent) from the FY 2003 estimate. The agency request includes: \$1,681,746 for salaries and wages, \$434,741 for contractual services, \$40,816 for commodities, and \$20,000 for capital outlay.

The Governor recommends for FY 2004 operating expenditures of \$2,048,842, which is a decrease of \$84,154 (3.9 percent) from the FY 2003 recommendation. The recommendation includes a 5.9 percent reduction of resources of \$128,461. The recommendation includes: \$1,681,746 for salaries and wages, \$434,741 for contractual services, \$40,816 for commodities, \$20,000 for capital outlay, and a reduction of \$128,461 for operating adjustments.

Senate Subcommittee Recommendation

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

1. The Senate Subcommittee recommends the deletion of the proviso if included in the appropriations bill the authorization for hearing and litigation costs up to \$25,000 in addition to the expenditure limitation for the Securities Act Fee Fund that was added several years ago. The agency feels the proviso is no longer

necessary and the requested expenditure limitation should be sufficient to cover such costs.

2. The Senate Subcommittee recommends that the agency report back to the Subcommittee before Omnibus as to the agency's current financial status as the 5.9 percent reduction may force the agency to layoff employees.

House Budget Committee Report

Agency: Office of the Securities Commissioner

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No. Vol. 3 - 1764

Budget Page No. 505

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 2,213,647	\$ 2,213,647	\$ 0
FTE Positions	27.8	27.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>27.8</u>	<u>27.8</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency request for FY 2005 operating expenditures of \$2,213,647, is an increase of \$36,344 (1.7 percent) from the FY 2004 request. The request includes: \$1,701,319 for salaries and wages, \$449,186 for contractual services, \$43,142 for commodities, and \$20,000 for capital outlay.

The Governor concurs with the 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 House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Office of the Securities Commissioner **Bill No.** **Bill Sec.**

Analyst: Krahl **Analysis Pg. No.** Vol 3 - 1764 **Budget Page No.** 505

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
State Operations:			
Special Revenue Funds	\$ 2,213,647	\$ 2,213,647	\$ 0
FTE Positions	27.8	27.8	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.8	27.8	0.0

Agency Request/Governor's Recommendation

The agency request for FY 2005 operating expenditures of \$2,213,647, is an increase of \$36,344 (1.7 percent) from the FY 2004 request. The request includes: \$1,701,319 for salaries and wages, \$449,186 for contractual services, \$43,142 for commodities, and \$20,000 for capital outlay.

The Governor concurs with the agency request.

Senate Subcommittee Recommendation

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

1. The Senate Subcommittee recommends the deletion of the proviso if included in the appropriations bill the authorization for hearing and litigation costs up to \$25,000 in addition to the expenditure limitation for the Securities Act Fee Fund that was added several years ago. The agency feels the proviso is no longer necessary and the requested expenditure limitation should be sufficient to cover such costs.

House Budget Committee Report

Agency: Board of Barbering

Bill No. 2026

Bill Sec. 3

Analyst: Buonasera

Analysis Pg. No. Vol. 3-1589

Budget Page No. 477

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
Board of Barbering Fee Fund	\$ 130,056	\$ 113,266	\$ 0
FTE Positions	1.5	1.5	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.0	0.0
TOTAL	<u>2.0</u>	<u>1.5</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures is \$130,056, which is a decrease of \$2,334 (1.8 percent) from the approved FY 2003 estimate. Salaries and wages total \$84,010, with other operating expenditures totaling \$46,046.

The Governor recommends funding for FY 2003 operating expenditures of \$113,266, which is a decrease of \$19,124 (1.8 percent) from the approved FY 2003 amount. The Governor recommends the elimination of a special projects 0.5 non-FTE position and a reduction of \$1,800 from contractual services.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

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Senate Subcommittee Report

Agency: Board of Barbering

Bill No. 2026

Bill Sec. 3

Analyst: Buonasera

Analysis Pg. No. Vol.3-1589

Budget Page No. 477

Expenditure Summary	Agency Estimate FY 03	Governor Recommendation FY 03	Senate Subcommittee Adjustments
Board of Barbering Fee Fund	\$ 130,056	\$ 113,266	\$ 0
FTE Positions	1.5	1.5	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.0	0.0
TOTAL	2.0	1.5	0.0

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures is \$130,056, which is a decrease of \$2,334 (1.8 percent) from the approved FY 2003 estimate. Salaries and wages total \$84,010, with other operating expenditures totaling \$46,046.

The Governor recommends funding for FY 2003 operating expenditures of \$113,266, which is a decrease of \$19,124 (1.8 percent) from the approved FY 2003 amount. The Governor recommends the elimination of a special projects 0.5 non-FTE position and a reduction of \$1,800 from contractual services.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Barbering

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 3-1589

Budget Page No. 477

<u>Expenditure Summary</u>	<u>Agency Request FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
Board of Barbering Fee Fund	\$ 131,856	\$ 108,200	\$ 0
FTE Positions	1.5	1.5	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.0	0.0
TOTAL	<u>2.0</u>	<u>1.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's estimate for FY 2004 operating expenditures is \$131,856, which is an increase of \$1,800 (1.4 percent) from the FY 2003 estimate. Salaries and wages total \$85,810, with other operating expenditures totaling \$46,046.

Major Issue: The Board is planning on requesting of the 2003 Legislature an increase to its maximum statutory fees schedules.

The Governor recommends funding for FY 2004 operating expenditures of \$108,200, which is a decrease of \$5,066 (4.5 percent) from the FY 2003 recommendation. Salaries and wages total \$70,738 and other operating expenditures totaling \$44,246. The Governor does not recommend the 0.5 non-FTE position and does recommend a reduction of \$1,800 from contractual services.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies and for selected other agencies. The amount reduced from the agency's budget for the 5.9 percent reduction totals \$6,784. The amount would be transferred to the State General Fund.

Fee Fund Analysis

Resource Estimate	Agency		Agency		Agency		Gov. Rec. FY 2005
	Actual FY 2002	Estimate FY 2003	Gov. Rec. FY 2003	Request FY 2004	Gov. Rec. FY 2004	Request FY 2005	
Beginning Balance	\$ 45,046	\$ 20,919	\$ 20,919	\$ (921)	\$ 15,869	\$ (23,141)	\$ 10,521
Projected Receipts	105,936	108,216	108,216	109,636	109,636	111,276	111,276
Total Available	\$ 150,982	\$ 129,135	\$ 129,135	\$ 108,715	\$ 125,505	\$ 88,135	\$ 121,797
Less: Expenditures	130,063	130,056	113,266	131,856	108,200	133,019	116,147
Operating Adjustment	0	0	0	0	6,784	0	0
Ending Balance	<u>\$ 20,919</u>	<u>\$ (921)</u>	<u>\$ 15,869</u>	<u>\$ (23,141)</u>	<u>\$ 10,521</u>	<u>\$ (44,884)</u>	<u>\$ 5,650</u>
Ending Balance as a Percentage of Expend.	16.1%	(0.7)%	14.0%	(17.6)%	9.7%	(33.7)%	4.9%

House Budget Committee Recommendation

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

1. The Budget Committee recommends the introduction of legislation to increase the maximum statutory fees for the Board of Barbering. The table below reflects the current and the proposed maximum statutory fees. The last time the fees were increased was in 1989.

Statutory Fee	Current Maximum Fee	Proposed Maximum Fee
Examination of applicant	\$55	\$100
Issuance of license	\$50	\$80
Renewal of license	\$50	\$80
Restoration of expired license, if expired under three years	\$50	\$100
Reexamination fee	\$55	\$100
Instructors license or annual renewal	\$55	\$90
Restoration of expired instructors license, if under three years	\$55	\$90
Instructors reexamination fee	\$130	\$170
License to operate a barber school or barber college, annual fee	\$370	\$500
Shop inspection, and annual license fee	\$25	\$40
Restoration of expired shop license, if under three years	\$25	\$80
New shop, relocation or change of ownership	\$55	\$80
Issuance of seminar permit	\$60	\$80
Issuance of student learning license	\$30	\$55

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Barbering

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol.3-1589

Budget Page No. 477

<u>Expenditure Summary</u>	<u>Agency Request FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Board of Barbering Fee Fund	\$ 131,856	\$ 108,200	\$ 0
FTE Positions	1.5	1.5	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.0	0.0
TOTAL	<u>2.0</u>	<u>1.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's estimate for FY 2004 operating expenditures is \$131,856, which is an increase of \$1,800 (1.4 percent) from the FY 2003 estimate. Salaries and wages total \$85,810, with other operating expenditures totaling \$46,046.

Major Issue: The Board is planning on requesting of the 2003 Legislature an increase to its maximum statutory fee schedule.

The Governor recommends funding for FY 2004 operating expenditures of \$108,200, which is a decrease of \$5,066 (4.5 percent) from the FY 2003 recommendation. Salaries and wages total \$70,738 and other operating expenditures totaling \$44,246. The Governor does not recommend the 0.5 non-FTE position and a reduction of \$1,800 from contractual services.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies and for selected other agencies. The amount reduced from the agency's budget for the 5.9 percent reduction totals \$6,784. The amount would be transferred to the State General Fund.

Fee Fund Analysis

<u>Resource Estimate</u>	<u>Actual FY 2002</u>	<u>Agency Estimate FY 2003</u>	<u>Gov. Rec. FY 2003</u>	<u>Agency Request FY 2004</u>	<u>Gov. Rec. FY 2004</u>	<u>Agency Request FY 2005</u>	<u>Gov. Rec. FY 2005</u>
Beginning Balance	\$ 45,046	\$ 20,919	\$ 20,919	\$ (921)	\$ 15,869	\$ (23,141)	\$ 10,521
Projected Receipts	<u>105,936</u>	<u>108,216</u>	<u>108,216</u>	<u>109,636</u>	<u>109,636</u>	<u>111,276</u>	<u>111,276</u>
Total Available	\$ 150,982	\$ 129,135	\$ 129,135	\$ 108,715	\$ 125,505	\$ 88,135	\$ 121,797
Less: Expenditures	130,063	130,056	113,266	131,856	108,200	133,019	116,147
Oper. Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,784</u>	<u>0</u>	<u>0</u>
Ending Balance	<u>\$ 20,919</u>	<u>\$ (921)</u>	<u>\$ 15,869</u>	<u>\$ (23,141)</u>	<u>\$ 10,521</u>	<u>\$ (44,884)</u>	<u>\$ 5,650</u>
Ending Balance as a Percentage of Expend.	16.1%	(0.7)%	14.0%	(17.6)%	9.7%	(33.7)%	4.9%

Senate Subcommittee Recommendation

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

1. The Subcommittee acknowledges HB 2182 (currently on House General Orders) which would increase the statutory maximum on all categories of fees on the Board of Barbering statutory fee schedule. The table below reflects the current, the proposed maximum statutory fees, and the proposed fee level by the Board of Barbering. The Board has not increased their fees since 1989. Currently, the Board is charging the maximum for all fees. The Subcommittee notes that in the above Barbering Board Fee Fund analysis that without a fee increase under the Governor's recommendation, the ending balance in FY 2005 will be only \$5,650 or 4.9 percent of expenditures.

<u>Statutory Fee</u>	<u>Current Maximum Fee</u>	<u>Proposed Maximum Fee</u>	<u>Barbering Board Proposed Fee</u>
Examination of applicant	\$55	\$100	\$80
Issuance of license	\$50	\$80	\$60
Renewal of license	\$50	\$80	\$60
Restoration of expired license, if expired under three years	\$50	\$100	\$60
Reexamination fee	\$55	\$100	\$80
Instructors license or annual renewal	\$55	\$90	\$70
Restoration of expired instructors license, if expired under three years	\$55	\$90	\$70
Instructors reexamination fee	\$130	\$170	\$150
License to operate a barber school or barber college, annual fee	\$370	\$500	\$450
Shop inspection, and annual license fee	\$25	\$40	\$35
Restoration of expired shop license, if expired under three years	\$25	\$80	\$55
New shop, relocation or change of ownership	\$55	\$80	\$70
Issuance of seminar permit	\$60	\$80	\$70
Issuance of student learning license	\$30	\$55	\$45

House Budget Committee Report

Agency: Board of Barbering

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol. 3-1589

Budget Page No. 477

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Board of Barbering Fee Fund	\$ 133,019	\$ 116,147	\$ 0
FTE Positions	1.5	1.5	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.0	0.0
TOTAL	<u>2.0</u>	<u>1.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$133,019 which is an increase of \$1,163 (0.9 percent) from the FY 2004 estimate. Salaries and wages total \$86,973, with other operating expenditures totaling \$46,046.

The Governor recommends funding for FY 2005 operating expenditures of \$116,147, which is an increase of \$7,947 (7.3 percent) from the FY 2004 recommendation. Salaries and wages total \$71,901 and other operating expenditures totaling \$44,246. The Governor does not recommend the 0.5 non-FTE position and does recommend a reduction of \$1,800 from contractual services.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Barbering

Bill No.

Bill Sec.

Analyst: Buonasera

Analysis Pg. No. Vol.3-1589

Budget Page No. 477

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments</u>
Board of Barbering Fee Fund	\$ 133,019	\$ 116,147	\$ 0
FTE Positions	1.5	1.5	0.0
Non FTE Uncl. Perm. Pos.	0.5	0.0	0.0
TOTAL	<u>2.0</u>	<u>1.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency's request for FY 2005 operating expenditures is \$133,019 which is an increase of \$1,163 (0.9 percent) from the FY 2004 estimate. Salaries and wages total \$86,973, with other operating expenditures totaling \$46,046.

The Governor recommends funding for FY 2005 operating expenditures of \$116,147, which is an increase of \$7,947 (7.3 percent) from the FY 2004 recommendation. Salaries and wages total \$71,901 and other operating expenditures totaling \$44,246. The Governor recommends the elimination of a special project position and a reduction of \$1,800 from contractual services.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Optometry Examiners **Bill No.** HB 2026

Bill Sec. 07

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1716

Budget Page No. 497

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	House Budget Committee Adjustments
Special Revenue Fund	\$ 107,777	\$ 106,777	\$ 0
FTE Positions	0.8	0.8	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	1.8	1.8	0.0

Agency Estimate/Governor's Recommendation

The agency estimate for FY 2003 expenditures is \$107,777 which is a \$22,472 increase (26.3 percent) from the amount approved by the 2002 Legislature. The increase in current expenditures is to accommodate a reclassification of staff that occurred mid-year 2002, increases in legal expenses for investigation and legal action against entities that allegedly sold contract lenses without first obtaining valid, current prescriptions, and an increase in the fee for the Impaired Provider contract. Expenditures by major object are: \$49,276 for salaries and wages, \$58,168 for contractual services, \$333 for commodities, and \$0 for capital outlay.

The Governor's recommendation for FY 2003 expenditures is \$106,777 which is an increase of \$21,474 (25.2 percent) from the approved amount. Expenditures by major object are estimated as follows: \$49,276 for salaries and wages, \$57,168 for contractual services, \$333 for commodities, and \$0 for capital outlay.

