

Approved: 04/28/93
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Rochelle Chronister at 10:11 a.m. on April 22, 1993 in Room 313-S of the Capitol.

All members were present except:

Committee staff present: Debra Duncan, Legislative Research Department
Timothy Colton, Legislative Research Department
Jim Wilson, Revisor of Statutes
Jerry Cole, Committee Secretary
Sharon Schwartz, Administrative Assistant
Mike Leitch, Intern

Conferees appearing before the committee:

Richard Ryan, Legislative Research Department
Alan Conroy, Legislative Research Department
Russell Mills, Legislative Research Department
Timothy Colton, Legislative Research Department
Laura Howard, Legislative Research Department
Paul West, Legislative Research Department
Ellen Piecalkiewicz, Legislative Research Department
Scott Rothe, Legislative Research Department

Others attending: See attached list

The committee was meeting jointly with Senate Ways and Means Committee for a briefing of various items from the legislative research department.

Richard Ryan, Legislative Research Department, gave the committee members an overview of the status of the State General Fund. (See Attachment 1). Alan Conroy, Legislative Research Department, presented the approved expenditures for state agencies, status of adjustments to the Governor's Budget Recommendations and the status of employee compensation. (See Attachments 2, 2a and 2b). Russell Mills, Legislative Research Department, reviewed the Governor's vetoes of appropriation items. (See Attachment 3). Timothy Colton, Legislative Research Department, briefed the committee on legislative adjustments to FTE (full-time equivalent) positions for state agencies. (See Attachment 4). Laura Howard, Legislative Research Department, gave the status of the Social Services Contingency Fund. (See Attachment 5). Paul West, Legislative Research Department, briefed the committee on the status of the State Water Plan Fund. (See Attachment 6). Ellen Piecalkiewicz, Legislative Research Department, spoke on the status of the Economic Development Initiatives Fund. (See Attachment 7). Scott Rothe, Legislative Research Department, gave the committee an overview of the memorandum on items up for Omnibus Consideration. (See Attachment 8). Chairman Chronister adjourned the meeting at 11:21 p.m. House Appropriations subcommittees were to review their portions of the Omnibus Bill in order to report their recommendations to the full committee on Friday morning.

The next meeting is scheduled for April 23, 1993 at 9 a.m.

GUEST LIST

	NAME (Please print)	ADDRESS	COMPANY/ORGANIZATION
1	DON POUND	TOPEKA	SRS BUDGET UNIT
2	HAROLD P. TIS	TOPEKA	AARP CORP
3	Merle Huer	Topeka	RACC
4	Amy Abbuhl	Lawrence	intern for Reps. Minor + Rock
5	Paul Shelby	Topeka	OJA
6	Jerry Sloan	"	"
7	BRAD AVERY	"	KARE
8	Chip Wheelen	Topeka	Ks Medical Soc.
9	Ron P. [unclear]	Hayes	FHSU
10	Martin R. [unclear]	Law	KU
11	Tim Allen	Topeka	KELC
12	Bill Tancee	Wichita	Boeing
13	DICK HUMMEL	TOPEKA	S&P
14	Sherry Brown	Topeka	KDOCH
15	Donna Whitman	Topeka	SRS
16	Jacque Dakes	"	SDE
17	Sue [unclear]	Manhattan	Kansas State University
18	John [unclear]	"	"
19	Patrick [unclear]	Topeka	Inguit Assoc
20	John Peterson	Topeka	Ks Hospital Assn
21	Ken Bahr	"	"
22	Tom WHITAKER	"	Ks Motor Carriers Assn
23	Toni Wheeler	Topeka	Sen. Kari's staff
24	Joy Ginsburg	Topeka	Rep. Sawyer's staff
25	Andrew Irvish	Lawrence	Rep. Deane's Intern
26	Susan [unclear]	Topeka	Dept of Revenue
27	Stan Tansley	Topeka	KCUA
28	Jon Josselyn	Lawrence	KU
29	George Barbee	Topeka	Barbee & Associates
30	Dan Hamer	Topeka	
31			
32			

STATE GENERAL FUND PROFILE

In Thousands

	Actual FY 1992	Est. FY 1993	Increase	Est. FY 1994 With 7% Balance	Increase	Projected FY 1995 With 7.5% Balance	Increase
Beginning Balance	\$ 162,236	\$ 140,475		\$353,211		\$221,532	
Receipts							
Consensus Est. (4/93)	2,465,807	2,929,640	18.8%	3,031,015	3.5%	3,152,256	4.0%(h)
Legis. Adjustment	--	(45)(b)		2,054(b)		--	--
Total	2,465,807	2,929,595	18.8%	3,033,069	3.5%	3,152,256	3.9%
Released Encumbrances	3,702	2,500(c)		--		--	
Expenditures							
SGF Approp.-Gen. & Supp. Aids	727,098(a)	801,490	74,392	1,354,489	552,999	1,400,005	45,516
Transfer to SDF	54,549	170,005	115,456	--	(170,005)	--	--
Subtotal, Gen. & Supp. Aids	781,647(a)	971,495(d)	189,848	1,354,489(d)	382,994	1,400,005(d)	45,516
Transfer to SDCIF	--	4,500	4,500	11,000	6,500	16,000	5,000
Transfer to SHF	78,025	75,501	(2,524)	81,533	6,032	84,150	2,617
Transfer to LAVTRF	38,576	39,324	748	41,714	2,390	43,316	1,602
Transfer to CCRSF	29,166	30,218	1,052	31,905	1,687	32,976	1,071
Transfer to CCHF	9,768	9,631	(137)	10,000	369	10,000	--
Transfer to WPF	5,940	5,820	(120)	6,000	180	6,000	--
Transfer to WCF	4,000	4,000	--	4,000(f)	--	4,000(f)	--
All Other Expenditures	1,544,148	1,578,870	34,722	1,624,107	45,237	1,541,960	(82,147)
Total	2,491,270	2,719,359(e)	228,089 9.2%	3,164,748(g)	445,389 16.4%	3,138,407	(26,341) (0.8)%
Ending Balance	140,475	353,211		221,532		235,381	
% of Expenditures	5.6%	13.0%		7.0%		7.5%	
Receipts in Excess of Expenditures	(25,463)	210,236		(131,679)		13,849	

a) This is a calculated "general aid" figure to provide comparability with general aid to school districts under the 1992 school finance law. The figure includes general aid, transportation aid, Ft. Leavenworth school district aid, bilingual education aid, vocational education aid for secondary students, and the amount transferred to the School District Income Tax Fund for rebates to school districts. As to the latter, about \$2.2 million was not rebated but was transferred back to the SGF at the end of FY 1992 as a receipts item.

b) Estimate as of 4/19/93; subject to revision before sine die adjournment of the Legislature.

c) Estimate based on released encumbrances through March and projections through June.

d) Based on revised estimates made 4/8/93 and full funding of the aid programs.

e) Total amount approved when the Legislature adjourned on April 7.

