

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on February 12, 2007, in Room 514-S of the Capitol.

All members were present except:

Representative Tom Sawyer - excused
Representative Jason Watkins - excused

Committee staff present:

Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Becky Krahl, Legislative Research Department
Aaron Klaassen, Legislative Research Department
Jim Wilson, Revisor of Statutes
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:

Barbara Hinton, Division of Legislative Post Audit
Christine Clark, Division of Legislative Post Audit

Others attending:

See attached list.

- Attachment 1 Budget Committee report on Board of Indigents' Defense Services
- Attachment 2 Budget Committee report on Judicial Branch and Judicial Council

Representative Schwartz moved to introduce legislation to extend the legal length of trailers. The motion was seconded by Representative Feuerborn. Motion carried.

Representative Schwartz moved to introduce legislation regarding taxes on boats. The motion was seconded by Representative Feuerborn. Motion carried.

Representative Tafanelli, Chair of the Transportation and Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Indigents' Defense Services (BIDS) for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 1). The motion was seconded by Representative Williams. Motion carried.

Representative Tafanelli, Chair of the Transportation and Public Safety Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Board of Indigents' Defense Services (BIDS) for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 1). The motion was seconded by Representative Williams. Motion carried.

Representative Lane, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Judicial Branch for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 2). The motion was seconded by Representative Pottorff. Motion carried.

Representative Lane, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Judicial Branch for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 2). The motion was seconded by Representative Yoder. Motion carried.

Responding to a question from the Committee concerning the increase in the number of magistrate judges addressed in Item No. 4, the Budget Committee noted that they did not look at the issue of sharing magistrate judges across Judicial District lines but felt the suggestion should be reviewed.

Some members of the Committee stated that they felt decisions on too many issues are being

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 12, 2007, in Room 514-S of the Capitol.

delayed to Omnibus.

Representative Beamer, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Judicial Council for FY 2007 and moved for the adoption of the Budget Committee recommendation for FY 2007 (Attachment 2). The motion was seconded by Representative Lane. Motion carried.

Representative Beamer, member of the General Government Budget Committee, presented the Budget Committee report on the Governor's budget recommendation for the Judicial Council for FY 2008 and moved for the adoption of the Budget Committee recommendation for FY 2008 (Attachment 2). The motion was seconded by Representative Lane. Motion carried.

Chair Schwartz recognized Barbara Hinton, Legislative Post Auditor, Legislative Division of Post Audit, who presented an overview of the Performance Audit Report on the Department of Labor: Reviewing Error Rates for Unemployment Benefit Payments, A K-GOAL Audit of the Department (copy available online or from Division of Legislative Post Audit). Ms. Hinton reported that the audit addresses:

- Factors that contributed to the high overpayment rate for Kansas unemployment benefits reported by the U.S. Department of Labor;
- Actions taken by the Department of Labor to reduce the overpayment rates and whether these steps have been effective;
- Steps that other states have taken to keep their overpayment rates low.

Ms. Hinton stated that the audit shows the majority of Kansas' unemployment benefit overpayments in 2005 occurred because unemployed workers did not register for job services, as required by a State law enacted in 1937. The State does not have a strong incentive to bring its high overpayment error rate down because the federal government does not levy any financial penalties. Ms. Hinton reported that online registration entails a very difficult process to register for job service. In addition, there is no deadline for registration in State statute.

To correct the high overpayment rate for unemployment benefits, the Secretary of Labor has used his legal authority to exempt certain employees from the job service registration requirement. Exemptions have been given to claimants who are:

- Temporarily unemployed - laid off from a full-time job for a period not exceeding four weeks.
- Partially unemployed - works less than full time during any week because of the lack of work.
- Affiliated with a union.

This exemption has significantly reduced the number of overpayments. At this time, the federal government is satisfied with the solution. Consideration to update the computer system so that unemployed workers applying for benefits would be registered automatically with job services when applying for benefits, has been dropped at this time because of the expense.

Ms. Hinton noted that four nearby states and the state of Montana were contacted during the survey. All of these states' primary incentive to get claimants to register with job service is to cut off their benefits if they do not register.

The Chair recognized Jim Garner, Secretary of the Department of Labor, who spoke about the challenges of enforcing the current law as it relates to unemployed workers. The separation of duties between the Department of Labor and Department of Commerce has also resulted in some confusion. Secretary Garner stated that updates to the present computer system and software would be very costly. In addition, software is not available at this time to share data with the Department of Commerce. The Secretary stated it was his decision to correct the problem by using his legal authority to exempt certain employees from the registration requirement. The Department works with those claimants who are most in need of assistance to help them register for training through the Work Force Center.