House Budget Committee Recommendation

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

1. The Budget Committee expresses support for HB 2169, a bill that provides for increases in the Board of Optometry Examiner's statutory fees, changes the fee structure from annual to biennial, and allows for licensure of inactive optometrists. According to agency testimony, the bill would improve efficiencies in agency operations, because the increased fees will be used, in part, to support website upgrades and related paperwork reduction. The change in fee structure will also help with agency cash flow concerns.

*Senate Ways and Means
3-13-03
Attachment 10*

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Examiners in Optometry **Bill No.** HB 2026 **Bill Sec.** 07

Analyst: Calderwood **Analysis Pg. No.** Vol. 3-1716 **Budget Page No.** 497

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
Special Revenue Fund	\$ 107,777	\$ 106,777	\$ 0
FTE Positions	0.8	0.8	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	1.8	1.8	0.0

Agency Estimate/Governor's Recommendation

The agency estimate for FY 2003 expenditures is \$107,777 which is a \$22,472 increase (26.3 percent) from the amount approved by the 2002 Legislature. The increase in current expenditures is to accommodate a reclassification of staff that occurred mid-year 2002, increases in legal expenses for investigation and legal action against entities that allegedly sold contract lenses without first obtaining valid, current prescriptions, and an increase in the fee for the Impaired Provider contract. Expenditures by major object are: \$49,276 for salaries and wages, \$58,168 for contractual services, \$333 for commodities, and \$0 for capital outlay.

The Governor's recommendation for FY 2003 expenditures is \$106,777 which is an increase of \$21,474 (25.2 percent) from the approved amount. Expenditures by major object are estimated as follows: \$49,276 for salaries and wages, \$57,168 for contractual services, \$333 for commodities, and \$0 for capital outlay.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes HB 2169, a bill that provides for increases in the Board of Optometry Examiner's statutory fees, changes the fee structure from annual to biennial, and allows for inactive optometrist licensure. According to agency testimony, the bill would improve efficiencies in agency operations, addressing cash flow concerns caused, in part, by a large increase in the activity of enforcing Optometry laws.

Board of Optometry Examiners' Statutory Fee Limitations*

Fee	Statutory Amount Annual	Proposed Statutory Amount Biennial*
Initial license examination	\$ 150	\$ 450
Initial license	30	150
License examination, second examination	75	150
License examination, subsequent examinations	45	150
License by reciprocity	150	450
License renewal	150	800
Inactive status licensure	--	450
License renewal, expired license	500	500

* The Board noted that it will not increase fees to the maximum proposed in HB 2169.

House Budget Committee Report

Agency: Board of Optometry Examiners **Bill No.** _____ **Bill Sec.** _____
Analyst: Calderwood **Analysis Pg. No.** Vol. 3-1716 **Budget Page No.** 497

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Special Revenue Fund	\$ 111,917	\$ 104,373	\$ 0
FTE Positions	0.8	0.8	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	<u>1.8</u>	<u>1.8</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests expenditures of \$111,917 for FY 2004 which is an increase of \$4,140 (3.8 percent) from the FY 2003 estimate. Expenditures by major object are requested as follows: \$50,025 for salaries and wages, \$61,522 for contractual services, \$370 for commodities, and \$0 for capital outlay.

The Governor recommends expenditures of \$104,373 for FY 2004 which is a decrease of \$2,404 (2.3 percent) from the FY 2003 recommendation. Expenditures by major object are recommended as follows: \$50,025 for salaries and wages, \$60,522 for contractual services, \$370 for commodities, and \$0 for capital outlay.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies, and for selected other agencies. The reduction is intended to match the 5.9 percent allotment reductions that most other agencies absorbed in FY 2003 (2.0 percent in August 2002 and 3.9 percent in November 2002). According to Volume I of the *Governor's Budget Report*, the 5.9 percent reduction is intended to be an adjustment to overall operating expenditures. No attempt was made to identify reductions to specific categories. The amount reduced from this agency's budget for the 5.9 percent reduction totals \$11,476. This amount will be transferred to the State General Fund.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Examiners in Optometry **Bill No.** **Bill Sec.**
Analyst: Calderwood **Analysis Pg. No.** Vol. 3-1716 **Budget Page No.** 497

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
Special Revenue Fund	\$ 111,917	\$ 104,373	\$ 0
FTE Positions	0.8	0.8	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	1.8	1.8	0.0

Agency Request/Governor's Recommendation

The agency requests expenditures of \$111,917 for FY 2004 which is an increase of \$4,140 (3.8 percent) from the FY 2003 estimate. Expenditures by major object are requested as follows: \$50,025 for salaries and wages, \$61,522 for contractual services, \$370 for commodities, and \$0 for capital outlay.

The Governor recommends expenditures of \$104,373 for FY 2004 which is a decrease of \$2,404 (2.3 percent) from the FY 2003 recommendation. Expenditures by major object are recommended as follows: \$50,025 for salaries and wages, \$60,522 for contractual services, \$370 for commodities, and \$0 for capital outlay.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies, and for selected other agencies. The reduction is intended to match the 5.9 percent allotment reductions that most other agencies absorbed in FY 2003 (2.0 percent in August 2002 and 3.9 percent in November 2002). According to Volume I of the *Governor's Budget Report*, the 5.9 percent reduction is intended to be an adjustment to overall operating expenditures. No attempt was made to identify reductions to specific categories. The amount reduced from this agency's budget for the 5.9 percent reduction totals \$11,476. This amount will be transferred to the State General Fund.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Optometry Examiners **Bill No.**

Bill Sec.

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1716

Budget Page No. 497

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Special Revenue Fund	\$ 121,515	\$ 111,616	\$ 0
FTE Positions	0.8	0.8	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	1.8	1.8	0.0

Agency Request/Governor's Recommendation

The agency requests expenditures of \$121,515 for FY 2005 which is an increase of \$9,598 (8.6 percent) from the FY 2004 request. Expenditures by major object are: \$59,618 for salaries and wages, \$61,522 for contractual services, \$375 for commodities, and \$0 for capital outlay.

The Governor recommends expenditures of \$111,616 for FY 2005 which is an increase of \$7,243 (6.9 percent) from the FY 2004 recommendation. The Governor recommends reductions from the agency request of \$8,899 in salaries and wages due to an agency decision to unfund temporary staff support and a \$1,000 reduction in contractual services.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Examiners in Optometry **Bill No.** **Bill Sec.**

Analyst: Calderwood **Analysis Pg. No.** Vol. 3-1716 **Budget Page No.** 497

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
Special Revenue Fund	\$ 121,515	\$ 111,616	\$ 0
FTE Positions	0.8	0.8	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	1.8	1.8	0.0

Agency Request/Governor's Recommendation

The agency requests expenditures of \$121,515 for FY 2005 which is an increase of \$9,598 (8.6 percent) from the FY 2004 request. Expenditures by major object are: \$59,618 for salaries and wages, \$61,522 for contractual services, \$375 for commodities, and \$0 for capital outlay.

The Governor recommends expenditures of \$111,616 for FY 2005 which is an increase of \$7,243 (6.9 percent) from the FY 2004 recommendation. The Governor recommends reductions from the agency request of \$8,899 in salaries and wages due to an agency decision to unfund temporary staff support and a \$1,000 reduction in contractual services.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Pharmacy

Bill No. HB 2026

Bill Sec. 08

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1728

Budget Page No. 499

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	House Budget Committee Adjustments
Special Revenue Fund	\$ 612,016	\$ 581,497	\$ (6,784)
FTE Positions	7.0	7.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	7.0	7.0	0.0

Agency Estimate/Governor's Recommendation

The agency request for FY 2003 expenditures is \$612,016 which is a \$40,695 (7.1 percent) increase from the amount approved by the 2002 Legislature. Expenditures by major object are requested as follows: \$387,818 for salaries and wages, \$187,180 for contractual services, \$24,107 for commodities, and \$12,911 for capital outlay.

The request includes a supplemental request of \$40,695 for a 1.0 FTE Pharmacy Compliance Inspector.

The Governor recommends \$581,497 for FY 2003 expenditures. The recommendation is an increase of \$10,176 from the amount approved by the 2002 Legislature. Expenditures by major object are recommended as follows: \$357,299 for salaries and wages, \$187,180 for contractual services, \$24,107 for commodities, and \$12,911 for capital outlay.

The Governor concurs with the supplemental request for the 1.0 FTE position, with partial year (one-quarter) funding of \$10,176 for the position.

House Budget Committee Recommendation

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

1. Delete \$6,784 from the Governor's recommendation of \$10,176 for partial year funding of the additional 1.0 FTE Pharmacy Compliance Inspector position. The Budget Committee observed that the agency would likely not be able to fill the position in the current year. The Budget Committee recommends that two months of the one-quarter year funding be removed, for a total reduction of \$6,784.

*Senate Ways and Means
3-13-03
Attachment 11*

Fee Fund Analysis

The status of the agency's fee fund, based upon the recommendation of the Budget Committee is reflected below:

Resource Estimate	Actual FY 2002*	Agency Estimate FY 2003	Budget Comm. Rec. FY 2003	Agency Request FY 2004	Budget Comm. Rec. FY 2004	Agency Request FY 2005	Budget Comm. Rec. FY 2005
Beginning Balance	\$ 1,176,605	\$ 1,222,937	\$ 1,222,937	\$ 1,169,721	\$ 1,207,024	\$ 1,118,489	\$ 1,149,997
Projected Receipts	<u>552,984</u>	<u>558,800</u>	<u>558,800</u>	<u>561,700</u>	<u>561,700</u>	<u>563,400</u>	<u>599,905</u>
Total Available	\$ 1,729,589	\$ 1,781,737	\$ 1,781,737	\$ 1,731,421	\$ 1,768,724	\$ 1,681,889	\$ 1,749,902
Less: Expenditures	506,652	612,016	574,713	612,932	582,222	627,886	628,333
Operating Adjustment	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,505</u>	<u>0</u>	<u>0</u>
Ending Balance	<u>\$ 1,222,937</u>	<u>\$ 1,169,721</u>	<u>\$ 1,207,024</u>	<u>\$ 1,118,489</u>	<u>\$ 1,149,997</u>	<u>\$ 1,054,003</u>	<u>\$ 1,121,569</u>

Ending Balance as a Percentage of Expend. 241.4% 191.1% 210.0% 182.5% 197.5% 167.9% 178.5%

* includes a transfer out of \$335 in KSIP expenditures.

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Pharmacy

Bill No. HB 2026; SB 62

Bill Sec. 08

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1728

Budget Page No. 499

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
Special Revenue Fund	\$ 612,016	\$ 581,497	\$ (6,784)
FTE Positions	7.0	7.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>7.0</u>	<u>7.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency request for FY 2003 expenditures is \$612,016 which is a \$40,695 (7.1 percent) increase from the amount approved by the 2002 Legislature. Expenditures by major object are requested as follows: \$387,818 for salaries and wages, \$187,180 for contractual services, \$24,107 for commodities, and \$12,911 for capital outlay.

The request includes a supplemental request of \$40,695 for a 1.0 FTE Pharmacy Compliance Inspector.

The Governor recommends \$581,497 for FY 2003 expenditures. The recommendation is an increase of \$10,176 from the amount approved by the 2002 Legislature. Expenditures by major object are recommended as follows: \$357,299 for salaries and wages, \$187,180 for contractual services, \$24,107 for commodities, and \$12,911 for capital outlay.

The Governor concurs with the supplemental request for the 1.0 FTE position, with partial year (one-quarter) funding of \$10,176 for the position.

Senate Subcommittee Recommendation

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

1. The Subcommittee requests a Governor's Budget Amendment to clarify the position limitation established for FY 2003. The position limitation increase from 6.0 to 7.0 FTE positions, as recommended by the Governor, is not included in HB 2026 or SB 62.

House Budget Committee Report

Agency: Board of Pharmacy

Bill No.

Bill Sec.

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1728

Budget Page No. 499

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Special Revenue Fund	\$ 618,727	\$ 582,222	\$ 0
FTE Positions	7.0	7.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	7.0	7.0	0.0

Agency Request/Governor's Recommendation

The agency requests expenditures of \$618,727 for FY 2004 which is an increase of \$6,711 (1.1 percent) from the FY 2003 request. Expenditures by major object are requested as follows: \$387,736 for salaries and wages, \$197,581 for contractual services, \$20,210 for commodities, and \$13,200 for capital outlay.

The request includes an enhancement request of \$41,351 for a 1.0 FTE Pharmacy Compliance Inspector. The agency requested this position in its FY 2003 supplemental request.

The Governor recommends expenditures of \$582,222 for FY 2004 which is an increase of \$725 (0.1 percent) from the FY 2003 recommendation. Expenditures by major object are requested as follows: \$387,736 for salaries and wages, \$197,581 for contractual services, \$20,210 for commodities, and \$13,200 for capital outlay.

The concurs with the enhancement request. The Governor recommended partial year funding for this position in FY 2003.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies, and for selected other agencies. The reduction is intended to match the 5.9 percent allotment reductions that most other agencies absorbed in FY 2003 (2.0 percent in August 2002 and 3.9 percent in November 2002). According to Volume I of the *Governor's Budget Report*, the 5.9 percent reduction is intended to be an adjustment to overall operating expenditures. No attempt was made to identify reductions to specific categories. The amount reduced from this agency's budget for the 5.9 percent reduction totals \$ 36,505. This amount will be transferred to the State General Fund.

House Budget Committee Recommendation

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

agency's budget for the 5.9 percent reduction totals \$ 36,505. This amount will be transferred to the State General Fund.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

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House Budget Committee Report

Agency: Board of Pharmacy

Bill No.

Bill Sec.

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1728

Budget Page No. 499

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Special Revenue Fund	\$ 628,150	\$ 628,333	\$ 0
FTE Positions	7.0	7.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>7.0</u>	<u>7.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests expenditures of \$628,150 for FY 2005 which is an increase of \$9,423 (1.5 percent) from the FY 2004 request. Expenditures by major object are requested as follows: \$393,022 for salaries and wages, \$206,253 for contractual services, \$15,875 for commodities, and \$13,000 for capital outlay.

The request includes an enhancement request of \$41,740 for a 1.0 FTE Pharmacy Compliance Inspector. The agency requested this position in its FY 2003 supplemental and FY 2004 enhancement requests.

The Governor recommends expenditures of \$628,333 for FY 2005 which is an increase of \$46,111 (7.9 percent) from the FY 2004 recommendation.

The Governor concurs with the enhancement request. The Governor recommended partial year funding in FY 2003 and full funding for the 1.0 FTE position in FY 2004.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Pharmacy

Bill No.

Bill Sec.

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1728 **Budget Page No.** 499

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Fund	\$ 628,150	\$ 628,333	\$ 0
FTE Positions	7.0	7.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>7.0</u>	<u>7.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests expenditures of \$628,150 for FY 2005 which is an increase of \$9,423 (1.5 percent) from the FY 2004 request. Expenditures by major object are requested as follows: \$393,022 for salaries and wages, \$206,253 for contractual services, \$15,875 for commodities, and \$13,000 for capital outlay.