- f) The Governor has recommended elimination of this transfer. In both FYs 1992 and 1993, \$4.0 million was transferred back to the SGF as required by appropriation bills, and that amount is included in SGF receipts.
- g) Computed allowable expenditures with a 7 percent ending balance. When the Legislature adjourned on April 7, approved expenditures totaled \$3.179 billion, or \$14.7 million more than the computed expenditures. That figure includes the \$4.0 million demand transfer to the WCF, which has yet to be eliminated (see footnote f), assuming veto of the workers compensation bill.
- h) Assumed growth rate (not a consensus estimate).

Demand Transfers

SDFF	School District Finance Fund
SDCIF	School District Capital Improvements Fund
SHF	State Highway Fund
LAVTRF	Local Ad Valorem Tax Reduction Fund
CCRSF	County-City Revenue Sharing Fund
CCHF	City-County Highway Fund
WPF	Water Plan Fund
WCF	Workers Compensation Fund

Kansas Legislative Research Department
April 20, 1993

DEMAND TRANSFERS FROM STATE GENERAL FUND

In Thousands

Transfer to	Actual FY 1991*	Actual FY 1992**	Est. FY 1993		Revised Est. FY 1994	Incr. From FY 1993 (Revised)
			After 1992 Session	Revised Apr. 1993 or Actual		
School Dist. Inc. Tax Fund	\$ 191,904	\$ 206,116 ^(a)	\$ --	\$ -- ^(d)	\$ --	\$ --
School Dist. Fin. Fund	--	54,549	349,039	170,005 ^{(b)(d)}	--	(170,005)
State Highway Fund	74,371	78,025	76,270 ^(b)	75,501 ^{(b)(d)}	81,533	6,032
Local Ad Valorem Tax Reduction Fund	37,164	38,576	39,285 ^(b)	39,324 ^{(b)(d)}	41,714	2,390
Co.-City Rev. Sharing Fund	28,351	29,166	30,218 ^(b)	30,218 ^{(b)(d)}	31,905 ^(d)	1,687
City-Co. Highway Fund	9,052	9,768	10,481 ^(b)	9,631 ^{(b)(d)}	10,000	369
Water Plan Fund	5,895	5,940	5,820 ^(b)	5,820 ^{(b)(d)}	6,000	180
Workers Comp. Fund	3,930	4,000 ^(c)	4,000 ^(c)	4,000 ^{(c)(d)}	4,000 ^(f)	--
School Dist. Capital Improvements Fund	--	--	5,000	4,500 ^(d)	11,000	6,500
State Fair	--	148	103	108 ^(d)	105	(3)
Regents Center	1,000	--	--	--	--	--
TOTAL	<u>351,667</u>	<u>426,288</u>	<u>520,216</u>	<u>339,107</u> (181,109) ^(e)	<u>186,257</u>	<u>(152,850)</u>

* Transfers to the State Highway Fund, City-County Highway Fund, Water Plan Fund, and Workers Compensation Fund were reduced (in dollars) by 1.75 percent. (1990 S.B. 799)

** All transfers were reduced (in dollars) by 1.0 percent, except for the Workers Compensation Fund, pursuant to the Governor's recommendation to the State Finance Council on August 23, 1991.

a) \$2.216 million was not distributed to school districts in FY 1992 from this fund due to the penalty provision added in 1991 to the former School District Equalization Act, applicable to districts having a property tax rate lower than 3/5 of the median rate. The amount not distributed was transferred to the General Fund as a receipt item at the end of FY 1992, as required by K.S.A. 1991 Supp. 72-7055(h)(2). The income tax rebate was eliminated by 1992 legislation.

b) Reflects 3 percent reduction per 1992 Sub. H.B. 3215. Also, the estimate for the State Highway Fund includes the effects of reducing the percentage of sales tax transferred thereto in order to compensate for continuing to credit approximately the same amount that the Highway Fund would have received from both the transfer and its share of total sales and use taxes before passage of H.B. 2892 in 1992.

c) \$4.0 million was transferred back to General Fund per Section 38 of Chapter 30, 1991 Session Laws and Section 11 of Chapter 285, 1992 Session Laws.

d) Actual.

e) Decrease from the estimate after the 1992 Session

f) Governor recommends elimination of this transfer (see footnote (c)).

SPECIAL NOTE: Re the transfer to the School District Finance Fund, it is assumed that 1993 H.B. 2505, which eliminates the transfer, will become law. Transfers were made in January and March of FY 1993 before the bill passed. If the transfer is not eliminated, the revised estimate made April 7, 1993 is \$345 million in both FYs 1993 and 1994.

Kansas Legislative Research Department
April 7, 1993

MEMORANDUM

Kansas Legislative Research Department

300 S.W. 10th Avenue
Room 545-N – Statehouse
Topeka, Kansas 66612-1586
Telephone (913) 296-3181 FAX (913) 296-3824

April 22, 1993

REVISED ESTIMATES RELATING TO GENERAL STATE AID FOR SCHOOL DISTRICTS

Fiscal Years 1993-1996

Staff members of the Legislative Research Department, Division of the Budget, and Department of Education met on April 8, 1993 to revise the estimates pertaining to general and supplemental general state aids for school districts. The new estimates, which assume full funding of the aid programs, are presented in the following table.

It is further assumed that 1993 H.B. 2505, which amended the 1992 school finance law, will be signed by the Governor. Among other things, the bill eliminates the earmarking of a portion of state income, sales, and use taxes and the demand transfer from the General Fund to the School District Finance Fund, and contains a new provision for declining enrollments which results in slightly higher estimates of USD total budgets and of state aid requirements if fully funded.

In FY 1993, demand transfers totaling \$170.005 million were made in January and March, but the one which would have been made in June will not be if H.B. 2505 is signed by the Governor. Therefore, to fully fund general aid a supplemental appropriation of \$194.995 million will be necessary. That amount, plus the demand transfers made in January and March, equal the \$365 million previously estimated total transfer in FY 1993 before passage of H.B. 2505.