Barbara Hinton continued with a presentation of the Performance Audit Report on Postsecondary Educational Institutions: Reviewing Tuition Rates Being Charged to Non-Resident Students in Kansas (copy available online or from Division of Legislative Post Audit). Christine Clark, Division

CONTINUATION SHEET

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 12, 2007, in Room 514-S of the Capitol.

of Legislative Post Audit, appeared with Ms. Hinton to answer questions.

Two questions addressed with the audit include:

- To what extent and why are non-resident university and college students paying reduced rates and what is the fiscal impact;
- To what extent is tuition for Kansas' university students offset by government-sponsored education grants and tax benefits.

Some highlights of the audit include:

- Tuition funds approximately 20 percent of operating expenses at Kansas' public colleges and universities;
- Community colleges have established the same rate for both resident and non-resident students.
- In Fall 2005, approximately 16 percent of students at public universities and colleges were non-residents;
- In Fall, 2005, approximately 46 percent of non-resident students have reduced tuition rates;
- The impact of the reduced tuition is approximately \$26 million.

Further information requested by the Committee included:

- Reference: Page 10 - University who provided data on 22 first-time full-time students.
- Reference: Page 10 - Further explanation on difference between "KS high school graduate (Immigrants) and Immigration status change pending.
- Community colleges who are charging more tuition to students in surrounding counties than out-of-state students.

The meeting was adjourned at 10:30 a.m. The next meeting of the Committee will be held at 9:00 a.m. on February 13, 2007.


Sharon Schwartz, Chair

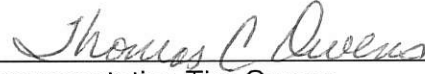
FY 2007 and FY 2008

HOUSE TRANSPORTATION AND PUBLIC SAFETY BUDGET COMMITTEE

Board of Indigents' Defense Services



Representative Lee Tafanelli, Chair



Representative Tim Owens



Representative Mitch Holmes, Vice-Chair



Representative Josh Svaty



Representative Jerry Williams,
Ranking Minority Member



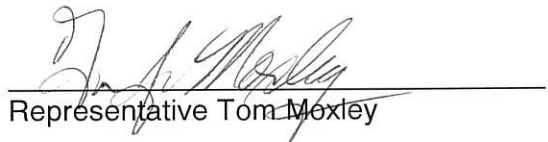
Representative Jeff Whitham



Representative Stan Frownfelter



Representative Kay Wolf



Representative Tom Moxley

HOUSE APPROPRIATIONS

DATE 2-12-2007
ATTACHMENT 1

House Budget Committee Report

Agency: Board of Indigents' Defense Services **Bill No. --** **Bill Sec. --**

Analyst: Spurgin **Analysis Pg. No.** Vol. --, Page -- **Budget Page No.** 207

Expenditure Summary	Agency Estimate FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 22,611,564	\$ 22,053,435	\$ 0
Other Funds	<u>725,000</u>	<u>725,000</u>	<u>0</u>
Subtotal - Operating	\$ 23,336,564	\$ 22,778,435	\$ 0
Capital Improvements:			
State General Fund	\$ 0	\$ 0	
Other Funds	<u>0</u>	<u>0</u>	
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
TOTAL	<u><u>\$ 23,336,564</u></u>	<u><u>\$ 22,778,435</u></u>	<u><u>\$ 0</u></u>
FTE Positions	178.0	178.0	0.0
Non FTE Uncl. Perm. Pos.	<u>1.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>179.0</u></u>	<u><u>178.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency's** estimate for FY 2007 operating expenditures is \$23,336,564, an increase of \$952,532, or 4.3 percent, above the approved budget. The entire increase is in State General Fund expenditures of \$22,611,564, which is an increase of \$952,532, or 4.4 percent, above the approved amount. The agency has requested supplemental funding of \$244,375 from the State General Fund for funding of expert witnesses and transcripts. The FY 2007 estimate also includes \$708,157 in reappropriated State General Fund money that was carried forward from FY 2006. The 2006 Legislature increased the rate of compensation for assigned counsel from \$50 to \$80 per hour, effective for FY 2007. The agency has entered into agreements with the bench and bar in several judicial districts to contain costs and has been examining, as instructed by the 2006 Legislature, where it would be more cost effective to open additional public defender offices. Although the agency operates without a FTE limitation, 1.0 FTE unclassified permanent position was converted to a FTE position in FY 2007.