The request includes an enhancement request of \$41,740 for a 1.0 FTE Pharmacy Compliance Inspector. The agency requested this position in its FY 2003 supplemental and FY 2004 enhancement requests.

The Governor recommends expenditures of \$628,333 for FY 2005 which is an increase of \$46,111 (7.9 percent) from the FY 2004 recommendation.

The Governor concurs with the enhancement request. The Governor recommended partial year funding in FY 2003 and full funding for the 1.0 FTE position in FY 2004.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas Dental Board

Bill No.

Bill Sec.

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1640

Budget Page No. 485

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
Special Revenue Fund	\$ 333,612	\$ 327,208	\$ 0
FTE Positions	2.5	2.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>2.5</u>	<u>2.5</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency request for FY 2003 expenditures is \$333,612 which is a \$4,773 (1.5 percent) increase from the amount approved by the 2002 Legislature. The amount requested is greater than the approved amount due to a salary estimation error. Expenditures by major object are estimated as follows: \$111,597 for salaries and wages, \$214,371 for contractual services, \$7,144 for commodities, and \$500 for capital outlay.

The Governor recommends FY 2003 expenditures of \$327,208 which is a decrease of \$1,631 (0.5 percent) from the approved amount. Expenditures are reduced by \$6,404 as an adjustment to the salary estimation. Expenditures by major object are estimated as follows: \$111,597 for salaries and wages, \$207,967 for contractual services, \$7,144 for commodities, and \$500 for capital outlay.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

*Senate Ways and Means
3-13-03
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Senate Subcommittee Report

Agency: Kansas Dental Board

Bill No.

Bill Sec.

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1640

Budget Page No. 485

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
Special Revenue Fund	\$ 333,612	\$ 327,208	\$ 0
FTE Positions	2.5	2.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2.5	2.5	0.0

Agency Estimate/Governor's Recommendation

The agency request for FY 2003 expenditures is \$333,612 which is a \$4,773 (1.5 percent) increase from the amount approved by the 2002 Legislature. The amount requested is greater than the approved amount due to a salary estimation error. Expenditures by major object are estimated as follows: \$111,597 for salaries and wages, \$214,371 for contractual services, \$7,144 for commodities, and \$500 for capital outlay.

The Governor recommends FY 2003 expenditures of \$327,208 which is a decrease of \$1,631 (0.5 percent) from the approved amount. Expenditures are reduced by \$6,404 as an adjustment to the salary estimation. Expenditures by major object are estimated as follows: \$111,597 for salaries and wages, \$207,967 for contractual services, \$7,144 for commodities, and \$500 for capital outlay.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Kansas Dental Board

Bill No.

Bill Sec.

Analyst: Calderwood

Analysis Pg. No. 1640

Budget Page No. 485

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Special Revenue Fund	\$ 336,365	\$ 316,519	\$ 0
FTE Positions	2.5	2.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>2.5</u>	<u>2.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests FY 2004 expenditures of \$336,365 which is an increase of \$2,753 (0.8 percent) from the FY 2003 estimate. Expenditures by major object are requested as follows: \$113,369 for salaries and wages, \$215,246 for contractual services, \$7,250 for commodities, and \$500 for capital outlay.

The Governor's recommends expenditures of \$316,519 for FY 2004 which is a decrease of \$10,689 (3.3 percent) from the FY 2003 recommendation. The agency estimated that it would collect a significantly greater amount in fees during FY 2003-2005. The Governor adjusted the revenues to more closely represent prior year trends.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies, and for selected other agencies. The reduction is intended to match the 5.9 percent allotment reductions that most other agencies absorbed in FY 2003 (2.0 percent in August 2002 and 3.9 percent in November 2002). According to Volume I of the *Governor's Budget Report*, the 5.9 percent reduction is intended to be an adjustment to overall operating expenditures. No attempt was made to identify reductions to specific categories. The amount reduced from this agency's budget for the 5.9 percent reduction totals \$19,846. This amount will be transferred to the State General Fund.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Kansas Dental Board **Bill No.** **Bill Sec.**

Analyst: Calderwood **Analysis Pg. No.** Vol. 3-1640 **Budget Page No.** 485

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
Special Revenue Fund	\$ 336,365	\$ 316,519	\$ 0
FTE Positions	2.5	2.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2.5	2.5	0.0

Agency Request/Governor's Recommendation

The agency requests FY 2004 expenditures of \$336,365 which is an increase of \$2,753 (0.8 percent) from the FY 2003 estimate. Expenditures by major object are requested as follows: \$113,369 for salaries and wages, \$215,246 for contractual services, \$7,250 for commodities, and \$500 for capital outlay.

The Governor's recommends expenditures of \$316,519 for FY 2004 which is a decrease of \$10,689 (3.3 percent) from the FY 2003 recommendation. The agency estimated that it would collect a significantly greater amount in fees during FY 2003-2005. The Governor adjusted the revenues to more closely represent prior year trends.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies, and for selected other agencies. The reduction is intended to match the 5.9 percent allotment reductions that most other agencies absorbed in FY 2003 (2.0 percent in August 2002 and 3.9 percent in November 2002). According to Volume I of the *Governor's Budget Report*, the 5.9 percent reduction is intended to be an adjustment to overall operating expenditures. No attempt was made to identify reductions to specific categories. The amount reduced from this agency's budget for the 5.9 percent reduction totals \$19,846. This amount will be transferred to the State General Fund.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes that the Kansas Dental Board has been scheduled by the Division of Facilities Management for an April 7, 2003 relocation to the Landon State Office Building. The Board informed the Subcommittee that funds were not included in their submitted FY 2004 budget. The Subcommittee was informed that sufficient funds were available to cover FY 2003 move-related costs, which includes increased rent. The Subcommittee recommends a review of the agency's FY 2004 budget prior to Omnibus to look at any necessary adjustments related to moving costs.

House Budget Committee Report

Agency: Kansas Dental Board

Bill No.

Bill Sec.

Analyst: Calderwood

Analysis Pg. No. 1640

Budget Page No. 485

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Special Revenue Fund	\$ 342,272	\$ 342,272	\$ 0
FTE Positions	2.5	2.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>2.5</u>	<u>2.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests expenditures of \$342,272 for FY 2005 which is an increase of \$5,907 (1.8 percent) from the FY 2004 request. Expenditures by major object are: \$115,443 for salaries and wages, \$219,079 for contractual services, \$7,250 for commodities, and \$500 for capital outlay.

The Governor concurs with the FY 2005 agency operating expenditures request.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Kansas Dental Board

Bill No.

Bill Sec.

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1640

Budget Page No. 485

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
Special Revenue Fund	\$ 342,272	\$ 342,272	\$ 0
FTE Positions	2.5	2.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	2.5	2.5	0.0

Agency Request/Governor's Recommendation

The agency requests expenditures of \$342,272 for FY 2005 which is an increase of \$5,907 (1.8 percent) from the FY 2004 request. Expenditures by major object are: \$115,443 for salaries and wages, \$219,079 for contractual services, \$7,250 for commodities, and \$500 for capital outlay.

The Governor concurs with the FY 2005 agency operating expenditures request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Abstractors Board of Examiners **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3-1547

Budget Page No. 471

<u>Expenditure Summary</u>	<u>Agency Est. FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
Abstractors Fee Fund	\$ 20,285	\$ 20,285	\$ 0
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

The agency estimates \$20,285 for FY 2003 operating expenditures. This estimate includes: \$17,306 for salaries and wages; \$2,419 for contractual services; and \$560 for commodities.

The Governor concurs with the agency's FY 2003 estimate.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Ways and Means
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Senate Subcommittee Report

Agency: Abstractors Board of Examiners **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol 3-1547

Budget Page No. 471

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
Abstractors Fee Fund	\$ 20,285	\$ 20,285	\$ 0
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0

Agency Est./Governor's Recommendation

The agency estimates \$20,285 for FY 2003 operating expenditures. This estimate includes: \$17,306 for salaries and wages; \$2,419 for contractual services; and \$560 for commodities.

The Governor concurs with the agency's FY 2003 estimate.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Abstractors Board of Examiners

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3-1547

Budget Page No. 471

<u>Expenditure Summary</u>	<u>Agency Req. FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>House Budget Committee Adjustments</u>
Abstractors Fee Fund	\$ 20,683	\$ 19,463	\$ 0
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

The agency request \$20,683 for FY 2004 operating expenditures. This request includes: \$17,340 for salaries and wages; \$2,693 for contractual services; and \$650 for commodities.

The Governor recommends FY 2004 operating expenditures of \$19,463. The Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies and transferred to the State General Fund. The amount reduced in this agency is \$1,220.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Abstractors Board of Examiners **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol 3-1547

Budget Page No. 471

Expenditure Summary	Agency Req. FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
Abstractors Fee Fund	\$ 20,683	\$ 19,463	\$ 0
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0

Agency Req./Governor's Recommendation

The agency requests \$20,683 for FY 2004 operating expenditures. This request includes: \$17,340 for salaries and wages; \$2,693 for contractual services; and \$650 for commodities.

The Governor recommends FY 2004 operating expenditures of \$19,463. The Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies and transferred to the State General Fund. The amount reduced in this agency is \$1,220.

Senate Subcommittee Recommendation

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

1. The Subcommittee recognizes that a 5.9 percent reduction (\$1,220), to an agency with only a \$20,000 total budget is very difficult to the agency.
2. The Subcommittee commends the agency for their outstanding work, especially in these difficult budget times.

House Budget Committee Report

Agency: Abstractors Board of Examiners **Bill No.** **Bill Sec.**

Analyst: Deckard **Analysis Pg. No.** Vol. 3-1547 **Budget Page No.** 471

<u>Expenditure Summary</u>	<u>Agency Req. FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Abstractors Fee Fund	\$ 20,878	\$ 20,878	\$ 0
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

The agency requests FY 2005 operating expenditures of \$20,878. This request includes: \$17,352 for salaries and wages; \$2,876 for contractual services; and \$650 for commodities.

The Governor concurs with the agency's FY 2005 request.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Abstractors Board of Examiners **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol 3-1547

Budget Page No. 471

<u>Expenditure Summary</u>	<u>Agency Req. FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments</u>
Abstractors Fee Fund	\$ 20,878	\$ 20,878	\$ 0
FTE Positions	0.0	0.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

The agency requests FY 2005 operating expenditures of \$20,878. This request includes: \$17,352 for salaries and wages; \$2,876 for contractual services; and \$650 for commodities.

The Governor concurs with the agency's FY 2005 request.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Technical Professions **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3-1775

Budget Page No. 507

<u>Expenditure Summary</u>	<u>Agency Est. FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
Technical Professions Fee Fund	\$ 555,193	\$ 555,193	\$ 0
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>6.0</u>	<u>6.0</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

The agency estimates FY 2003 operating expenditures of \$555,193. This estimate includes: \$270,489 for salaries and wages; \$278,029 for contractual services; and \$6,675 for commodities.

The Governor concurs with the agency's estimate for FY 2003.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Ways and Means
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Senate Subcommittee Report

Agency: Board of Technical Professions **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol 3-1775

Budget Page No. 507

<u>Expenditure Summary</u>	<u>Agency Est. FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Senate Subcommittee Adjustments</u>
Technical Professions Fee Fund	\$ 555,193	\$ 555,193	\$ 0
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>6.0</u>	<u>6.0</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

The agency estimates FY 2003 operating expenditures of \$555,193. This estimate includes: \$270,489 for salaries and wages; \$278,029 for contractual services; and \$6,675 for commodities.

The Governor concurs with the agency's estimate for FY 2003.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Technical Professions **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3-1775

Budget Page No. 507

Expenditure Summary	Agency Req. FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Technical Professions Fee Fund	\$ 544,905	\$ 512,756	\$ 0
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	6.0	6.0	0.0

Agency Req./Governor's Recommendation

The agency requests \$544,905 for FY 2004 operating expenditures. This request includes: \$244,642 for salaries and wages; \$291,913 for contractual services; \$5,350 for commodities; and \$3,000 for capital outlay.

The Governor recommends FY 2004 operating expenditures of \$512,756. The Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies and transferred to the State General Fund. The amount reduced in this agency is \$32,149.

House Budget Committee Recommendation

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

1. The Budget Committee notes that the 5.9 percent operating reduction is devastating to a small agency. In addition the Budget Committee notes that in some ways it is more so since the agency is totally fee funded and the transfer of this fee fund money to the State General Fund is very concerning to those paying these fees.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Technical Professions **Bill No.** **Bill Sec.**

Analyst: Deckard **Analysis Pg. No.** Vol 3-1775 **Budget Page No.** 507

Expenditure Summary	Agency Req. FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
Technical Professions Fee Fund	\$ 544,905	\$ 512,756	\$ 10,288
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>6.0</u>	<u>6.0</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

The agency requests \$544,905 for FY 2004 operating expenditures. This request includes: \$244,642 for salaries and wages; \$291,913 for contractual services; \$5,350 for commodities; and \$3,000 for capital outlay.

The Governor recommends FY 2004 operating expenditures of \$512,756. The Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies and transferred to the State General Fund. The amount reduced in this agency is \$32,149.

Senate Subcommittee Recommendation

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

1. Add \$10,288 (fee fund) to the agency's budget. The Subcommittee is restoring the money that the agency had voluntarily recommending deleting from their budget. The Subcommittee felt that the agency should not be penalized for attempting to reduce their budget and feels that the original reduction in addition to the Governor's 5.9 percent operating reduction unfairly hampers this agency's ability to effectively function.

House Budget Committee Report

Agency: Board of Technical Professions **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3-1775

Budget Page No. 507

<u>Expenditure Summary</u>	<u>Agency Req. FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>House Budget Committee Adjustments</u>
Technical Professions Fee Fund	\$ 556,422	\$ 556,422	\$ 0
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>6.0</u>	<u>6.0</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

The agency requests FY 2005 operating expenditures of \$556,422. This request includes: \$248,291 for salaries and wages; \$299,506 for contractual services; and \$3,000 for capital outlay.

The Governor concurs with the agency's FY 2005 request.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Technical Professions **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol 3-1775

Budget Page No. 507

<u>Expenditure Summary</u>	<u>Agency Req. FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments</u>
Technical Professions Fee Fund	\$ 556,422	\$ 556,422	\$ 0
FTE Positions	6.0	6.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>6.0</u>	<u>6.0</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

The agency requests FY 2005 operating expenditures of \$556,422. This request includes: \$248,291 for salaries and wages; \$299,506 for contractual services; and \$3,000 for capital outlay.