For FY 1994, with no demand transfers, the SGF appropriation for general aid would be \$1,314,594,000, so an additional appropriation of \$377.120 million would be required to fully fund the estimate of such aid (\$937.474 million already has been appropriated in 1993 H.B. 2049). The \$377.120 million replaces the previously estimated demand transfer of \$375 million before enactment of H.B. 2505, and includes the net effect of adding the declining enrollment provision and of a slight increase in the estimate of local effort.

In addition, based on the revised estimates, an extra \$50,000 is needed to finance supplemental general state aid in FY 1994.

Governor's Budget Amendment. The last two tables show, for fiscal years 1993 and 1994, the Governor's original recommendations compared with her latest budget amendment, the revised estimates made on April 8, and the approved appropriations as of April 7.

93-6147/RWR

REVISED ESTIMATES*
GENERAL AND SUPPLEMENTAL GENERAL STATE AIDS

In Thousands

	<u>FY 1993</u>	<u>FY 1994</u>	<u>Increase</u>	<u>FY 1995</u>	<u>Increase</u>	<u>FY 1996</u>	<u>Increase</u>
<u>General Aid</u>							
USD Budgets	\$ 1,839,086	\$ 1,899,770	\$ 60,684	\$ 1,928,267	\$ 28,497	\$1,957,191	\$ 28,924
Local Resources	879,213	571,776	(307,437)	570,782	(994)	594,591	23,809
Aid Required	959,873	1,327,994	368,121	1,357,485	29,491	1,362,600	5,115
SGF Appropriation	776,468	1,314,594	538,126	1,344,085	29,491	1,349,200	5,115
SGF Demand Transfer	170,005	—	(170,005)	—	—	—	—
Recapture to SDFF	13,400	13,400	—	13,400	—	13,400	—
TOTAL	959,873	1,327,994	368,121	1,357,485	29,491	1,362,600	5,115
<u>Supplemental Gen. Aid</u>							
USD Budgets	98,796	142,483	43,687	192,827	50,344	244,649	51,822
Local Resources	73,774	102,588	28,814	136,907	34,319	171,254	34,347
Aid Required	25,022	39,895	14,873	55,920	16,025	73,395	17,475
SGF Appropriation	25,022	39,895	14,873	55,920	16,025	73,395	17,475
<u>SGF Demand</u>							
Appropriation - Gen. and							
Supp. Aids	801,490	1,354,489	552,999	1,400,005	45,516	1,422,595	22,590
Demand Transfer	170,005	—	(170,005)	—	—	—	—
TOTAL	971,495	1,354,489	382,994	1,400,005	45,516	1,422,595	22,590
<u>Exhibit - Local Resources**</u>							
Property Tax Levy	294,352	301,231	6,879	324,280	23,049	329,144	4,864
Tax in Process	271,651	165,865	(105,786)	169,741	3,876	182,729	12,988
Motor Vehicle Taxes	116,500	100,700	(15,800)	72,400	(28,300)	77,900	5,500
PL 874	8,960	11,000	2,040	11,440	440	11,898	458
Severance Tax/IRBs	6,200	6,380	180	6,320	(60)	6,320	—
Cash Balance	194,950	—	(194,950)	—	—	—	—
Recapture to SDFF	(13,400)	(13,400)	—	(13,400)	—	(13,400)	—
TOTAL (net)	879,213	571,776	(307,437)	570,782	(994)	594,591	23,809

* Estimates agreed to by Legislative Research Department, Division of the Budget, and Department of Education on April 8, 1993. Amendments to the 1992 school finance law as passed by the 1993 Legislature are reflected in this table. No other amendments are assumed in 1993 and subsequent years.

** For computing general aid.

Kansas Legislative Research Department
April 12, 1993

**SELECTED SCHOOL DISTRICT FINANCE DATA
FISCAL YEAR 1993**

(Amounts in Thousands)

	Original Gov. Rec.	Revised Gov. Rec.	Difference	Current Estimate*	April 7 Approved Approp.	Difference: Est. & Rev. Gov. Rec.	Difference: Estimate & Approp.
GENERAL AID							
USD Budgets	1,834,504	1,832,445	(2,059)	1,839,086	1,839,086	6,641	0
Local Resources	879,790	879,213	(577)	879,213	879,213	0	0
Gen. State Aid Required	954,714	953,232	(1,482)	959,873	959,873	6,641	0
 SGF Appropriation	576,314	769,827	193,513	776,468	581,473	6,641	194,995
SGF Demand Transfer	365,000	170,005	(194,995)	170,005	365,000	0	(194,995)
Recapture to SSDFF	<u>13,400</u>	<u>13,400</u>	<u>0</u>	<u>13,400</u>	<u>13,400</u>	<u>0</u>	<u>0</u>
TOTAL	954,714	953,232	(1,482)	959,873	959,873	6,641	0
 SUPPLEMENTAL GENERAL AID							
USD Budgets	98,797	98,796	(1)	98,796	98,796	0	0
Local Resources	73,769	73,774	5	73,774	73,774	0	0
Aid Required	25,028	25,022	(6)	25,022	25,022	0	0
 SGF Appropriation	25,028	25,022	(6)	25,022	25,022	0	0
 SGF DEMAND							
Appropriation -- General and							
Supplemental Aids	601,342	794,849	193,507	801,490	606,495	6,641	194,995
Demand Transfer	<u>365,000</u>	<u>170,005</u>	<u>(194,995)</u>	<u>170,005</u>	<u>365,000</u>	<u>0</u>	<u>(194,995)</u>
TOTAL	966,342	964,854	(1,488)	971,495	971,495	6,641	0
 EXHIBIT -- LOCAL RESOURCES**							
Property Tax Levy	294,230	294,352	122	294,352	294,352	0	0
Tax in Process	271,650	271,651	1	271,651	271,651	0	0
Motor Vehicle Taxes	118,730	116,500	(2,230)	116,500	116,500	0	0
PL 81-874	8,960	8,960	0	8,960	8,960	0	0
Severance Tax/IRBs	4,670	6,200	1,530	6,200	6,200	0	0
Cash Balance	194,950	194,950	0	194,950	194,950	0	0
Recapture to SSDFF	<u>(13,400)</u>	<u>(13,400)</u>	<u>0</u>	<u>(13,400)</u>	<u>(13,400)</u>	<u>0</u>	<u>0</u>
TOTAL (net)	879,790	879,213	(577)	879,213	879,213	0	0

* Estimate agreed to by the Legislative Research Department, Division of Budget, and State Department of Education on April 8, 1993.