Governor's Recommendation

The **Governor** recommends expenditures of \$22,778,435, a net increase of \$394,403, or 1.8 percent, above the approved amount. The entire increase is in State General Fund expenditures. The recommendation includes additional funds for expert witness expenses of \$169,375. The Governor recommends that Capital Defense expenditures be reduced by \$500,000. From this

reduction, \$169,375 would be transferred to the general administration operating expenditures account for contractual services and the remaining \$330,675 will be lapsed. Of the increase in State General Fund expenditures, \$16,871 reflects the amount required to fully fund the pay plan approved by the 2006 Legislature.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation for FY 2007.

House Budget Committee Report

Agency: Board of Indigents' Defense Services **Bill No. --** **Bill Sec. --**

Analyst: Spurgin **Analysis Pg. No.** Vol.--, Page -- **Budget Page No.** 207

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 22,736,914	\$ 22,735,126	\$ (833,119)
Other Funds	200,000	600,000	(400,000)
Subtotal - Operating	\$ 22,936,914	\$ 23,335,126	\$ (1,233,119)
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	\$ 0	\$ 0	\$ 0
TOTAL	\$ 22,936,914	\$ 23,335,126	\$ (1,233,119)
FTE Positions	188.0	188.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	188.0	188.0	0.0

Agency Request

The **agency** requests FY 2008 operating expenditures of \$22,936,914, a decrease of \$399,650, or 1.7 percent, below the revised estimate of expenditures for FY 2007. Of this amount, \$22,736,914 would come from the State General Fund, an increase of \$125,350, or 0.6 percent, above the FY 2007 estimate. Enhancements totaling \$1,034,907 are included in the request. (The FY 2007 revised estimate was higher due to the inclusion of \$708,157 in reappropriated State General Fund money carried forward from FY 2006.) Additional funds are requested for expert witness and transcript costs, rent increases, pay parity for attorneys, and death penalty defense training.

Governor's Recommendation

The **Governor** recommends FY 2008 operating expenditures of \$23,335,126, an increase of \$556,691, or 2.4 percent, above the FY 2007 recommendation. This amount includes \$22,735,126 from the State General Fund, an increase of \$681,691, or 3.1 percent, above the current year recommendation. The Governor's FY 2008 recommendation includes the addition of \$342,669 from the State General Fund, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement.

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House Budget Committee Recommendation

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

1. Delete \$348,119 from the State General Fund for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.
2. Delete \$885,000, including \$485,000 from the State General Fund to remove the enhancement recommendation for expert witness and transcript costs. The Budget Committee recommends this funding be reviewed at Omnibus.
3. The House Budget Committee intends to send a letter to the Legislative Division of Post audit to request a study of the State Board of Indigents' Defense Services. The Budget Committee would like for Post Audit to study the entire system of delivering services to indigent persons in the State, including the methods of effectively and efficiently providing services, attracting and retaining public defenders and private attorneys, and the future needs of the agency. The Budget Committee requests an interim study of this issue pending the results of the Division of Post Audit study.

FY 2007 and FY 2008

HOUSE GENERAL GOVERNMENT BUDGET COMMITTEE

Judicial Branch
Judicial Council


Representative Kevin Yoder, Chair


Representative Rocky Fund


Representative Kasha Kelley, Vice-Chair

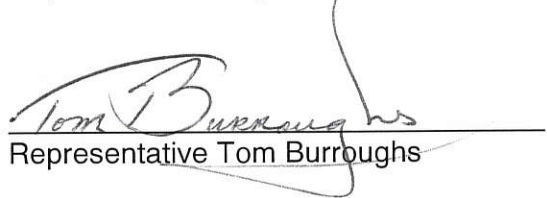

Representative Annie Kuether


Representative Harold Lane,
Ranking Minority Member


Representative JoAnn Pottorff


Representative Virginia Beamer


Representative Charles Roth


Representative Tom Burroughs

HOUSE APPROPRIATIONS

DATE 2-12-2007
ATTACHMENT 2

House Budget Committee Report

Agency: Judicial Branch

Bill No. HB --

Bill Sec. --

Analyst: Spurgin

Analysis Pg. No. Vol. --

Budget Page No. 223

Expenditure Summary	Agency Estimate FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 103,356,309	\$ 103,356,309	\$ 0
Other Funds	11,216,694	11,216,694	0
Subtotal - Operating	<u>\$ 114,573,003</u>	<u>\$ 114,573,003</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 114,573,003</u></u>	 <u><u>\$ 114,573,003</u></u>	 <u><u>\$ 0</u></u>
 FTE Positions	 1,834.3	 1,834.3	 0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>1,834.3</u></u>	<u><u>1,834.3</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **Judicial Branch** estimates total expenditures of \$114,573,003, of which \$103,356,309 is from the State General Fund. The amount includes \$368,347 reappropriated from FY 2006 and is a total increase from all funds of \$967,789, or 0.9 percent, above the approved amount. The FY 2007 budget includes no capital improvement expenditures.