The Governor concurs with the agency's FY 2005 request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Real Estate Commission

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No. Vol. 3 - 1753

Budget Page No. 503

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	House Budget Adjustments
State Operations:			
Special revenue Funds	\$ 743,973	\$ 714,473	0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures of \$743,973, is an increase of \$29,500 (4.1 percent) from the approved budget. The agency requests a supplemental increase of \$29,500 for capital outlay. The agency plans to use KSIP funds of \$18,500 for the equipments. The agency request includes: \$492,857 for salaries and wages, \$199,176 for contractual services, \$8,770 for commodities, and \$43,170 for capital outlay.

The Governor recommends for FY 2003 operating expenditures of \$714,473, which is consistent with the 2002 approved budget. The recommendation dos not include the supplemental request . The recommendation includes: \$492,857 for salaries and wages, \$199,176 for contractual services, \$8,770 for commodities, and \$13,670 for capital outlay.

House Budget Subcommittee Recommendation

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

1. The Budget Committee recommends the agency's supplemental request for \$29,500 be considered in the Omnibus bill. The supplemental request includes \$18,500 in KSIP funds for the purchase of an electronic storage database system and scanner.

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

*Senate Ways and Means
3-13-03
Attachment 15*

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Real Estate Commission **Bill No.** **Bill Sec.**
Analyst: Krahl **Analysis Pg. No.** Vol 3 - 1753 **Budget Page No.** 503

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Special revenue Funds	\$ 743,973	\$ 714,473	\$ 29,500
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>13.0</u>	<u>13.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2003 operating expenditures of \$743,973, is an increase of \$29,500 (4.1 percent) from the approved budget. The agency requested a supplemental increase of \$29,500 for capital outlay. The agency plans to use KSIP funds of \$18,500 for the equipments. The agency request includes: \$492,857 for salaries and wages, \$199,176 for contractual services, \$8,770 for commodities, and \$43,170 for capital outlay.

The Governor recommends for FY 2003 operating expenditures of \$714,473, which is consistent with the 2002 approved budget. The recommendation dos not include the supplemental request . The recommendation includes: \$492,857 for salaries and wages, \$199,176 for contractual services, \$8,770 for commodities, and \$13,670 for capital outlay.

Senate Subcommittee Recommendation

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

1. The Senate Subcommittee recommends the addition of \$29,500 (Real Estate Fee Fund) for the agency's supplemental request for the purchase of an electronic storage database system. Of the \$29,500, the agency will use \$18,500 in KSIP funds.

2. The Senate Subcommittee recommends allowing the agency \$200 for an official hospitality limitation on the Real Estate Fee Fund account to be funded within the agency's existing resources.

House Budget Committee Report

Agency: Real Estate Commission

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No. Vol. 3 - 1753

Budget Page No. 503

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
State Operations:			
Special Revenue Funds	\$ 755,704	\$ 711,117	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

Agency Request/Governor's Recommendation

The agency request for FY 2004 operating expenditures of \$755,704, is an increase of \$11,731 (1.6 percent) from the FY 2003 estimate. The request includes: \$516,002 for salaries and wages, \$212,072 for contractual services, \$9,000 for commodities, and \$18,630 for capital outlay.

The Governor recommends for FY 2004 operating expenditures of \$711,117, is a decrease of \$3,356 (0.5 percent) from the FY 2003 recommendation. The recommendation includes a reduction for 5.9 percent operating adjustment of \$44,587. The recommendation includes: \$516,002 for salaries and wages, \$212,072 for contractual services, \$9,000 for contractual services, \$18,630 for capital outlay and a 5.9 percent reduction of \$44,587.

House Budget Committee Recommendation

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

House Committee Recommendation

The House Committee concurs with the House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Real Estate Commission

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No. Vol 3 - 1753

Budget Page No. 503

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
State Operations:			
Special Revenue Funds	\$ 755,704	\$ 711,117	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

Agency Request/Governor's Recommendation

The agency requests for FY 2004 operation expenditures of \$755,704, is an increase of \$11,731 (1.6 percent) from the FY 2003 estimate. The request includes: \$516,002 for salaries and wages, \$212,072 for contractual services, \$9,000 for commodities, and \$18,630 for capital outlay.

The Governor recommends for FY 2004 operating expenditures of \$711,117, is a decrease of \$3,356 (0.5 percent) from the FY 2003 recommendation. The recommendation includes a reduction for 5.9 percent operating adjustment of \$44,587. The recommendation includes: \$516,002 for salaries and wages, \$212,072 for contractual services, \$9,000 for contractual services, \$18,630 for capital outlay and a 5.9 percent reduction of \$44,587.

Senate Subcommittee Recommendation

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

1. The Senate Subcommittee recommends allowing the agency \$200 for an official hospitality limitation on the Real Estate Fee Fund account to be funded within the agency's existing resources.

House Budget Committee Report

Agency: Real Estate Commission

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No. Vol. 3 - 1753

Budget Page No. 503

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
State Operations:			
Special Revenue Funds	\$ 784,379	\$ 784,379	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

Agency Request/Governor's Recommendation

The agency requests for FY 2005 operating expenditures of \$784,379, which is an increase of \$28,675 (3.8 percent) from the FY 2004 request. The request includes: \$527,321 for salaries and wages, \$222,068 for contractual services, \$9,350 for commodities, and \$25,640 for capital outlay.

The Governor concurs with the 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 House Budget Committee recommendation.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Real Estate Commission

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No. Vol 3 -1753

Budget Page No. 503

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
State Operations:			
Special Revenue Funds	\$ 784,379	\$ 784,379	\$ 0
FTE Positions	13.0	13.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	13.0	13.0	0.0

Agency Request/Governor's Recommendation

The agency requests for FY 2005 operating expenditures of \$784,379, which is an increase of \$28,675 (3.8 percent) from the FY 2004 request. The request includes: \$527,321 for salaries and wages, \$222,068 for contractual services, \$9,350 for commodities, and \$25,640 for capital outlay.

The Governor concurs with the agency request.

Senate Subcommittee Recommendation

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

1. The Senate Subcommittee recommends allowing the agency \$200 for an official hospitality limitation on the Real Estate Fee Fund account to be funded within the agency's existing resources.

House Budget Committee Report

Agency: Board of Healing Arts

Bill No.

Bill Sec.

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1666

Budget Page No. 489

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
Special Revenue Fund	\$ 2,058,350	\$ 2,058,350	\$ 0
FTE Positions	29.0	29.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>29.0</u>	<u>29.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency request for FY 2003 expenditures is \$2,058,350 which is a \$26,280 (1.3 percent) decrease from the approved amount. Expenditures by major object are estimated as follows: \$1,263,964 for salaries and wages, \$729,676 for contractual services, \$46,900 for commodities, and \$17,810 for capital outlay.

The Governor concurs with the agency's request for FY 2003 expenditures.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Ways and Means
3-13-03
Attachment 16

Senate Subcommittee Report

Agency: Board of Healing Arts

Bill No.

Bill Sec.

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1666

Budget Page No. 489

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
Special Revenue Fund	\$ 2,058,350	\$ 2,058,350	\$ 0
FTE Positions	29.0	29.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	29.0	29.0	0.0

Agency Estimate/Governor's Recommendation

The agency request for FY 2003 expenditures is \$2,058,350 which is a \$26,280 (1.3 percent) decrease from the approved amount. Expenditures by major object are estimated as follows: \$1,263,964 for salaries and wages, \$729,676 for contractual services, \$46,900 for commodities, and \$17,810 for capital outlay.

The Governor concurs with the agency's request for FY 2003 expenditures.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes that starting January 1, 2003, the Board began to register persons and entities, not otherwise licensed by the Board of Healing Arts or the Board of Optometry, who mail contact lenses to patients in Kansas, as required by the 2002 Legislature's enactment of the Patient's Contact Lens Prescription Release Act. The Subcommittee notes that Board testimony indicated that no entities have been registered under the Act. The Subcommittee encourages the Board to take a proactive approach in enforcement of this act by contacting known violators by e-mail or letter. The Subcommittee requests a review of the revenues and costs associated with this enforcement during the FY 2004 Legislative Session.
2. The Subcommittee notes the Board's efforts to upgrade its computer system. The Board cited a report from IMERGE Consulting, which reported that estimates for the implementation of the core system recommendations are \$300,000. The recommendations, the agency noted, include on-line renewals for all practitioners;

improved case management through on-line complaint forms and access to disciplinary reports, and complaint tracking; and an improved document management system. The Subcommittee encourages the Board to move forward with the planned upgrade and recommends a review of the upgrade plan and budget prior to Omnibus.

House Budget Committee Report

Agency: Board of Healing Arts

Bill No.

Bill Sec.

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1666

Budget Page No. 489

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Special Revenue Fund	\$ 2,218,536	\$ 2,044,816	\$ 0
FTE Positions	30.0	29.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	30.0	29.0	0.0

Agency Request/Governor's Recommendation

The agency requests expenditures of \$2,218,536 for FY 2004 which is an increase of \$160,186 (7.8 percent) from the FY 2003 estimate. Expenditures by major object are requested as follows: \$1,361,335 for salaries and wages, \$786,001 for contractual services, \$51,200 for commodities, and \$20,000 for capital outlay.

The request includes an enhancement package of \$45,512 to fund an additional 1.0 FTE position, Special Investigator II at \$40,276, and \$5,236 to provide for an increase in the expenses for the Impaired Provider Program.

The Governor recommends expenditures of \$2,044,816 for FY 2004 which is a decrease of \$13,534 (0.7 percent) from the FY 2003 recommendation. Expenditures by major object are recommended as follows: \$1,321,059 for salaries and wages, \$780,765 for contractual services, \$51,200 for commodities, and \$20,000 for capital outlay.

The recommendation does not include the enhancement package.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies, and for selected other agencies. The reduction is intended to match the 5.9 percent allotment reductions that most other agencies absorbed in FY 2003 (2.0 percent in August 2002 and 3.9 percent in November 2002). According to Volume I of the *Governor's Budget Report*, the 5.9 percent reduction is intended to be an adjustment to overall operating expenditures. No attempt was made to identify reductions to specific categories. The amount reduced from this agency's budget for the 5.9 percent reduction totals \$128,028. This amount will be transferred to the State General Fund.

House Budget Committee Recommendation

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

1. The Budget Committee notes testimony provided by Charles L. Wheelan, which offered an alternative to the 5.9 percent reduction for regulatory agency budgets. The alternative, based on the premise that if it is constitutional to credit twenty percent of special revenue fund receipts to the State General Fund, then such credits should apply to all special revenue collections. The proposal recommends striking section c of KSA 75-3170a, which establishes a cap of \$200,000 on aggregate transfers for a particular fund. The proposal would also allow for transfer of the 20 percent fee as special revenue is collected, rather than transferring the special revenue all at once, which creates cash-flow problems for fee-fund agencies and raises constitutional questions.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Healing Arts **Bill No.** **Bill Sec.**
Analyst: Calderwood **Analysis Pg. No.** Vol. 3-1666 **Budget Page No.** 489

<u>Expenditure Summary</u>	<u>Agency Request FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Fund	\$ 2,218,536	\$ 2,044,816	\$ 0
FTE Positions	30.0	29.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	30.0	29.0	0.0

Agency Request/Governor's Recommendation

The agency requests expenditures of \$2,218,536 for FY 2004 which is an increase of \$160,186 (7.8 percent) from the FY 2003 estimate. Expenditures by major object are requested as follows: \$1,361,335 for salaries and wages, \$786,001 for contractual services, \$51,200 for commodities, and \$20,000 for capital outlay.

The request includes an enhancement package of \$45,512 to fund an additional 1.0 FTE position, Special Investigator II, and \$5,236 to provide for an increase in the expenses for the Impaired Provider Program.

The Governor recommends expenditures of \$2,044,816 for FY 2004 which is a decrease of \$13,534 (0.7 percent) from the FY 2003 recommendation. Expenditures by major object are recommended as follows: \$1,321,059 for salaries and wages, \$780,765 for contractual services, \$51,200 for commodities, and \$20,000 for capital outlay.

The recommendation does not include the enhancement package.

For FY 2004, the Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies, and for selected other agencies. The reduction is intended to match the 5.9 percent allotment reductions that most other agencies absorbed in FY 2003 (2.0 percent in August 2002 and 3.9 percent in November 2002). According to Volume I of the *Governor's Budget Report*, the 5.9 percent reduction is intended to be an adjustment to overall operating expenditures. No attempt was made to identify reductions to specific categories. The amount reduced from this agency's budget for the 5.9 percent reduction totals \$128,028. This amount will be transferred to the State General Fund.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes that the Board continues to experience an increase in open cases (see table below). The Governor did not recommend the agency's FY 2004 and FY 2005 enhancement request for a Special Investigator II position to increase the total cases closed and reduce the open cases carried forward to FY 2005 and FY 2006. The Subcommittee expresses its concern about increasing investigative costs and the potential for backlog.

	Actual FY 00	Actual FY 01	Actual FY 02	Agency Estimate FY 03	Agency Estimate FY 04	Agency Estimate FY 05
Open Cases Forwarded	677	410	400	479	542	587
New Cases Opened	377	314	409	441	470	501
Total Cases Closed	644	324	332	376	425	475

2. The Subcommittee notes testimony provided by Charles L. Wheelan, which offered an alternative to the 5.9 percent reduction for regulatory agency budgets. A copy of the testimony is attached. The proposal includes a recommendation for striking section c of K.S.A. 75-3107a to allow for transfer of the 20 percent fee as special revenue is collected, rather than transferring the special revenue all at once, which creates cash-flow problems for fee-fund agencies and raises constitutional questions.



Testimony
Senate Ways and Means Subcommittee on Regulatory Agencies
Board of Healing Arts – Fiscal Years 2004 and 2005
By Charles L. Wheelen
February 27, 2003

Thank you for the opportunity to offer a few comments on the ensuing biennial budget for the Kansas State Board of Healing Arts. We are particularly concerned about the Governor's recommendation to reduce the Board's fiscal year 2004 operating budget by 5.9 percent.

It might appear that the 5.9% reduction in all regulatory agency budgets is for the sake of equality with agencies that are financed with state general fund revenue. But a more detailed analysis of the Governor's budget recommendations indicates that the real reason for the non-specific 5.9% reduction is to allow for the transfer of special revenue funds to the state general fund.

As you know, last year the Legislature made some one-time transfers from selected special revenue funds to the SGF in order to fortify the SGF ending balance. This resulted in cash-flow problems for some regulatory agencies and caused the Board of Healing Arts to increase licensure fees. We believe this is the equivalent of a special privilege tax on professionals and businesses that are regulated by state agencies. These are professionals and businesses that already pay income taxes, sales taxes, property taxes, and licensure fees. The practice of intermittently transferring additional fee-fund revenue to the SGF is simply unfair to them.

Our position on this issue is supported by Attorney General's Opinion 2002-45, which raises questions regarding the constitutionality of transferring money from special revenue funds to the SGF. A copy of the synopsis of that Opinion is attached to this statement for your review.