** For computing general state aid.

Kansas Legislative Research Department
April 22, 1993

SELECTED SCHOOL DISTRICT FINANCE DATA
FISCAL YEAR 1994
(Amounts in Thousands)

	<u>Original Gov. Rec.</u>	<u>Revised Gov. Rec.</u>	<u>Difference</u>	<u>Current Estimate*</u>	<u>April 7 Approved Approp.</u>	<u>Difference: Est. & Rev. Gov. Rec.</u>	<u>Difference: Estimate & Approp.</u>
GENERAL AID							
USD Budgets	1,889,736	1,899,770	10,034	1,899,770	1,897,370	0	2,400
Local Resources	586,387	571,776	(14,611)	571,776	571,496	0	280
Gen. State Aid Required	1,303,349	1,327,994	24,645	1,327,994	1,325,874	0	2,120
							0
SGF Appropriation	914,949	1,314,594	399,645	1,314,594	937,474	0	377,120
SGF Demand Transfer	375,000	0	(375,000)	0	375,000	0	(375,000)
Recapture to SSDFF	<u>13,400</u>	<u>13,400</u>	<u>0</u>	<u>13,400</u>	<u>13,400</u>	<u>0</u>	<u>0</u>
TOTAL	1,303,349	1,327,994	24,645	1,327,994	1,325,874	0	2,120
SUPPLEMENTAL GENERAL AID							
USD Budgets	141,737	142,483	746	142,483	142,303	0	180
Local Resources	102,051	102,588	537	102,588	102,458	0	130
Aid Required	39,686	39,895	209	39,895	39,845	0	50
SGF Appropriation	39,686	39,895	209	39,895	39,845	0	50
SGF DEMAND							
Appropriation -- General and							
Supplemental Aids	954,635	1,354,489	399,854	1,354,489	977,319	0	377,170
Demand Transfer	<u>375,000</u>	<u>0</u>	<u>(375,000)</u>	<u>0</u>	<u>375,000</u>	<u>0</u>	<u>(375,000)</u>
TOTAL	1,329,635	1,354,489	24,854	1,354,489	1,352,319	0	2,170
EXHIBIT -- LOCAL RESOURCES**							
Property Tax Levy	300,902	301,231	329	301,231	301,231	0	0
Tax in Process	165,515	165,865	350	165,865	165,865	0	0
Motor Vehicle Taxes	116,130	100,700	(15,430)	100,700	100,700	0	0
PL 81-874	11,000	11,000	0	11,000	11,000	0	0
Severance Tax/IRBs	6,240	6,380	140	6,380	6,100	0	280
Cash Balance	0	0	0	0	0	0	0
Recapture to SSDFF	<u>(13,400)</u>	<u>(13,400)</u>	<u>0</u>	<u>(13,400)</u>	<u>(13,400)</u>	<u>0</u>	<u>0</u>
TOTAL (net)	586,387	571,776	(14,611)	571,776	571,496	0	280

* Estimate agreed to by the Legislative Research Department, Division of Budget, and State Department of Education on April 8, 1993.

** For computing general state aid.

Kansas Legislative Research Department
April 22, 1993

STATE OF KANSAS



DIVISION OF THE BUDGET

Room 152-E

State Capitol Building

Topeka, Kansas 66612-1504

(913) 296-2436

FAX (913) 296-0231

Joan Finney
Governor

Gloria M. Timmer
Director

M E M O R A N D U M

TO: Governor Joan Finney and Legislative Budget Committee

FROM: Kansas Division of the Budget and Kansas Legislative Research Department

DATE: April 5, 1993

SUBJECT: State General Receipts

REVISED ESTIMATES FOR FY 1993 AND FY 1994

The Consensus Estimating Group met on April 2, 1993, to adjust the estimates it made in November 1992 of State General Fund receipts for FY 1993 and FY 1994. Attached is a table which depicts the estimates made in November and April for each revenue source and the amount of change, if any.

In brief, the estimates of total receipts were reduced by \$21.1 million in FY 1993 and by \$4.5 million in FY 1994. The change for the two year period was a decrease of \$25.6 million, or 0.4 percent, from the estimates made last November.

Economic Forecasts

It is still the opinion of the Consensus Estimating Group that modest growth is expected for the entire forecast period. This expected growth, however, has been tempered by the announced job layoffs in the Sedgwick County area. The Consensus Group met in mid-March to review in detail the anticipated impact of these layoffs, with particular emphasis on the announced layoffs at Boeing and Sears. Recent developments in the agricultural sector

of the economy for both crops and livestock were also reviewed at this meeting.

Kansas Personal Income. Last November, it was estimated that Kansas personal income would increase by 4.7 percent in CY 1992, by 5.0 percent in CY 1993, and by 5.7 percent in CY 1994. At the April meeting, the preliminary actual increase in CY 1992 was estimated at 4.9 percent. The forecasts for the following years were lowered to 4.5 percent and 5.5 percent, respectively. The reduced growth rate for CY 1993 reflects the expected Boeing layoffs, lower personal interest income, and the stimulative effects of lower interest rates on the economy.

Inflation Rate. The November forecast was that the Consumer Price Index-All Urban Consumers (CPI-U) would increase by 3.1 percent in CY 1992 (the actual increase was 3.0 percent), by 3.4 percent in CY 1993, and by 3.3 percent in CY 1994. At the April meeting, the forecasts for 1993 and 1994 were adjusted to 3.1 percent and 3.5 percent, respectively.

Interest Rates. As noted in November, significant changes in the investment of state idle funds were enacted by the 1992 Legislature. Previous memoranda from the Consensus Estimating Group had presented interest rate projections for 91-day treasury bills and federal funds as indicators of interest earnings for the State General Fund on inactive accounts and repurchase agreements. Based on this new legislation and current investment practice of the Pooled Money Investment Board, the approximate rates of return on the state portfolio is estimated at 4.4 percent in FY 1993 and 4.8 percent in FY 1994.

Crude Oil. The November forecast was that the net price per barrel would average \$19.00 in both FY 1993 and FY 1994. The estimate for FY 1993 has been lowered to \$18.80. Estimates of taxable production have been revised slightly from 32.76 million barrels to 32.64 million barrels in FY 1993 and from 30.87 million barrels to 30.72 million barrels in FY 1994.