Governor's Recommendation

The **Governor** concurs with the Judicial Branch's estimated expenditures for FY 2007.

House Budget Committee Recommendation

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

House Budget Committee Report

Agency: Judicial Branch

Bill No. HB

Bill Sec.

Analyst: Spurgin

Analysis Pg. No. Vol.-

Budget Page No. 223

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 108,077,944	\$ 108,333,209	\$ (3,819,867)
Other Funds	10,899,586	11,075,849	(258,934)
Subtotal - Operating	<u>\$ 118,977,530</u>	<u>\$ 119,409,058</u>	<u>\$ (4,078,801)</u>
Capital Improvements:			
State General Fund	\$ 167,919	\$ 167,919	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 167,919</u>	<u>\$ 167,919</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 119,145,449</u></u>	<u><u>\$ 119,576,977</u></u>	<u><u>\$ (4,078,801)</u></u>
FTE Positions	1,872.8	1,837.3	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>1,872.8</u></u>	<u><u>1,837.3</u></u>	<u><u>0.0</u></u>

Agency Request

The **Judicial Branch** requests total expenditures of \$119,145,452, including \$167,919 for capital improvements. The request for operating expenditures is \$118,977,533, an increase of \$4,404,530, or 3.8 percent, above the current year estimate. The request includes 3.0 FTE for an additional judge on the Court of Appeals, and associated staff. This position is scheduled to be added in January 2008. Also included is enhancement requests totaling \$3.6 million for new judicial (5.0 FTE) and non judicial personnel (30.5 FTE) in the district courts, salary adjustments for non-judicial personnel, and the reclassification of five district court employees.

The **Judicial Branch** budget request includes \$167,919 from the State General Fund in FY 2008 to create a judicial suite for the 13th judge on the Court of Appeals and 2.0 FTE associated staff who are scheduled to be added in January 2008. The Judicial Branch reported that due to how expenditures were coded, of this amount, \$140,044 would go towards actual capital improvements and \$27,935 would actually be spent on furnishings and items that would be classified as capital outlay expenditures. The entire amount of \$167,919 is included above to reflect what is represented in the Judicial Branch's budget submission.

Governor's Recommendation

The **Governor** includes a total budget of \$119,576,977, including \$167,919 for capital improvements. The budget for operating expenditures of \$119,409,058 represents an increase of

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\$4,836,055, or 4.2 percent, above the FY 2007 budget. The budget year request for State General Fund expenditures of \$108,333,209 is an increase of \$4,976,900, or 4.8 percent, above the FY 2007 recommendation for State General Fund expenditures. The Governor's recommendation includes funding for the Governor's recommended pay plan adjustments.

The **Governor** includes in her budget \$167,919 for capital improvements.

House Budget Committee Recommendation

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

1. Delete \$4,078,801, including \$3,819,867 from the State General Fund, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.
2. The House Budget Committee notes that the budget includes \$167,919 from the State General Fund in capital improvement expenditures to prepare office space for the 13th judge on the Court of Appeals that is scheduled for January 2008. The Budget Committee recommends a review of the expenditure of these expenditures at Omnibus.
3. The Budget Committee recommends a review at Omnibus of the addition of 30.5 FTE non-judicial employees, estimated at \$1,025,955 from the State General Fund.
4. The Budget Committee recommends a review at Omnibus to add \$414,478 from the State General Fund and three new judicial personnel, (5.0 FTE overall) and two new magistrate judges, one in 8th Judicial District (Dickinson, Geary, Marion and Morris Counties), and one in the 21st Judicial District (Riley and Clay Counties). The positions were requested in anticipation of the growth at Fort Riley. One district court judge is requested in the 10th Judicial District (Johnson County) due to the growth in Johnson County. The district court judge position would also include 2.0 FTE support staff personnel for the new judge.
5. The Budget Committee recommends a review at Omnibus of Appellate Court Judicial salary increases. The Judicial Branch requested, as an enhancement, \$192,525 from the State General Fund to increase salaries for Appellate Court judges by \$7,000, and Supreme Court Justice salaries by \$9,000.
6. The Budget Committee notes that SB 17 could potentially affect the distribution of court docket fees. The Budget Committee recommends a review, prior to Omnibus, of the current statutory distribution of docket fees as related to the percentage of fees allocated to each specific fund receiving receipts from docket fees. Pending this review, the Budget Committee would potentially request legislation to adjust the statutory distribution of docket fee receipts.