Also attached to this statement is an alternative proposal for your consideration. It is based on the assumption that it is constitutional to credit twenty percent of special revenue receipts to the State General Fund. It would apply the twenty percent privilege fee to all collections regardless of how much the agency collects during each fiscal year, and would transfer the levy throughout the year rather than all at once.

We believe this amendment to K.S.A. 75-3170a would be more equitable and workable than the practice of transferring lump sums from selected special revenue funds whenever the SGF needs additional balances.

Thank you for considering our position on this matter. We respectfully request that you restore the 5.9% reduction in funding to assure the Board of Healing Arts has adequate resources to perform its mission. We also endorse the Board's request for an appropriation proviso granting unlimited expenditure authority for costs attributable to disciplinary hearings.

Board of Accountancy

The Board of Accountancy uses a variety of means to ensure that persons with the designation of certified public accountant meet the public's need for high quality accounting services. The Governor's recommendation allows \$40,000 for the Board of Accountancy to investigate complaints against certified public accountants.

Banking Department

The agency's base budgets in FY 2004 and FY 2005 included a proposed pay upgrade of administrative employees as well as promotional salary increases for the majority of the financial examiners. At the same staffing level of 85.0 FTE positions, these salary increases inflated the base budget by \$124,594 in FY 2004 and \$231,453 in FY 2005. The Governor's

Effect of 5.9 Percent Reductions on Selected Agencies for FY 2004

	<u>Base Budget</u>	<u>5.9 Percent Reduction</u>	<u>Other Adjustments</u>	<u>Gov. Rec.</u>
Abstracters' Board of Examiners	20,683	(1,220)	—	19,463
Board of Accountancy	243,696	(14,378)	—	229,318
Bank Commissioner	6,205,523	(358,775)	(124,594)	5,722,154
Kansas Board of Barbering	131,856	(6,784)	(16,872)	108,200
Behavioral Sciences Regulatory Bd.	528,004	(30,857)	(5,000)	492,147
Board of Cosmetology	686,887	(40,526)	—	646,361
Dept. of Credit Unions	872,750	(51,492)	—	821,258
Dental Board	336,365	(19,846)	—	316,519
Governmental Ethics Commission	578,513	(33,369)	13,516	558,660
State Board of Healing Arts	2,173,024	(128,208)	—	2,044,816
Bd. of Exam. Hearing Aid Dispensers	19,875	(1,173)	—	18,702
Board of Mortuary Arts	226,841	(13,384)	—	213,457
Board of Nursing	1,410,203	(83,202)	—	1,327,001
Board of Optometry Examiners	111,917	(6,544)	(1,000)	104,373
Board of Pharmacy	577,376	(36,505)	41,351	582,222
Real Estate Appraisal	235,323	(13,884)	—	221,439
Real Estate Commission	755,704	(44,587)	—	711,117
Securities Commissioner of Kansas	2,177,303	(128,461)	—	2,048,842
State Board of Technical Professions	544,905	(32,149)	—	512,756
Board of Veterinary Examiners	278,651	(14,999)	(24,429)	239,223
Kansas Corporation Commission	17,481,713	(948,821)	(713,821)	15,819,071
Citizens' Utility Ratepayer Board	616,952	(36,400)	—	580,552
Health Care Stabilization Fund	29,669,667	(57,385)	(16,330)	29,595,952
Kansas Lottery	60,754,657	(542,800)	—	60,211,857
Insurance Department	20,194,662	(613,757)	(1,000,000)	18,580,905
Emergency Medical Services Board	858,974	(51,269)	110,000	917,705
State Fire Marshal	3,691,952	(179,475)	—	3,512,477
Total	\$ 151,383,976	\$ (3,490,250)	\$ (1,737,179)	\$ 146,156,547

September 18, 2002

ATTORNEY GENERAL OPINION NO. 2002-45

The Honorable Laura McClure, State Representative, 119th District

The Honorable Carl Holmes, State Representative, 125th District

Re: Constitution of the State of Kansas--Legislative--Legislative Power; Authority of Legislature to Transfer Money from Special Revenue Funds into the State General Fund

Synopsis: If an assessment so exceeds the cost of regulation that it is apparent the Legislature is using it as a general revenue raising measure, the overage cannot stand on police power authority. If the assessment is in fact a revenue raising measure, it must be analyzed as such, which may include a determination as to whether it meets Commerce Clause and Equal Protection requirements, as well as any state constitutional requirements applicable to the type of tax it is. If an assessment cannot stand on either police power or taxing authority, it would have to be reimbursed. Whether the general fund contribution of a fund administered by an agency performing police power functions so far exceeds the direct and indirect costs incurred by the State on behalf of such agency as to be improper can be determined only as a factual matter on a case-by-case basis. While we do not have sufficient factual information to make this determination for the four scenarios discussed herein, we seriously question whether the agencies involved cost the State in indirect and administrative expenses as much as was taken from their funds during the 2002 Session. If, based on facts presented, a court determined that too much money was taken, and that the individuals and entities who pay fees and assessments to these agencies therefore are paying more than their fair share for the State's general operating expenses, it is likely the court would order those assessments reduced and payments into the general fund reversed. Cited herein: K.S.A. 9-1701; 9-1703; 9-2204; 9-2209; 9-2210; 16a-1-102; K.S.A. 2001 Supp. 16a-2-302; 16a-6-104; 16a-6-203; 17-5601; 17-5610; 17-5701; K.S.A. 44-501; K.S.A. 2001 Supp. 44-566a; K.S.A. 44-702; K.S.A. 2001 Supp. 44-703; K.S.A. 44-704; K.S.A. 2001 Supp. 44-710; 44-714; K.S.A. 44-716; K.S.A. 2001 Supp. 44-717; K.S.A. 44-719; K.S.A. 2001 Supp. 65-2801; 65-2803; 65-2812; K.S.A. 2001 Supp. 65-2836; K.S.A. 65-2846; K.S.A. 2001 Supp. 65-2852; 65-2855; K.S.A. 65-2909; K.S.A. 2001 Supp. 65-2911; 65-5509; 65-5513; 65-6910; 75-1304; 75-1308; K.S.A. 75-1310; K.S.A. 2001 Supp. 75-1315; K.S.A. 75-3170; K.S.A. 2001 Supp. 75-3170a; L. 2002, Ch. 204, §§ 12, 15, 57, 74; L. 2001, Ch. 144, §126; K.A.R. 100-11-1; 100-28a-1; 100-29-7.

Suggested Amendment

This is based on the principle that special revenue funded agencies receiving the benefit of administrative services and other support from agencies of the Department of Administration and the Legislature should contribute 20% of all fee fund revenues to the State General Fund.

If the agency enjoys the benefit of "accounting, auditing, budgeting, legal, payroll, personnel and purchasing services" during the collection of its first \$1million per year, then it enjoys the same benefits of administrative support services thereafter. This would provide for transfer of the 20% privilege fee as special revenue is collected, in contrast with the recent practice of transferring significant amounts of special revenue all at once, which creates a cash-flow problem for the targeted fee-fund agencies and raises constitutional questions (see Attorney General's Opinion 2002-45).

75-3170a. Use and purpose of twenty percent charge to fee agencies; when charge not applicable. (a) The 20% credit to the state general fund required by K.S.A. 1-204, 9-1703, 16-609, 16a-2-302, 17-1271, 17-2236, 17-5609, 17-5610, 17-5612, 17-5701, 20-1a02, 20-1a03, 31-133a, 31-134, 44-324, 44-926, 47-820, 49-420, 55-155, 55-176, 55-609, 55-711, 55-901, 58-2011, 58-3074, 58-4107, 65-6b10, 65-1718, 65-1817a, 65-2011, 65-2855, 65-2911, 65-4610, 65-5413, 65-5513, 66-1,155, 66-1503, 74-715, 74-1108, 74-1405, 74-1503, 74-1609, 74-2704, 74-3903, 74-5805, 74-7009, 74-7506, 75-1119b, 75-1308 and 75-1514 and 2-3506, 84-9-411 and 84-9-413, and amendments thereto, is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services, and any and all other state governmental services, which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

(b) Nothing in this act or in the sections amended by this act or referred to in subsection (a), shall be deemed to authorize remittances to be made less frequently than is authorized under K.S.A. 75-4215 and amendments thereto.

~~—(c) Notwithstanding any provision of any statute referred to in or amended by this act or referred to in subsection (a), whenever in any fiscal year such 20% credit to the state general fund in relation to any particular fee fund is \$200,000, in that fiscal year the 20% credit no longer shall apply to moneys received from sources applicable to such fee fund and for the remainder of such year the full 100% so received shall be credited to such fee fund, except as otherwise provided in subsection (d) and except that during the fiscal year ending June 30, 1993, with respect to the fire marshal fee fund, when the 20% credit to the state general fund prescribed by K.S.A. 31-133a, 31-134 and 75-1514 and amendments thereto, in the aggregate, is \$400,000, then in that fiscal year such 20% credit no longer shall apply to moneys received from sources applicable to the fire marshal fee fund and for the remainder of such fiscal year the full 100% so received shall be credited to the fire marshal fee fund.~~

House Budget Committee Report

Agency: Board of Healing Arts

Bill No.

Bill Sec.

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1666

Budget Page No. 489

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Special Revenue Fund	\$ 2,246,055	\$ 2,189,707	\$ 0
FTE Positions	30.0	29.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	30.0	29.0	0.0

Agency Request/Governor's Recommendation

The agency requests expenditures of \$2,246,055 for FY 2005 which is an increase of \$27,519 (1.2 percent) from the FY 2004 request. Expenditures by major object are requested as follows: \$1,340,027 for salaries and wages, \$828,528 for contractual services, \$53,500 for commodities, and \$24,000 for capital outlay.

The request includes an enhancement package of \$56,348 to fund an additional 1.0 FTE position, Special Investigator II, at \$42,985, and \$13,363 to provide for an increase in the expenses for the Impaired Provider Program.

The Governor recommends expenditures of \$2,189,707 for FY 2005 which is an increase of \$144,981 (7.1 percent) from the FY 2004 recommendation. Expenditures by major object are recommended as follows: \$1,297,042 for salaries and wages, \$815,165 for contractual services, \$53,500 for commodities, and \$24,000 for capital outlay.

The recommendation does not include the enhancement package.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Healing Arts

Bill No.

Bill Sec.

Analyst: Calderwood

Analysis Pg. No. Vol. 3-1666

Budget Page No. 489

<u>Expenditure Summary</u>	<u>Agency Request FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments</u>
Special Revenue Fund	\$ 2,246,055	\$ 2,189,707	\$ 0
FTE Positions	30.0	29.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	30.0	29.0	0.0

Agency Request/Governor's Recommendation

The agency requests expenditures of \$2,246,055 for FY 2005 which is an increase of \$27,519 (1.2 percent) from the FY 2004 request. Expenditures by major object are requested as follows: \$1,340,027 for salaries and wages, \$828,528 for contractual services, \$53,500 for commodities, and \$24,000 for capital outlay.

The request includes an enhancement package of \$56,348 to fund an additional 1.0 FTE position, Special Investigator II, at \$42,985, and \$13,363 to provide for an increase in the expenses for the Impaired Provider Program.

The Governor recommends expenditures of \$2,189,707 for FY 2005 which is an increase of \$144,981 (7.1 percent) from the FY 2004 recommendation. Expenditures by major object are recommended as follows: \$1,297,042 for salaries and wages, \$815,165 for contractual services, \$53,500 for commodities, and \$24,000 for capital outlay.

The recommendation does not include the enhancement package.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Behavioral Sciences Regulatory Board **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3-1602

Budget Page No. 479

<u>Expenditure Summary</u>	<u>Agency Est. FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
Behavioral Sciences Fee Fund	\$ 517,271	\$ 517,271	\$ 0
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

The agency estimates \$517,271 for FY 2003 operating expenditures. This includes: \$321,099 for salaries and wages; \$163,724 for contractual services; \$20,848 for commodities; and \$11,600 for capital outlay.

The Governor concurs with the agency's FY 2003 estimate.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Ways and Means
3-13-03
Attachment 17

Senate Subcommittee Report

Agency: Behavioral Sciences Regulatory Board **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3-1602

Budget Page No. 479

<u>Expenditure Summary</u>	<u>Agency Est. FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Senate Subcommittee Adjustments</u>
Behavioral Sciences Fee Fund	\$ 517,271	\$ 517,271	\$ 0
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

The agency estimates \$517,271 for FY 2003 operating expenditures. This includes: \$321,099 for salaries and wages; \$163,724 for contractual services; \$20,848 for commodities; and \$11,600 for capital outlay.

The Governor concurs with the agency's FY 2003 estimate.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Behavioral Sciences Regulatory Board **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3-1602

Budget Page No. 479

Expenditure Summary	Agency Req. FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
Behavioral Sciences Fee Fund	\$ 528,004	\$ 492,147	\$ 0
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	8.0	8.0	0.0

Agency Req./Governor's Recommendation

The agency requests FY 2004 operating expenditures of \$528,004. This request includes: \$326,084 for salaries and wages; \$174,156 for operating expenditures; \$20,964 for commodities; and \$6,800 for capital outlay.

The Governor recommends \$492,147 for FY 2004 operating expenditures. This includes a \$5,000 reduction in capital outlay from the agency's request. In addition it includes the Governor's recommendation for a 5.9 percent reduction in expenditures for all biennial budget agencies. This amount will be transferred to the State General Fund. The amount reduced in this agency is \$30,857.

House Budget Committee Recommendation

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

1. The Budget Committee intends to review the possible reinstatement of the \$5,000 in capital outlay the Governor recommends removing in FY 2004 during Omnibus.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Behavioral Sciences Regulatory Board **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3-1602

Budget Page No. 479

<u>Expenditure Summary</u>	<u>Agency Req. FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
Behavioral Sciences Fee Fund	\$ 528,004	\$ 492,147	\$ 5,000
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

The agency requests FY 2004 operating expenditures of \$528,004. This request includes: \$326,084 for salaries and wages; \$174,156 for operating expenditures; \$20,964 for commodities; and \$6,800 for capital outlay.

The Governor recommends \$492,147 for FY 2004 operating expenditures. This includes a \$5,000 reduction in capital outlay from the agency's request. In addition it includes the Governor's recommendation for a 5.9 percent reduction in expenditures for all biennial budget agencies. This amount will be transferred to the State General Fund. The amount reduced in this agency is \$30,857.

Senate Subcommittee Recommendation

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

1. Restore \$5,000 (fee fund) in capital outlay the Governor removed in FY 2004. The Subcommittee acknowledged that this is an ongoing program that the Legislature requested to be implemented.

House Budget Committee Report

Agency: Behavioral Sciences Regulatory Board **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3-1602

Budget Page No. 479

Expenditure Summary	Agency Req. FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
Behavioral Science Fee Fund	\$ 543,649	\$ 536,449	\$ 0
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	8.0	8.0	0.0

Agency Req./Governor's Recommendation

The agency requests FY 2005 operating expenditures of \$543,649. The request includes: \$331,073 for salaries and wages; \$181,968 for contractual services; \$21,608 for commodities; and \$9,000 for capital outlay.