Natural Gas. In November it was estimated that the average gross price per mcf would be \$1.60 in FY 1993 and \$1.55 in FY 1994 and that taxable value would be \$914.6 million in FY 1993 and \$903.3 million in FY 1994. The April forecasts are average prices of \$1.65 for both fiscal years, with taxable values of \$987.1 million in FY 1993 and \$994.7 million in FY 1994. These estimates are based on the assumption that winter weather in FY 1994 will be normal.

Fiscal Year 1993 Receipts

The April estimate of State General Fund receipts in FY 1993 is just under \$2.93 billion, which is \$21.1 million less than the estimate made last November. This is a reduction of 0.7 percent

from the November estimate. The new estimate is \$463.8 million, or 18.8 percent, above the actual receipts in FY 1992.

As detailed in the attached table, receipts from three major tax sources were revised downward by a significant extent: individual income tax by \$8.0 million, corporate income tax by \$13.0 million, and retail sales tax by \$15.0 million. This represents a reduction of 1.5 percent from the November estimate for these tax sources. With regard to individual income tax, the current fiscal year receipts through March lagged behind estimates by \$22.2 million. However, several factors exist that indicate that the majority of this shortfall will be recouped by the end of the fiscal year. Specifically, the number of income tax returns received by the state were 14 percent lower than the number received last year. This, coupled with an increase of 25 percent in the average balance due payment and faster processing of refunds through March, would suggest that receipts in the last quarter will be above the previously estimated amount. Corporate income tax receipts were revised downward, in large part due to the payment of several sizable refunds. The estimate reflects no extraordinary assessments. The reduction in the retail sales tax estimate is based on year to date experience and reflects lower than anticipated revenues from the recently enacted tax on original construction services.

Partially offsetting these reductions are substantial increases in receipts from the severance tax on natural gas, \$4.8 million; privilege tax on financial earnings, \$4.4 million; and interest earnings, \$4.8 million. Interest earnings revisions reflect more actual experience regarding the new investment law enacted by the 1992 Legislature.

Fiscal Year 1994 Receipts

State General Fund receipts in FY 1994 are now estimated at \$3.031 billion. That amount is \$4.5 million, or 0.1 percent, less than the November estimate, but is an increase of \$101.4 million, or 3.5 percent, above the adjusted FY 1993 estimate.

As for FY 1993, this net reduction from the previous estimate is due to several significant adjustments in both directions. The largest single adjustment is an increase of \$12.0 million in interest income which is attributable, once again, to more experience with the new investment law. This estimate will be reviewed prior to final adjournment, when information on balances will be available based on the budget enacted by the Legislature. Other significant increases are in the privilege tax financial institutions, \$5.0 million, and the severance tax on natural gas, \$5.9 million. Significant reductions were made to the estimates for individual, \$13.0 million, and corporate, \$9.0 million, income taxes and for the retail sales tax, \$7.0 million. The individual income and sales tax reductions in particular are based on the

downward revisions to the Kansas personal income estimates resulting in large part to announced layoffs in Sedgwick County.

Individual income tax revenue is estimated to increase by only 2.7 percent in FY 1994, but that low rate is partly due to a fairly large amount of one-time receipts in FY 1993 from withholding and declarations of estimated taxes following the change in the income tax law in 1992.

For the corporation income tax, the FY 1994 estimate is based on there being a greater amount of "normal" assessments (but not extraordinary ones) and no unusually large refund as occurred in FY 1993.

Pending Legislation Not Considered

The new estimates made in April do not reflect any pending state or federal legislation that would affect State General Fund receipts. This includes legislation, such as HB 2088, that has been passed by the Legislature but not acted upon by the Governor. In accordance with KSA 1991 Supp. 75-6701, enacted by the 1990 Legislature, adjustment will be made to the estimates prior to adjournment based on legislation enacted by the 1993 Legislature.

State General Fund Receipts

(In Thousands)

	FY 1993			FY 1994		
	Estimate of 11/16/92	Estimate of 4/2/93	Change	Estimate of 11/16/92	Estimate of 4/2/93	Change
Property Tax:						
Motor Carrier	\$9,700	\$10,000	\$300	\$10,000	\$10,000	\$0
Income Taxes:						
Individual	\$1,135,000	\$1,127,000	(\$8,000)	\$1,170,000	\$1,157,000	(\$13,000)
Corporation	190,000	177,000	(13,000)	204,000	195,000	(9,000)
Financial Inst.	43,600	48,000	4,400	30,000	35,000	5,000
Domestic Ins. Co.	650	650	0	675	675	0
Total	\$1,369,250	\$1,352,650	(\$16,600)	\$1,404,675	\$1,387,675	(\$17,000)
Inheritance	\$54,000	\$57,000	\$3,000	\$56,000	\$58,000	\$2,000
Excise Taxes:						
Retail Sales	\$1,035,000	\$1,020,000	(\$15,000)	\$1,080,000	\$1,073,000	(\$7,000)
Compensating Use	121,000	120,000	(1,000)	124,000	123,000	(1,000)
Cigarette	51,000	51,000	0	50,000	50,000	0
Tobacco Prod.	2,200	2,200	0	2,350	2,350	0
Cereal Malt Bev.	3,000	2,800	(200)	2,850	2,700	(150)
Liquor Gallonage	12,800	12,200	(600)	13,000	12,400	(600)
Liquor Enforce.	24,600	24,800	200	25,000	25,300	300
Liquor Dr. Places	4,400	4,500	100	4,500	4,600	100
Corp. Franchise	10,400	11,000	600	10,700	11,500	800
Severance	84,600	88,950	4,350	82,400	88,250	5,850
Gas	59,500	64,250	4,750	58,800	64,750	5,950
Oil	25,100	24,700	(400)	23,600	23,500	(100)
Total	\$1,349,000	\$1,337,450	(\$11,550)	\$1,394,800	\$1,393,100	(\$1,700)
Other Taxes:						
Insurance Prem.	\$81,400	\$80,300	(\$1,100)	\$87,000	\$86,700	(\$300)
Miscellaneous	1,000	1,000	0	1,000	1,000	0
Total	\$82,400	\$81,300	(\$1,100)	\$88,000	\$87,700	(\$300)
Total Taxes	\$2,864,350	\$2,838,400	(\$25,950)	\$2,953,475	\$2,936,475	(\$17,000)
Other Revenues:						
Interest	\$47,000	\$51,800	\$4,800	\$48,700	\$60,700	\$12,000
Net Transfers	617	1,240	623	(5,783)	(5,260)	523
Agency Earnings	38,800	38,200	(600)	39,100	39,100	0
Total Other Revenue	\$86,417	\$91,240	\$4,823	\$82,017	\$94,540	\$12,523
TOTAL RECEIPTS	\$2,950,767	\$2,929,640	(\$21,127)	\$3,035,492	\$3,031,015	(\$4,477)