House Budget Committee Report

Agency: Judicial Council

Bill No. HB --

Bill Sec. --

Analyst: Spurgin

Analysis Pg. No. Vol. -----

Budget Page No. 221

Expenditure Summary	Agency Estimate FY 07	Governor's Recommendation FY 07	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,019,706	1,019,706	0
Subtotal - Operating	<u>\$ 1,019,706</u>	<u>\$ 1,019,706</u>	<u>\$ 0</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 1,019,706</u></u>	<u><u>\$ 1,019,706</u></u>	<u><u>\$ 0</u></u>
FTE Positions	7.0	7.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>7.0</u></u>	<u><u>7.0</u></u>	<u><u>0.0</u></u>

Agency Estimate

The **agency** estimates FY 2007 operating expenditures of \$1,019,706, a decrease of \$202,031, or 16.5 percent, below the approved amount. The approved FY 2007 budget represents an increase of \$790,000 above the FY 2006 actuals. Approved expenditures had been increased due to the creation of the Judicial Performance Commission. Because the legislation authorizing the Commission did not take effect until July 1, 2006, the Judicial Council has been slowly implementing the duties necessitated by the creation of the Commission. The FTE count for the agency was increased from 4.0 to 7.0. Two attorney positions and one administrative assistant position were approved and the Legislature authorized expenditures of \$784,843 from the Judicial Performance Fund, the newly created fund for the additional docket fees authorized by 2006 SB 337. Not all of the positions have been filled and the agency plans to fill the positions during FY 2007 as the work of the Commission generates the need for that additional staff.

Governor's Recommendation

The **Governor** concurs with the agency's estimate for current year expenditures.

House Budget Committee Recommendation

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

House Budget Committee Report

Agency: Judicial Council

Bill No. HB --

Bill Sec. --

Analyst: Spurgin

Analysis Pg. No. Vol. -----

Budget Page No. 221

Expenditure Summary	Agency Request FY 08	Governor's Recommendation FY 08	House Budget Committee Adjustments
Operating Expenditures:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	1,286,851	1,286,851	(18,735)
Subtotal - Operating	<u>\$ 1,286,851</u>	<u>\$ 1,286,851</u>	<u>\$ (18,735)</u>
Capital Improvements:			
State General Fund	\$ 0	\$ 0	\$ 0
Other Funds	0	0	0
Subtotal - Capital Improvements	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 1,286,851</u></u>	<u><u>\$ 1,286,851</u></u>	<u><u>\$ (18,735)</u></u>
FTE Positions	7.0	7.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>7.0</u></u>	<u><u>7.0</u></u>	<u><u>0.0</u></u>

Agency Request

The **agency** requests FY 2008 operating expenditures of \$1,286,851, an increase of \$267,145, or 26.2 percent, above the FY 2007 revised estimate. The increases are largely due to the phased in implementation of the Commission on Judicial Performance. The Commission on Judicial Performance was enacted for FY 2007 by 2006 SB 337. Because the new activities of the Commission do not have historical budget numbers, the agency has based requested expenditures on estimates after speaking with other states who have similar judicial performance commissions. The agency had only held two meetings of the Commission prior to submitting its budget request, and the agency noted that not all of the 3.0 FTE positions, authorized for the staffing of the Commission, were filled, but would be filled as needed during FY 2007.

Governor's Recommendation

The **Governor** recommends FY 2008 operating expenditures of \$1,305,586, an increase of \$285,880, or 28.0 percent, above the current year recommendation. The difference between the Governor's recommendation and the agency's request can be attributed to the Governor's recommended pay plan. The Governor's FY 2008 recommendation includes the addition of \$18,735 for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement.

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House Budget Committee Recommendation

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

1. Delete \$18,735, all from special revenue funds, for the 1.5 percent base salary adjustment and a 2.5 percent step movement for classified employees, a 4.0 percent merit pool for unclassified employees, and the longevity enhancement. Funding for pay plan adjustments and longevity payments will be considered later.