The Governor recommends \$536,449 for FY 2005 operating expenditures. This includes a \$7,200 reduction in capital outlay.

House Budget Committee Recommendation

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

1. The Budget Committee intends to review the possible reinstatement of the \$7,200 in capital outlay the Governor recommends removing in FY 2005 during Omnibus.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Behavioral Sciences Regulatory Board **Bill No.**

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3-1602

Budget Page No. 479

Expenditure Summary	Agency Req. FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
Behavioral Science Fee Fund	\$ 543,649	\$ 536,449	\$ 7,200
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	8.0	8.0	0.0

Agency Req./Governor's Recommendation

The agency requests FY 2005 operating expenditures of \$543,649. The request includes: \$331,073 for salaries and wages; \$181,968 for contractual services; \$21,608 for commodities; and \$9,000 for capital outlay.

The Governor recommends \$536,449 for FY 2005 operating expenditures. This includes a \$7,200 reduction in capital outlay.

Senate Subcommittee Recommendation

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

1. Add \$7,200 (fee fund) in capital outlay the Governor removed in FY 2005. The Subcommittee acknowledged that this is an ongoing program that the Legislature requested to be implemented.

House Budget Committee Report

Agency: Board of Nursing

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3 - 1703

Budget Page No. 495

<u>Expenditure Summary</u>	<u>Agency Est. FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
State General Funds	\$ 0	\$ 0	\$ 0
All Other Funds	1,397,017	1,459,832	0
TOTAL	<u>\$ 1,397,017</u>	<u>\$ 1,459,832</u>	<u>\$ 0</u>
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

The agency estimates FY 2003 operating expenditures at \$1,397,017. The estimate includes: \$915,179 for salaries and wages; \$353,482 for contractual services; \$73,250 for commodities; and \$55,106 for capital outlay.

The Governor recommends \$1,459,832 for FY 2003 operating expenditures. The Governor's recommendation includes \$62,815 in KSIP expenditures for capital outlay that was not included in the agency's request.

House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Ways and Means
3-13-03
Attachment 18

Senate Subcommittee Report

Agency: Board of Nursing

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol 3- 1703

Budget Page No. 495

Expenditure Summary	Agency Est. FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
State General Funds	\$ 0	\$ 0	\$ 0
All Other Funds	1,397,017	1,459,832	0
TOTAL	\$ 1,397,017	\$ 1,459,832	\$ 0
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	22.0	22.0	0.0

Agency Est./Governor's Recommendation

The agency estimates FY 2003 operating expenditures at \$1,397,017. The estimate includes: \$915,179 for salaries and wages; \$353,482 for contractual services; \$73,250 for commodities; and \$55,106 for capital outlay.

The Governor recommends \$1,459,832 for FY 2003 operating expenditures. The Governor's recommendation includes \$62,815 in KSIP expenditures for capital outlay that was not included in the agency's request.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

House Budget Committee Report

Agency: Board of Nursing

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3 - 1703

Budget Page No. 495

Expenditure Summary	Agency Req. FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
State General Fund	\$ 0	\$ 0	\$ 0
All Other Funds	1,610,203	1,327,001	0
TOTAL	\$ 1,610,203	\$ 1,327,001	\$ 0
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	22.0	22.0	0.0

Agency Req./Governor's Recommendation

The agency requests FY 2004 operating expenditures of \$1,610,203. The request includes: \$933,271 for salaries and wages; \$532,482 for contractual services; \$73,250 for commodities; and \$71,200 for capital outlay. The request includes \$200,000 for a statewide nurse recruitment campaign.

The Governor recommends \$1,327,001 for FY 2004 operating expenditures. The Governor does not recommend the enhancement request. The Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies and transferred to the State General Fund. The amount reduced for this agency is \$83,202.

House Budget Committee Recommendation

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

1. The Budget Committee notes that the agency requested \$200,000 for an enhancement to address the statewide recruitment of nurses. The funding for this enhancement was not recommended by the Governor. While the Budget Committee supports the efforts to address the shortage of nurses, the agency's primary mission is to protect the citizens of the State of Kansas from unsafe nursing practices.

The Budget Committee requests that the agency broaden or structure the initiative to work with nurses and the nurse associations to develop some type of joint initiative for the recruitment of nurses. The Budget Committee is concerned about a potential conflict of interest with the agency trying to directly recruit

nurses. The Budget Committee wishes to further review this issue and requests that the agency report back on possible remedies at Omnibus.

- 2. The Budget Committee recommends that the agency survey all inactive nurses as to why they left the profession and report back by Omnibus, as long as the agency can do it within existing resources.

House Committee Recommendation

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

- 1. Look at long-range plan and resources for nursing recruitment at Omnibus, particularly whether federal funds will be available from the Nursing Act and when the proposed plan will end.

House committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Nursing

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol 3-1703 **Budget Page No.** 495

<u>Expenditure Summary</u>	<u>Agency Req. FY 04</u>	<u>Governor's Recommendation FY 04</u>	<u>Senate Subcommittee Adjustments</u>
State General Fund	\$ 0	\$ 0	\$ 0
All Other Funds	1,610,203	1,327,001	0
TOTAL	<u>\$ 1,610,203</u>	<u>\$ 1,327,001</u>	<u>\$ 0</u>
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>22.0</u>	<u>22.0</u>	<u>0.0</u>

Agency Req./Governor's Recommendation

The agency requests FY 2004 operating expenditures of \$1,610,203. The request includes: \$933,271 for salaries and wages; \$532,482 for contractual services; \$73,250 for commodities; and \$71,200 for capital outlay. The request includes \$200,000 for a statewide nurse recruitment campaign.

The Governor recommends \$1,327,001 for FY 2004 operating expenditures. The Governor does not recommend the enhancement request. The Governor recommends a 5.9 percent reduction in expenditures for all biennial budget agencies and transferred to the State General Fund. The amount reduced for this agency is \$83,202.

Senate Subcommittee Recommendation

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

1. The Subcommittee notes that the agency's nurse recruitment program has merit and notes that the state is experiencing a nursing shortage. The Subcommittee is concerned with making progress in regards to the problems being experienced in this area. The Subcommittee notes that they are unwilling to start any new initiatives in these economic times.
2. The Subcommittee requests that the agency submit a proposal to resolve open cases, and requests information as to whether any cases are referred to the Attorney General's office due to the complexity of the case. The Subcommittee also requests that the agency report back as to what is a reasonable length of time for the agency to resolve a case from the time the complaint is opened. The Subcommittee requests these answers prior to the veto session.
3. The Subcommittee requests information regarding the impaired provider program. Specifically, how the program is working, the number of participants in the program, and the results as to number of the participants who have recovered and those that have been repeat offenders. The Subcommittee requests information back for a period of time and requests the agency to address the KAPE report.
4. The Subcommittee notes the information provided by the agency and the Kansas Hospital Association, which are provided in Attachments A and B. The Subcommittee may wish to review these issues at Omnibus.



Donald A. Wilson
President

TO: Senator Morris

FROM: The Kansas Nursing Workforce Partnership

DATE: February 6, 2003

RE: Recommendations for the 2003 Legislature

On December 1, 2002, several nursing leaders and educators from across the state were asked to testify before the Legislative Budget Committee regarding the nursing shortage in Kansas. At the conclusion of the presented testimony, the Budget Committee requested that a group comprised of those who testified meet and report back to the Committee those ways in which the legislature could assist with the nursing shortage without the expenditure of state funds.

In response to the above request, a group, calling itself the Kansas Nursing Workforce Partnership, met and drafted the following recommendations for the legislature to implement to assist with the nursing shortage in Kansas.

1. Lift the current KPERs Restrictions – Last year SB 530 was introduced to exempt licensed nurses who return to work at certain state institutions from a statutory \$15,000 limit on salary earnings if retired from KPERs and returning to work for SRS or veteran commission facilities. The bill never reached the Senate floor for debate. The entities experiencing nurse shortages and impacted by this law are state facilities such as Osawatomie and Larned, as well as 18 community hospitals that participate in KPERs.

We recommend legislation that would exempt any retired certified, registered, or licensed health care worker from the statutory \$15,000 limit on salary earnings if they retire from a KPER participating facility and wished to return to work at that or another state facility. Implementation of this change would not require funding from the state budget.

2. Maintain the current funding for the Kansas Nursing Service Scholarship program. The Nursing Scholarship Program was created in 1989 for the purpose of providing financial assistance to nursing students in order to reduce the impact of nurse shortages, especially in rural areas of the state. Licensed Practical Nurse (LPN) candidates are eligible for an annual award of \$2,500 while Registered

Kansas Hospital Association

Nurse (RN) candidates may receive \$3,500. Unlike the other occupational scholarship programs, applicants must locate a sponsor who commits to cost sharing with the state. Rural and small approved facilities pay \$1,000 of the annual scholarship and urban facilities pay one-half. The student agrees to provide one year of nursing service to the sponsor for each year of support or to repay both the state and the sponsor with 15 percent interest. The statutes governing the program limit the total number of new scholarships awarded each year to 250, with further limitations based on the type of degree sought or the school attended. The approved FY 2002-2003 state appropriations budget for this program was \$248,563. In 2002, 247 applications were received, 130 scholarships were awarded and 89 applicants were placed on a waiting list.

We are requesting that the legislature maintain the current funding for this scholarship program.

3. Maintain the current operating funds for those Kansas Schools of Nursing funded by the Kansas Board of Regents. Current funding levels must be maintained at the 20 schools of nursing/programs funded by the Kansas Board of Regents.

Associate Nursing Degree Programs: Barton Co. Community College, Butler Co. Community College, Cloud Co. Community College, Colby Community College, Dodge City Community College, Ft. Scott Community College, Garden City Community College, Hutchinson Community College, Johnson Co. Community College, Kansas City Kansas Community College, Labette Community College, Neosho Co. Community College, North Central Kansas Technical College, Pratt Community College, Seward Co. Community College

Baccalaureate Nursing Degree Programs: Emporia State University, Fort Hays State University, Pittsburg State University, University of Kansas, Wichita State University

Kansas Nursing Workforce Partnership members:

Deborah Stern, Kansas Hospital Association, Facilitator;
Mary Carol Pomatto, Pittsburg State University;
Mary Blubaugh, Kansas State Board of Nursing;
Diane Lindeman, Kansas Board of Regents;
Terri Roberts, Kansas State Nurses Association;
Terri Johnson, Kansas State Nurses Association;
Karen Miller, University of Kansas Medical Center;
Jeanne Walsh, Johnson County Community College;
Carolyn Middendorf, Kansas State Nurses Association;
Sheila Frahm, Kansas Association of Community Colleges;
Ann Abel, Coalition for the Advancement of Careers in Health Care;
Elizabeth Wong, Department of Admin. Division of Personnel Services;
Debra Zehr, Kansas Association of Homes & Services for the Aging

Summary of Kansas State Board of Nursing Testimony:

Agency's Mission: Assure the citizens of Kansas safe and competent practice by nurses and mental health technicians.

Health care organizations say the nursing shortage is both a demand and supply shortage. The shortage is caused by a wide range of factors including:

- Growing Demand
- Fewer nurses to replace those who retire or leave the profession
- Falling number of nursing students
- Increase in age of new RN graduates
- Aging of the RN workforce
- Half of the RN workforce will reach retirement age in the next 15 years

Admissions to Kansas Nursing Schools

- ADA admissions down 30.9 %
- BSN admissions down 25.8 %
- PN admissions down 15.6%

	BSN		ADN		PN		RN	
	Admit	Graduate	Admit	Graduate	Admit	Graduate	Admit	Graduate
1992	657	425	842	716	945	742	1499	1141
1993	792	531	864	732	887	782	1656	1263
1994	688	578	854	713	898	749	1542	1291
1995	634	658	844	730	817	704	1478	1388
1996	601	610	732	669	900	674	1333	1279
1997	575	555	638	579	840	648	1213	1134
1998	523	528	640	554	815	584	1163	1082
1999	457	499	606	506	811	658	1063	1005
2000	481	465	580	499	795	601	1061	964
2001	488	444	582	487	798	614	1070	931

Information from Kansas Hospitals Association (KHA)

- 800 nursing student positions available in Fall 2002 in 49 nursing schools in Kansas
- Current RN vacancy rate (2002) in hospitals around the state is 7.8%

House Budget Committee Report

Agency: Board of Nursing

Bill No.

Bill Sec.

Analyst: Deckard

Analysis Pg. No. Vol. 3 - 1703

Budget Page No. 495

Expenditure Summary	Agency Req. FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
State General Fund	\$ 0	\$ 0	\$ 0
All Other Funds	1,525,835	1,425,835	0
TOTAL	\$ 1,525,835	\$ 1,425,835	\$ 0
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	22.0	22.0	0.0

Agency Req./Governor's Recommendation

The agency requests \$1,525,835 for FY 2005 operating expenditures. The request includes: \$945,373 for salaries and wages; \$462,212 for contractual services; \$73,250 for commodities; and \$45,000 for capital outlay. The request includes \$100,000 in an enhancement request for the continuation of the statewide nurse recruitment campaign.

The Governor's recommendation for FY 2004 operating expenditures is \$1,425,835. The Governor does not recommend the enhancement request.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2005 with the following notations.

1. The Budget Committee notes that the agency requested \$100,000 for an enhancement to address the statewide recruitment of nurses. The funding for this enhancement was not recommended by the Governor. While the Budget Committee supports the efforts to address the shortage of nurses, the agency's primary mission is to protect the citizens of the State of Kansas from unsafe nursing practices.

The Budget Committee requests that the agency broaden or structure the initiative to work with nurses and the nurse associations to develop some type of joint initiative for the recruitment of nurses. The Budget Committee is concerned about a potential conflict of interest with the agency trying to directly recruit nurses. The Budget Committee wishes to further review this issue and requests that the agency report back on possible remedies at Omnibus.

- 2. The Budget Committee recommends that the agency survey all inactive nurses as to why they left the profession and report back by Omnibus, as long as the agency can do it within existing resources.

House Committee Recommendation

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

- 1. Look at long-range plan and resources for nursing recruitment at Omnibus, particularly whether federal funds will be available from the Nursing Act and when the proposed plan will end.

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Board of Nursing **Bill No.** **Bill Sec.**
Analyst: Deckard **Analysis Pg. No.** Vol 3-1703 **Budget Page No.** 495

<u>Expenditure Summary</u>	<u>Agency Req. FY 05</u>	<u>Governor's Recommendation FY 05</u>	<u>Senate Subcommittee Adjustments</u>
State General Fund	\$ 0	\$ 0	\$ 0
All Other Funds	1,525,835	1,425,835	0
TOTAL	\$ 1,525,835	\$ 1,425,835	\$ 0
FTE Positions	22.0	22.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	22.0	22.0	0.0

Agency Req./Governor's Recommendation

The agency requests \$1,525,835 for FY 2005 operating expenditures. The request includes: \$945,373 for salaries and wages; \$462,212 for contractual services; \$73,250 for commodities; and \$45,000 for capital outlay. The request includes \$100,000 in an enhancement request for the continuation of the statewide nurse recruitment campaign.