FY 1991-FY 1994 STATE GENERAL FUND OPERATING EXPENDITURES

	Actual FY 1991	Actual FY 1992	Approved 1993	\$ Change FY 93/ FY 92	% Change FY 93/ FY 92	Approved FY 94	\$ Change FY 94/ FY 93	% Change FY 94/ FY 93	\$ Change FY 94/ FY 91	% Change FY 94/ FY 91
GENERAL GOVERNMENT										
Commission on Human Rights	\$ 1,061,129	\$ 1,052,652	\$ 1,111,120	\$ 58,468	5.6	\$ 1,204,204	\$ 93,084	8.4	\$ 143,075	13.5
Attorney General	5,458,396	3,660,297	3,264,181	(396,116)	(10.8)	2,832,312	(431,869)	(13.2)	(2,626,084)	(48.1)
Bicentennial Comm., US Constitution	14,738	14,737		(14,737)	(100.0)	0	0	0.0	(14,738)	(100.0)
Corporation for Change				0	0.0	191,000	191,000	0.0	191,000	0.0
Department of Administration	20,047,172	19,055,702	19,775,115	719,413	3.8	18,771,424	(1,003,691)	(5.1)	(1,275,748)	(6.4)
Comm. on Governmental Standards & Conduct	248,933	287,434	230,738	(56,696)	(19.7)	272,511	41,773	18.1	23,578	9.5
Governor	1,293,129	1,437,965	1,824,130	386,165	26.9	1,610,654	(213,476)	(11.7)	317,525	24.6
Kansas Healthy Kids Corporation				0	0.0	172,023	172,023	0.0	172,023	0.0
Department of Commerce and Housing	3,504,670	2,182,488	2,740,968	558,480	25.6	2,795,553	54,585	2.0	(709,117)	(20.2)
Bd of Indigents Defense Services	7,074,454	7,584,736	8,765,396	1,180,660	15.6	7,895,377	(870,019)	(9.9)	820,923	11.6
Insurance Department	8,505,050	8,464,644	4,000,000	(4,464,644)	(52.7)		(4,000,000)	(100.0)	(8,505,050)	(100.0)
Commission on Interstate Cooperation	219,622	187,796	209,832	22,036	11.7	186,058	(23,774)	(11.3)	(33,564)	(15.3)
Judicial Council	222,808	213,562	239,248	25,686	12.0	229,173	(10,075)	(4.2)	6,365	2.9
Kansas Arts Commission	680,515	439,823	205,622	(234,201)	(53.2)	205,086	(536)	(0.3)	(475,429)	(69.9)
Kansas, Inc.	281,112	184,889	187,513	2,624	1.4	188,873	1,360	0.7	(92,239)	(32.8)
KPERS		2,040		(2,040)	(100.0)		0	0.0	0	0.0
Ks. Technology Enterprise Corp.	233,431			0	0.0		0	0.0	(233,431)	(100.0)
Legislative Coordinating Council	537,121	473,183	408,496	(64,687)	(13.7)	421,533	13,037	3.2	(115,588)	(21.5)
Legislative Research Department	1,685,505	1,770,878	1,892,402	121,524	6.9	1,915,815	23,413	1.2	230,310	13.7
Legislature	9,271,635	9,395,041	9,504,684	109,643	1.2	9,161,770	(342,914)	(3.6)	(109,865)	(1.2)
Legislative Educational Planning Comm.	30,160	32,105	33,795	1,690	5.3	35,644	1,849	5.5	5,484	18.2
Lieutenant Governor	102,789	82,262	99,364	17,102	20.8	108,786	9,422	9.5	5,997	5.8
Division of Post Audit	1,317,515	1,239,513	1,419,772	180,259	14.5	1,376,577	(43,195)	(3.0)	59,062	4.5
Board of Tax Appeals	1,654,845	1,526,035	1,606,955	80,920	5.3	1,677,777	70,822	4.4	22,932	1.4
Department of Revenue	26,679,888	26,337,828	27,113,441	775,613	2.9	28,481,007	1,367,566	5.0	1,801,119	6.8
Revisor of Statutes	1,872,884	1,931,612	2,170,100	238,488	12.3	2,091,691	(78,409)	(3.6)	218,807	11.7
Secretary of State	1,648,575	2,848,278	1,639,669	(1,208,609)	(42.4)	1,463,810	(175,859)	(10.7)	(184,765)	(11.2)
State Treasurer	67,366,215	69,848,183	72,032,054	2,183,871	3.1	76,412,821	4,380,767	6.1	9,046,606	13.4
Judicial Branch	54,768,014	56,410,703	57,860,648	1,449,945	2.6	59,654,137	1,793,489	3.1	4,886,123	8.9
TOTAL -- General Government	\$215,780,305	\$216,664,386	\$218,335,243	\$ 1,670,857	0.8	\$219,355,616	\$ 1,020,373	0.5	\$ 3,575,311	1.7

	Actual FY 1991	Actual FY 1992	Approved 1993	\$ Change FY 93/ FY 92	% Change FY 93/ FY 92	Approved FY 94	\$ Change FY 94/ FY 93	% Change FY 94/ FY 93	\$ Change FY 94/ FY 91	% Change FY 94/ FY 91
PUBLIC WELFARE										
Aging, Department on	\$ 2,304,187	\$ 2,269,691	\$ 4,052,046	\$ 1,782,355	78.5	\$ 5,416,502	\$ 1,364,456	33.7	\$ 3,112,315	135.1
Department of Human Resources	1,056,796	1,002,743	1,018,063	15,320	1.5	1,046,441	28,378	2.8	(10,355)	(1.0)
Department of Revenue – Homestead	8,798,053	9,058,970	8,200,000	(858,970)	(9.5)	8,500,000	300,000	3.7	(298,053)	(3.4)
Dept. of Social & Rehabilitation Services	400,819,217	399,918,505	370,206,787	(29,711,718)	(7.4)	409,779,861	39,573,074	10.7	8,960,644	2.2
Commission on Veterans Affairs/Soldiers Home	2,523,020	2,644,860	2,868,664	223,804	8.5	3,045,102	176,438	6.2	522,082	20.7
TOTAL – Public Welfare	\$415,501,273	\$414,894,769	\$386,345,560	\$(28,549,209)	(6.9)	\$427,787,906	\$41,442,346	10.7	\$ 12,286,633	3.0
EDUCATION AND RESEARCH, INCLUDING LIBRARIES										
REGENTS' INSTITUTIONS										
Fort Hays State University	\$ 20,583,336	\$ 20,365,584	\$ 21,010,887	\$ 645,303	(6.9)	\$ 22,257,171	\$ 1,246,284	10.7	\$ 1,673,835	3.0
Kansas State - Agricultural Extension	33,037,968	33,879,499	35,982,918	2,103,419	6.2	36,464,527	481,609	1.3	3,426,559	10.4
Kansas State University Veterinary Medical Ctr.	7,828,890	8,204,772	8,385,461	180,689	2.2	7,757,332	(628,129)	(7.5)	(71,558)	(0.9)
Kansas State University	70,986,164	69,730,396	70,716,065	985,669	1.4	73,595,343	2,879,278	4.1	2,609,179	3.7
KSU - Salina	4,062,184	4,000,844	4,149,896	149,052	3.7	4,238,183	88,287	2.1	175,999	4.3
Emporia State University	20,527,201	20,776,464	21,086,776	310,312	1.5	21,987,644	900,868	4.3	1,460,443	7.1
Pittsburg State University	21,834,916	22,041,972	22,087,846	45,874	0.2	22,586,968	499,122	2.3	752,052	3.4
University of Kansas	100,724,438	99,162,381	100,178,724	1,016,343	1.0	102,257,770	2,079,046	2.1	1,533,332	1.5
University of Kansas Medical Center	67,211,356	63,660,889	68,997,727	5,336,838	8.4	72,459,791	3,462,064	5.0	5,248,435	7.8
Wichita State University	47,604,712	48,181,609	49,094,926	913,317	1.9	50,183,440	1,088,514	2.2	2,578,728	5.4
Subtotal – Regents' Institutions	\$394,401,165	\$390,004,410	\$401,691,226	\$ 11,686,816	3.0	\$413,788,169	\$12,096,943	3.0	\$19,387,004	4.9
KPERS - School	\$ 46,811,986	\$ 49,790,129	\$ 53,287,533	\$ 3,497,404	7.0	\$ 56,509,545	\$ 3,222,012	6.0	\$ 9,697,559	20.7
State Library	2,994,646	2,890,778	4,134,809	1,244,031	43.0	3,223,051	(911,758)	(22.1)	228,405	7.6
Public Broadcasting Commission	736,377	641,249	660,079	18,830	2.9	636,810	(23,269)	(3.5)	(99,567)	(13.5)
Board of Regents	8,728,086	15,148,376	15,293,858	145,482	1.0	18,239,760	2,945,902	19.3	9,511,674	109.0
Kansas State School for the Blind	2,839,517	3,015,620	3,161,966	146,346	4.9	3,348,253	186,287	5.9	508,736	17.9
School for the Deaf	5,339,358	5,528,960	5,729,367	200,407	3.6	6,001,737	272,370	4.8	662,379	12.4
Department of Education	997,459,228	978,585,741	1,209,437,323	230,851,582	23.6	1,598,442,024	389,004,701	32.2	600,982,796	60.3
Subtotal – Other Agencies	\$1,064,909,198	\$1,055,600,853	\$1,291,704,935	\$236,104,082	22.4	\$1,686,401,180	\$394,696,245	30.6	\$621,491,982	58.4
TOTAL – Education and Research, Including Libraries	\$1,459,310,363	\$1,445,605,263	\$1,693,396,161	\$247,790,898	17.1	\$2,100,189,349	\$406,793,188	24.0	\$640,878,986	43.9

2-2

PUBLIC SAFETY

YOUTH CENTERS

	Actual FY 1991	Actual FY 1992	Approved 1993	\$ Change FY 93/ FY 92	% Change FY 93/ FY 92	Approved FY 94	\$ Change FY 94/ FY 93	% Change FY 94/ FY 93	\$ Change FY 94/ FY 91	% Change FY 94/ FY 91
Youth Center at Topeka	\$ 7,808,514	\$ 7,993,433	\$ 8,421,791	\$ 428,358	5.4	\$ 8,555,006	\$ 133,215	1.6	\$ 746,492	9.6
Youth Center at Beloit	3,699,039	3,772,072	3,984,966	212,894	5.6	4,155,373	170,407	4.3	456,334	12.3
Youth Center at Atchison	4,224,709	4,387,414	4,645,557	258,143	5.9	4,733,962	88,405	1.9	509,253	12.1
Subtotal - Youth Centers	\$ 15,732,262	\$ 16,152,919	\$ 17,052,314	\$ 899,395	5.6	\$ 17,444,341	\$ 392,027	2.3	\$ 1,712,079	10.9

CORRECTIONS SYSTEM

Ellsworth Correctional Facility	\$ 6,988,437	\$ 7,204,781	\$ 7,315,698	\$ 110,917	1.5	\$ 7,620,073	\$ 304,375	4.2	\$ 631,636	9.0
El Dorado Correctional Facility	4,016,520	12,158,480	13,584,417	1,425,937	11.7	14,158,574	574,157	4.2	10,142,054	252.5
Hutchinson Correctional Facility	19,261,537	19,349,634	19,924,040	574,406	3.0	20,643,810	719,770	3.6	1,382,273	7.2
Lansing Correctional Facility	28,428,930	27,246,768	27,216,710	(30,058)	(0.1)	28,261,890	1,045,180	3.8	(167,040)	(0.6)
Larned Correctional Facility		3,013,413	5,520,261	2,506,848	83.2	5,732,685	212,424	3.8	5,732,685	0.0
Department of Corrections	49,330,819	50,387,817	52,792,006	2,404,189	4.8	57,467,578	4,675,572	8.9	8,136,759	16.5
Norton Correctional Facility	9,095,612	9,280,925	9,438,611	157,686	1.7	9,688,918	250,307	2.7	593,306	6.5
Topeka Correctional Facility	11,334,871	11,812,517	11,773,047	(39,470)	(0.3)	12,158,340	385,293	3.3	823,469	7.3
Winfield Correctional Facility	3,410,976	3,473,301	3,546,954	73,653	2.1	3,782,877	235,923	6.7	371,901	10.9
Subtotal - Corrections System	\$ 131,867,702	\$ 143,927,636	\$ 151,111,744	\$ 7,184,108	5.0	\$ 159,514,745	\$ 8,403,001	5.6	\$ 27,647,043	21.0