The Governor's recommendation for FY 2005 operating expenditures is \$1,425,835. The Governor does not recommend the enhancement request.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation for FY 2005 with the following notations.

1. The Subcommittee notes that the agency's nurse recruitment program has merit and notes that the state is experiencing a nursing shortage. The Subcommittee is concerned with making progress in regards to the problems being experienced in this area. The Subcommittee notes that they are unwilling to start any new initiatives in these economic times.
2. The Subcommittee requests that the agency submit a proposal to resolve open cases, and requests information as to whether any cases are referred to the Attorney General's office due to the complexity of the case. The Subcommittee also requests that the agency report back as to what is a reasonable length of time for the agency to resolve a case from the time the complaint is opened. The Subcommittee requests these answers prior to the veto session.
3. The Subcommittee requests information regarding the impaired provider program. Specifically, how the program is working, the number of participants in the program, and the results as to number of the participants who have recovered and those that have been repeat offenders. The Subcommittee requests information back for a period of time and requests the agency to address the KAPE report.
4. The Subcommittee notes the information provided by the agency, the Kansas Hospital Association, which are provided in Attachments A and B. The Subcommittee may wish to review these issues at Omnibus.

House Budget Committee Report

Agency: Board of Veterinary Examiners **Bill No.** 2026

Bill Sec. --

Analyst: VanHouse

Analysis Pg. No. 1787

Budget Page No. 509

Expenditure Summary	Agency Request FY 2003	Governor's Recommendation FY 2003	House Budget Committee Adjustments
State Operations			
Veterinary Examiners Fee Fund	\$ 278,089	\$ 276,429	0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Request/Governor's Recommendation

The Board of Veterinary Examiners requests \$278,089 for FY 2003 operating expenditures which is an increase of \$7,097 (2.6 percent) from the amount approved by the 2002 Legislature. The estimate includes \$151,889 for salaries and wages to fund 3.0 FTE positions. The estimate also includes \$99,642 in contractual services and \$26,558 in commodities.

The Governor recommends \$276,429 for FY 2003 operating expenditures which is an increase of \$5,437 (2.0 percent) from the amount approved by the 2002 Legislature. The recommendation includes \$151,889 for salaries and wages to fund 3.0 FTE positions. The recommendation also includes \$99,642 in contractual services and \$24,898 in commodities. Reductions in the Governor's recommendation include a 5.9 percent transfer of \$14,999 from the Veterinary Examiners Fee Fund and a reduction of \$15,000 in operating expenditures to compensate for declining fee fund balances.

House Budget Committee Recommendation

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

*Senate Ways and Means
3-13-03
Attachment 19*

Fee Fund Analysis

The following table reflects the status of the agency's fee fund under the Budget Committee's recommendation.

<u>Resource Estimate</u>	<u>Actual FY 2002</u>	<u>Agency Estimate FY 2002</u>	<u>Gov. Rec. FY 2002</u>	<u>Budget Cmte. Rec. FY 2003</u>
Beginning Balance	\$ 373,277	\$ 277,736	\$ 277,736	\$ 277,736
Projected Receipts	<u>193,099</u>	<u>159,247</u>	<u>164,999</u>	<u>164,999</u>
Total Available	\$ 566,376	\$ 436,983	\$ 442,735	\$ 442,735
Less: Expenditures	<u>288,642</u>	<u>278,089</u>	<u>276,429</u>	<u>276,429</u>
Ending Balance	<u>\$ 300,000</u>	<u>\$ 158,894</u>	<u>\$ 166,306</u>	<u>\$ 166,306</u>
Ending Balance as a Percentage of Expend.	96.2%	57.1%	60.2%	60.2%

House Committee Recommendation

The House Committee concurs with the Budget Committee recommendation.

House Recommendation

The House has not yet considered this budget.

Senate Subcommittee Report

Agency: Board of Veterinary Examiners **Bill No.** 62 **Bill Sec.** --

Analyst: VanHouse **Analysis Pg. No.** 1787 **Budget Page No.** 509

<u>Expenditure Summary</u>	<u>Agency Estimate FY 2003</u>	<u>Governor's Recommendation FY 2003</u>	<u>Senate Subcommittee Adjustments</u>
State Operations			
Veterinary Examiners Fee Fund	\$ 278,089	\$ 276,429	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The Board of Veterinary Examiners estimates \$278,089 for FY 2003 operating expenditures which is an increase of \$7,097 (2.6 percent) from the amount approved by the 2002 Legislature. The estimate includes \$151,889 for salaries and wages to fund 3.0 FTE positions. The estimate also includes \$99,642 in contractual services and \$26,558 in commodities.

The Governor recommends \$276,429 for FY 2003 operating expenditures which is an increase of \$5,437 (2.0 percent) from the amount approved by the 2002 Legislature. The recommendation includes \$151,889 for salaries and wages to fund 3.0 FTE positions. The recommendation also includes \$99,642 in contractual services and \$24,898 in commodities.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Fee Fund Analysis

The following table reflects the status of the agency's fee fund under the Subcommittee's recommendation.

Resource Estimate	Actual FY 2002	Agency Estimate FY 2003	Gov. Rec. FY 2003	Senate Subcmte. Rec. FY 2003
Beginning Balance	\$ 373,277	\$ 277,736	\$ 277,736	\$ 277,736
Projected Receipts	<u>193,099</u>	<u>159,247</u>	<u>164,999</u>	<u>164,999</u>
Total Available	\$ 566,376	\$ 436,983	\$ 442,735	\$ 442,735
Less: Expenditures	<u>288,642</u>	<u>278,089</u>	<u>276,429</u>	<u>276,429</u>
Ending Balance	<u>\$ 277,734</u>	<u>\$ 158,894</u>	<u>\$ 166,306</u>	<u>\$ 166,306</u>
Ending Balance as a Percentage of Expend.	96.2%	57.1%	60.2%	60.2%

House Budget Committee Report

Agency: Board of Veterinary Examiners **Bill No. --**

Bill Sec. --

Analyst: VanHouse

Analysis Pg. No. 1787

Budget Page No. 509

Expenditure Summary	Agency Request FY 2004	Governor's Recommendation FY 2004	House Budget Committee Adjustments
State Operations			
Veterinary Examiners Fee Fund	\$ 278,651	\$ 239,223	\$ 0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The Board of Veterinary Examiners requests \$278,651 for FY 2004 operating expenditures which is an increase of \$562 (0.2 percent) from the FY 2003 estimate. The request includes \$163,921 for salaries and wages to fund 3.0 FTE positions. The estimate also includes \$88,172 in contractual services and \$26,588 in commodities.

The Governor recommends \$239,223 for FY 2004 operating expenditures which is a decrease of \$37,206 (13.5 percent) from the FY 2003 recommendation. The recommendation includes \$154,492 for salaries and wages to fund 3.0 FTE positions. The recommendation also includes \$88,172 in contractual services and \$11,558 in commodities. Reductions in the Governor's recommendation include a 5.9 percent transfer of \$14,999 from the Veterinary Examiners Fee Fund and a reduction of \$15,000 in operating expenditures to compensate for declining fee fund balances.

House Budget Committee Recommendation

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

1. After the hearing, the Budget Committee received information from the agency regarding revenue projection increases due to changes at the national level. The agency estimates revenue to be \$37,200 higher for FY 2004 than that recommended by the Governor. As a result of the increased projection, the agency requested that the \$15,000 operating expenditure reduction be added back to the agency's budget. Since this information was provided after the hearing, the Budget Committee recommends this issue be flagged for Omnibus consideration.

Fee Fund Analysis

The following table reflects the status of the agency's fee fund under the Budget Committee's recommendation.

<u>Resource Estimate</u>	<u>Agency Estimate FY 2003</u>	<u>Gov. Rec. FY 2003</u>	<u>Budget Cmte. Rec. FY 2003</u>	<u>Agency Request FY 2004</u>	<u>Gov. Rec. FY 2004</u>	<u>Budget Cmte. Rec. FY 2004</u>
Beginning Balance	\$ 277,736	\$ 277,736	\$ 277,736	\$ 158,894	\$ 166,306	\$ 166,306
Projected Receipts	<u>159,247</u>	<u>164,999</u>	<u>164,999</u>	<u>146,987</u>	<u>150,000</u>	<u>150,000</u>
Total Available	\$ 436,983	\$ 442,735	\$ 442,735	\$ 305,881	\$ 316,306	\$ 316,306
Less: Expenditures	<u>278,089</u>	<u>276,429</u>	<u>276,429</u>	<u>278,651</u>	<u>239,223</u>	<u>239,223</u>
Ending Balance	<u>\$ 158,894</u>	<u>\$ 166,306</u>	<u>\$ 166,306</u>	<u>\$ 27,230</u>	<u>\$ 77,083</u>	<u>\$ 77,083</u>
Ending Balance as a Percentage of Expend.	57.1%	60.2%	60.2%	9.8%	32.2%	32.2%

House Committee Recommendation

The House Committee concurs with the Budget Committee recommendation.

House Recommendation

The House has not yet considered this budget.

Senate Subcommittee Report

Agency: Board of Veterinary Examiners **Bill No. --** **Bill Sec. --**

Analyst: VanHouse **Analysis Pg. No. 1787** **Budget Page No. 509**

Expenditure Summary	Agency Request FY 2004	Governor's Recommendation FY 2004	Senate Subcommittee Adjustments
State Operations			
Veterinary Examiners Fee Fund	\$ 278,651	\$ 239,223	\$ 15,000
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	3.0	3.0	0.0

Agency Request /Governor's Recommendation

The Board of Veterinary Examiners requests \$278,651 for FY 2004 operating expenditures which is an increase of \$562 (0.2 percent) from the FY 2003 estimate. The request includes \$163,921 for salaries and wages to fund 3.0 FTE positions. The estimate also includes \$88,172 in contractual services and \$26,588 in commodities.

The Governor recommends \$239,223 for FY 2004 operating expenditures which is a decrease of \$37,206 (13.5 percent) from the FY 2003 recommendation. The recommendation includes \$154,492 for salaries and wages to fund 3.0 FTE positions. The recommendation also includes \$88,172 in contractual services and \$11,558 in commodities. Reductions in the Governor's recommendation include a 5.9 percent transfer of \$14,999 from the Veterinary Examiners Fee Fund and a reduction of \$15,000 in operating expenditures to compensate for declining fee fund balances.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following notation.

1. The Subcommittee received information from the agency regarding revenue projection increases due to changes at the national level. The agency estimates revenue to be \$37,200 higher for FY 2004 than that recommended by the Governor. As a result of the increased projection, the agency requested that the Governor's \$15,000 operating expenditure reduction be added back to the agency's budget. The Senate Subcommittee concurs with the agency's request to add \$15,000 to the operating budget.

Fee Fund Analysis

The following table reflects the status of the agency's fee fund under the Subcommittee's recommendation.

<u>Resource Estimate</u>	<u>Agency Request FY 2003</u>	<u>Gov. Rec. FY 2003</u>	<u>Subcmte. Rec. FY 2003</u>	<u>Agency Request FY 2004</u>	<u>Gov. Rec. FY 2004</u>	<u>Subcmte. Rec. FY 2004</u>
Beginning Balance	\$ 277,736	\$ 277,736	\$ 277,736	\$ 158,894	\$ 166,306	\$ 181,631
Projected Receipts	<u>159,247</u>	<u>164,999</u>	<u>180,324</u>	<u>146,987</u>	<u>150,000</u>	<u>187,200</u>
Total Available	\$ 436,983	\$ 442,735	\$ 458,060	\$ 305,881	\$ 316,306	\$ 368,831
Less: Expenditures	<u>278,089</u>	<u>276,429</u>	<u>276,429</u>	<u>278,651</u>	<u>239,223</u>	<u>254,223</u>
Ending Balance	<u>\$ 158,894</u>	<u>\$ 166,306</u>	<u>\$ 181,631</u>	<u>\$ 27,230</u>	<u>\$ 77,083</u>	<u>\$ 114,608</u>
Ending Balance as a Percentage of Expend.	9.8%	32.2%	45.1%	-39.6%	13.1%	13.5%

House Budget Committee Report

Agency: Board of Veterinary Examiners **Bill No. --** **Bill Sec. --**

Analyst: VanHouse **Analysis Pg. No.** 1787 **Budget Page No.** 509

Expenditure Summary	Agency Request FY 2005	Governor's Recommendation FY 2005	House Budget Committee Adjustments
State Operations			
Veterinary Examiners Fee Fund	\$ 288,426	\$ 214,047	0
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Request /Governor's Recommendation

The Board of Veterinary Examiners requests \$288,696 for FY 2005 operating expenditures which is an increase of \$9,775 (3.5 percent) from the FY 2004 request. The request includes \$173,696 for salaries and wages to fund 3.0 FTE positions. The estimate also includes \$88,172 in contractual services and \$26,558 in commodities.

The Governor recommends \$214,047 for FY 2005 operating expenditures which is a decrease of \$25,176 (10.5 percent) from the FY 2004 recommendation. The recommendation includes \$164,317 for salaries and wages to fund 3.0 FTE positions. The recommendation also includes \$43,172 in contractual services and \$6,558 in commodities. The Governor's recommendation include a reduction of \$65,000 in operating expenditures to compensate for declining fee fund balances.

House Budget Committee Recommendation

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

1. After the hearing, the Budget Committee received information from the agency regarding revenue projection increases due to changes at the national level. The agency estimates revenue to be \$37,200 higher for FY 2005 than that recommended by the Governor. As a result of the increased projection, the agency requested that the \$65,000 operating expenditure reduction be added back to the agency's budget. Since this information was provided after the hearing, the Budget Committee recommends this issue be flagged for Omnibus consideration.

Fee Fund Analysis

The following table reflects the status of the agency's fee fund under the Budget Committee's recommendation.

<u>Resource Estimate</u>	<u>Agency Request FY 2004</u>	<u>Gov. Rec. FY 2004</u>	<u>Budget Cmte. Rec. FY 2004</u>	<u>Agency Request FY 2005</u>	<u>Gov. Rec. FY 2005</u>	<u>Budget Cmte. Rec. FY 2005</u>
Beginning Balance	\$ 158,894	\$ 166,306	\$ 166,306	\$ 27,230	\$ 77,083	\$ 77,083
Projected Receipts	<u>146,987</u>	<u>150,000</u>	<u>150,000</u>	<u>146,987</u>	<u>164,999</u>	<u>164,999</u>
Total Available	\$ 305,881	\$ 316,306	\$ 316,306	\$ 174,217	\$ 242,082	\$ 242,082
Less: Expenditures	<u>278,651</u>	<u>239,223</u>	<u>239,223</u>	<u>288,426</u>	<u>214,047</u>	<u>214,047</u>
Ending Balance	<u>\$ 27,230</u>	<u>\$ 77,083</u>	<u>\$ 77,083</u>	<u>\$ (114,209)</u>	<u>\$ 28,035</u>	<u>\$ 28,035</u>
Ending Balance as a Percentage of Expend.	9.8%	32.2%	32.2%	-39.6%	13.1%	13.1%

House Committee Recommendation

The House Committee concurs with the Budget Committee recommendation.

House Recommendation

The House has not yet considered this budget.



Senate Subcommittee Report

Agency: Board of Veterinary Examiners **Bill No. --**

Bill Sec. --

Analyst: VanHouse

Analysis Pg. No. 1787

Budget Page No. 509

<u>Expenditure Summary</u>	<u>Agency Request FY 2005</u>	<u>Governor's Recommendation FY 2005</u>	<u>Senate Subcommittee Adjustments</u>
State Operations			
Veterinary Examiners Fee Fund	\$ 288,426	\$ 214,047	\$ 65,000
FTE Positions	3.0	3.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>3.0</u>	<u>3.0</u>	<u>0.0</u>

Agency Request /Governor's Recommendation

The Board of Veterinary Examiners requests \$288,696 for FY 2005 operating expenditures which is an increase of \$9,775 (3.5 percent) from the FY 2004 request. The request includes \$173,696 for salaries and wages to fund 3.0 FTE positions. The estimate also includes \$88,172 in contractual services and \$26,558 in commodities.

The Governor recommends \$214,047 for FY 2005 operating expenditures which is a decrease of \$25,176 (10.5 percent) from the FY 2004 recommendation. The recommendation includes \$164,317 for salaries and wages to fund 3.0 FTE positions. The recommendation also includes \$43,172 in contractual services and \$6,558 in commodities. The Governor's recommendation include a reduction of \$65,000 in operating expenditures to compensate for declining fee fund balances.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation with the following notation.

1. The Subcommittee received information from the agency regarding revenue projection increases due to changes at the national level. The agency estimates revenue to be \$37,200 higher for FY 2005 than that recommended by the Governor. As a result of the increased projection, the agency requested that the Governor's \$65,000 operating expenditure reduction be added back to the agency's budget. The Senate Subcommittee concurs with the agency's request to add \$65,000 to the operating budget.

Fee Fund Analysis

The following table reflects the status of the agency's fee fund under the Subcommittee's recommendation.

<u>Resource Estimate</u>	<u>Agency Request FY 2004</u>	<u>Gov. Rec. FY 2004</u>	<u>Subcmte. Rec. FY 2004</u>	<u>Agency Request FY 2005</u>	<u>Gov. Rec. FY 2005</u>	<u>Subcmte. Rec. FY 2005</u>
Beginning Balance	\$ 158,894	\$ 166,306	\$ 181,631	\$ 27,230	\$ 77,083	\$ 114,608
Projected Receipts	<u>146,987</u>	<u>150,000</u>	<u>187,200</u>	<u>146,987</u>	<u>164,999</u>	<u>202,199</u>
Total Available	\$ 305,881	\$ 316,306	\$ 368,831	\$ 174,217	\$ 242,082	\$ 316,807
Less: Expenditures	<u>278,651</u>	<u>239,223</u>	<u>254,223</u>	<u>288,426</u>	<u>214,047</u>	<u>279,047</u>
Ending Balance	<u>\$ 27,230</u>	<u>\$ 77,083</u>	<u>\$ 114,608</u>	<u>\$ (114,209)</u>	<u>\$ 28,035</u>	<u>\$ 37,760</u>
Ending Balance as a Percentage of Expend.	9.8%	32.2%	45.1%	-39.6%	13.1%	13.5%

House Budget Committee Report

Agency: Office of State Bank Commissioner

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No. 1569

Budget Page No. 475

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
State Operations:			
Special Revenue Funds	\$ 5,878,768	\$ 5,699,803	\$ 0
FTE Positions	85.0	85.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	<u>86.0</u>	<u>86.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency estimates for FY 2003 operating expenditures of \$5,878,768, is a decrease of \$58,167 (1.0 percent) from the approved budget. The agency's estimate includes: \$4,761,862 for salaries and wages, \$883,876 for contractual services, \$92,200 for commodities, \$95,830 for capital outlay and \$45,000 for aid to local units.

The Governor's recommends for FY 2003 operating expenditures of \$5,699,803, is a decrease of \$237,132 (4.0 percent) from the approved budget. The recommendation includes: \$4,582,897 for salaries and wages, \$883,876 for contractual services, \$92,200 for commodities, \$95,830 for capital outlay, and \$45,000 aid to local units.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Ways and Means
3-13-03
Attachment 20

Senate Subcommittee Report

Agency: Office of State Bank Commissioner **Bill No.** _____ **Bill Sec.** _____
Analyst: Krahl **Analysis Pg. No.** Vol 3 - 1569 **Budget Page No.** 475

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
State Operations:			
Special Revenue Funds	\$ 5,878,768	\$ 5,699,803	\$ 65,215
FTE Positions	85.0	85.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	86.0	86.0	0.0

Agency Estimate/Governor's Recommendation

The agency estimates for FY 2003 operating expenditures of \$5,878,768, is a decrease of \$58,167 (1.0 percent) from the approved budget. The agency's estimate includes: \$4,761,862 for salaries and wages, \$883,876 for contractual services, \$92,200 for commodities, \$95,830 for capital outlay and \$45,000 for aid to local units.

The Governor's recommends for FY 2003 operating expenditures of \$5,699,803, is a decrease of \$237,132 (4.0 percent) from the approved budget. The recommendation includes: \$4,582,897 for salaries and wages, \$883,876 for contractual services, \$92,200 for commodities, \$95,830 for capital outlay, and \$45,000 aid to local units.

Senate Subcommittee Recommendation

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

1. Add \$65,215 (Bank Fee Fund) to continue funding for salary upgrades for Financial Examiners. According to the agency, this is to enhance the career paths opportunities for Financial Examiners, raise the base salary of entry level examiners by offering compensation activities, and reduce the turnover of examiners by offering compensation level equal with the experience and proficiency. The Subcommittee notes that this salary adjustment is necessary retain examiners as the number of banks that receiving higher CAMEL ratings are on the increase as noted in the attachments. (The CAMEL rating examines banks': Capital, Assets, Management, Earnings, Liquidity, Sensitivity to market factors. Banks receive an overall composite rating on a scale from 1 to 5, with a 1 or 2 considered a good rating and a 3, 4, or 5 warranting a supervisory action from the Commission).

2. Shift \$95,830 in capital outlay expenditures from KSIP funds to Bank Fee Fund to restore the Senate Subcommittee actions from last year's session. The Governor's recommendation this year funded the capital outlay expenditures from KSIP expenditures.

House Budget Committee Report

Agency: Office of the State Bank Commissioner **Bill No.** **Bill Sec.**

Analyst: Krahl **Analysis Pg. No.** 1569 **Budget Page No.** 475

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	House Budget Committee Adjustments
State Operations:			
Special Revenue Funds	\$ 6,205,523	\$ 5,722,154	\$ 0
FTE Positions	85.0	85.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	86.0	86.0	0.0

Agency Request/Governor's Recommendation

The agency requests for FY 2004 operating expenditures of \$6,205,523, which is an increase of \$326,755 (5.6 percent) from the FY 2003 estimate. The request includes: \$5,016,657 for salaries and wages, \$950,932 for contractual services, \$97,340 for commodities, \$95,594 for capital outlay, and \$45,000 in aid to local units.

The Governor recommends for FY 2004 operating expenditures \$5,722,154, which is an increase of \$22,351 (0.4 percent) from the FY2003 recommendation. The Governor's recommendation includes a 5.9 percent reduction of resources of \$358,775. The recommendation includes: \$4,892,063 for salaries and wages, \$950,932 for contractual services, \$97,340 for commodities, \$95,594 for capital outlay, \$45,000 in aid to local units, and \$358,775 reduction for an operating adjustment.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Office of the State Bank Commissioner **Bill No.** **Bill Sec.**

Analyst: Krahl **Analysis Pg. No.** Vol 3 -1569 **Budget Page No.** 475

Expenditure Summary	Agency Request FY 04	Governor's Recommendation FY 04	Senate Subcommittee Adjustments
State Operations:			
Special Revenue Funds	\$ 6,205,523	\$ 5,722,154	\$ 483,369
FTE Positions	85.0	85.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	86.0	86.0	0.0

Agency Request/Governor's Recommendation

The agency requests for FY 2004 operating expenditures of \$6,205,523, which is an increase of \$326,755 (5.6 percent) from the FY 2003 estimate. The request includes: \$5,016,657 for salaries and wages, \$950,932 for contractual services, \$97,340 for commodities, \$95,594 for capital outlay, and \$45,000 in aid to local units.

The Governor recommends for FY 2004 operating expenditures \$5,722,154, which is an increase of \$22,351 (0.4 percent) from the FY2003 recommendation. The Governor's recommendation includes a 5.9 percent reduction of resources of \$358,775. The recommendation includes: \$4,892,063 for salaries and wages, \$950,932 for contractual services, \$97,340 for commodities, \$95,594 for capital outlay and \$358,775 reduction for an operating adjustment.

Senate Subcommittee Recommendation

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

1. Add \$124,594 (Bank Fee Funds) to continue funding for salary upgrades for Financial Examiners. According to the agency, this is to enhance the career paths opportunities for Financial Examiners, raise the base salary of entry level examiners by offering compensation activities, and reduce the turnover of examiners by offering compensation level equal with the experience and proficiency. The Subcommittee notes that this salary adjustment is necessary retain examiners as the number of banks that receiving higher CAMEL ratings are on the increase as noted in the attachments. (The CAMEL rating examines

banks': Capital, Assets, Management, Earnings, Liquidity, Sensitivity to market factors. Banks receive an overall composite rating on a scale from 1 to 5, with a 1 or 2 considered a good rating and a 3, 4, or 5 warranting a supervisory action from the Commission).

2. In lieu of reducing expenditures by \$358,775 (the 5.9 operating adjustment), transfer the same amount to the State General Fund from existing balances from the Bank Fee Fund. This would allow the agency to retain the expenditure authority totaling \$358,775.
3. Although this agency is a biennial agency, the Subcommittee plans to have this agency's budget be examined in detail early in the 2004 session to be sure the agency is able to meet its goals and positions are adequately funded.

House Budget Committee Report

Agency: Office of the State Bank Commissioner **Bill No.** **Bill Sec.**

Analyst: Krahl **Analysis Pg. No.** 1569 **Budget Page No.** 475

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	House Budget Committee Adjustments
State Operations:			
Special Revenue Funds	\$ 6,425,397	\$ 6,193,944	\$ 0
FTE Positions	85.0	85.0	0.0
Non FTE Uncl. Perm. Pos.	1.0	1.0	0.0
TOTAL	86.0	86.0	0.0

Agency Request/Governor's Recommendation

The agency requests for FY 2005 operating expenditures of \$6,425,397, which is an increase of \$219,874 (3.5 percent) from the FY 2004 request. The agency request includes: \$5,213,222 for salaries and wages, \$980,577 for contractual services, \$100,960 for commodities, \$85,638 for capital outlay and \$45,000 for aid to local units.

The Governor's recommends for FY 2005 operating expenditures of \$6,193,944, which is an increase of \$471,790 from the FY 2004 recommendation. The recommendation includes: \$4,981,769 for salaries and wages, \$980,577 for contractual services, \$100,960 for commodities, \$85,638 for capital outlay and \$45,000 for aid to local units.

House Budget Committee Recommendation

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

House Committee Recommendation

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

House Committee of the Whole Recommendation

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

Senate Subcommittee Report

Agency: Office of the State Bank Commissioner **Bill No.**

Bill Sec.

Analyst: Krahl

Analysis Pg. No. Vol 3 - 1569

Budget Page No. 475

Expenditure Summary	Agency Request FY 05	Governor's Recommendation FY 05	Senate Subcommittee Adjustments
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Senate Subcommittee Recommendation

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

1. The Subcommittee notes that the Governor should have the opportunity to review the salary and wage reductions with the Governor's Budget Report of \$231,453. The Subcommittee would encourage the Governor to consider a Governor's Budget Amendment to restore the funding for the salary upgrades for Financial Examiners.

OFFICE OF THE STATE BANK COMMISSIONER

**Historical Examination Ratings (CAMELS)
Commercial State Chartered Banks**

Calendar Year Ending	Not Rated	1	2	3	4	5	Total / 3-4-5	Problem Banks as a Percent of Total
12-86	0	65	213	95	59	12	444 / 166	37.39%
12-87	0	69	202	92	56	16	435 / 164	37.70%
12-88	0	76	194	106	40	8	424 / 154	36.32%
12-89	0	71	214	87	30	5	407 / 122	29.98%
12-90	0	72	199	81	40	2	394 / 123	31.22%
12-91	0	62	219	69	25	4	379 / 98	25.86%
12-92	0	68	214	64	18	1	365 / 83	22.74%
12-93	0	97	197	47	5	4	350 / 56	16.00%
12-94	0	121	181	24	9	1	336 / 34	10.12%
12-95	0	138	158	17	2	0	316 / 19	6.01%
12-96	0	144	134	14	1	0	293 / 15	5.12%
12-97	0	171	111	5	1	0	288 / 6	2.08%
12-98	2	167	108	3	1	0	281 / 4	1.42%
12-99	2	154	117	4	2	0	279 / 8	2.15%
12-00	2	145	111	7	4	0	269 / 11	4.09%
12-01	3	142	110	12	2	0	269 / 14	5.20%
12-02	3	137	106	11	5	0	262 / 16	6.11%
3/7/03	2	132	111	12	5	0	262 / 17	6.49%

Prepared as of: March 12, 2003

Office of the State Bank Commissioner
Enforcement Actions as of 03-11-2003

<u>Action Type</u>	<u>Action Date</u>	<u>Agency</u>
<i>Board Resolution</i>		
	4/11/2001	FDIC
	12/17/2001	State
	8/21/2002	State
	3/8/2000	FDIC
	5/4/2001	FDIC
	4/17/2001	FDIC
	7/23/2001	FDIC
	1/17/2002	FDIC
	12/19/2001	FDIC
	12/14/2001	FDIC
	6/12/2002	State
<i>Cease & Desist*</i>		
	1/27/2003	State
	6/17/2002	State
	8/8/2002	FDIC
<i>Memorandum</i>		
	12/11/2001	FDIC
	5/28/2002	FDIC
	1/22/2002	FDIC
	6/26/2002	FDIC
	5/31/2000	FDIC
	8/14/2001	FDIC
	4/23/2002	FDIC
	1/14/2003	FDIC
	4/23/2002	FRB
	6/23/1999	State
	8/28/2000	FDIC
	1/15/2002	FDIC
	11/13/2001	FDIC
	12/2/2002	State
	2/27/2003	State
	10/18/2001	FRB
<i>Resolution-EDP</i>		
	12/20/2001	FDIC

* Can pertain to a Cease & Desist order of a certain action.