NONGROUP AGENCIES

Adjutant General	\$ 3,339,067	\$ 3,350,794	\$ 2,886,532	\$ (464,262)	(13.9)	\$ 3,130,775	\$ 244,243	8.5	\$ (208,292)	(6.2)
Attorney General - K.B.I.	7,828,474	7,937,655	8,235,720	298,065	3.8	8,934,852	699,132	8.5	1,106,378	14.1
Civil Air Patrol	15,646	15,153	17,670	2,517	16.6	16,902	(768)	(4.3)	1,256	8.0
Ombudsman of Corrections	171,558	160,176	169,161	8,985	5.6	177,835	8,674	5.1	6,277	3.7
Emergency Medical Services Board	744,827	731,384	754,709	23,325	3.2	244,987	(509,722)	(67.5)	(499,840)	(67.1)
Fire Marshal	1,337,627	1,294,476		(1,294,476)	(100.0)		0	0.0	(1,337,627)	(100.0)
Highway Patrol	21,831,977	21,928,299	22,324,460	396,161	1.8	23,255,873	931,413	4.2	1,423,896	6.5
Parole Board	670,488	677,250	688,852	11,602	1.7	733,983	45,131	6.6	63,495	9.5
Sentencing Commission	262,150	205,892	240,950	35,058	17.0	257,007	16,057	6.7	(5,143)	(2.0)
Subtotal - Other Agencies	\$ 36,201,814	\$ 36,301,079	\$ 35,318,054	\$ (983,025)	(2.7)	\$ 36,752,214	\$ 1,434,160	4.1	\$ 550,400	1.5
TOTAL - Public Safety	\$183,801,778	\$196,381,634	\$203,482,112	\$7,100,478	3.6	\$213,711,300	\$10,229,188	5.0	\$29,909,522	16.3

28

2-4

	Actual FY 1991	Actual FY 1992	Approved 1993	\$ Change FY 93/ FY 92	% Change FY 93/ FY 92	Approved FY 94	\$ Change FY 94/ FY 93	% Change FY 94/ FY 93	\$ Change FY 94/ FY 91	% Change FY 94/ FY 91
CONSERVATION OF AGRICULTURE AND NATURAL RESOURCES										
Board of Agriculture	\$ 9,335,589	\$ 9,122,660	\$ 8,967,331	\$ (155,329)	(1.7)	\$ 9,232,710	\$ 265,379	3.0	\$ (102,879)	(1.1)
Animal Health Department	377,483	201,257	398,935	197,678	98.2	374,927	(24,008)	(6.0)	(2,556)	(0.7)
Kansas State Fair				0	0.0	0	0	0.0	0	0.0
State Conservation Commission	6,677,532	6,365,030	6,253,913	(111,117)	(1.7)	6,469,401	215,488	3.4	(208,131)	(3.1)
Kansas Water Office	2,605,308	1,510,913	1,473,697	(37,216)	(2.5)	1,544,226	70,529	4.8	(1,061,082)	(40.7)
TOTAL – Conservation of Agriculture and Natural Resources	\$18,995,912	\$17,199,860	\$17,093,876	\$ (105,984)	(0.6)	\$17,621,264	\$ 527,388	3.1	\$(1,374,648)	(7.2)
HEALTH AND HOSPITALS										
MENTAL HEALTH INSTITUTIONS										
Larned State Hospital	\$ 16,663,566	\$ 20,912,678	\$ 20,579,182	\$ (333,496)	(1.6)	\$ 17,421,235	\$ (3,157,947)	(15.3)	\$ 757,669	4.5
Osawatomie State Hospital	15,239,600	10,811,935	10,492,086	(319,849)	(3.0)	9,672,713	(819,373)	(7.8)	(5,566,887)	(36.5)
Rainbow Mental Health Facility	2,435,019	1,624,312	1,763,706	139,394	8.6	1,632,969	(130,737)	(7.4)	(802,050)	(32.9)
Topeka State Hospital	11,102,066	8,731,744	7,999,739	(732,005)	(8.4)	7,406,765	(592,974)	(7.4)	(3,695,301)	(33.3)
Subtotal – Mental Health Institutions	\$ 45,440,251	\$ 42,080,669	\$ 40,834,713	\$(1,245,956)	(3.0)	\$ 36,133,682	\$(4,701,031)	(11.5)	\$(9,306,569)	(20.5)
INSTITUTION FOR MENTAL RETARDATION										
Kansas Neurological Institute	\$ 10,298,440	\$ 11,468,160	\$ 10,938,296	\$ (529,864)	(4.6)	\$ 9,927,229	\$(1,011,067)	(9.2)	\$ (371,211)	(3.6)
Parsons State Hospital	7,408,499	7,559,704	6,764,350	(795,354)	(10.5)	6,242,417	(521,933)	(7.7)	(1,166,082)	(15.7)
Winfield State Hospital	13,249,154	13,484,179	13,542,707	58,528	0.4	12,538,562	(1,004,145)	(7.4)	(710,592)	(5.4)
Subtotal – Instit. for Mental Retardation	\$ 30,956,093	\$ 32,512,043	\$ 31,245,353	\$(1,266,690)	(3.9)	\$28,708,208	\$(2,537,145)	(8.1)	\$(2,247,885)	(7.3)
Department of Health and Environment	\$ 24,754,807	\$ 25,259,404	\$ 25,868,436	\$ 609,032	2.4	\$ 26,043,459	\$ 175,023	0.7	\$ 1,288,652	5.2
TOTAL – Health and Hospitals	\$ 101,151,151	\$ 99,852,116	\$ 97,948,502	\$(1,903,614)	(1.9)	\$ 90,885,349	\$(7,063,153)	(7.2)	\$(10,265,802)	(10.1)
RECREATION AND HISTORICAL										
State Historical Society	\$ 4,721,808	\$ 4,719,212	\$ 4,983,846	\$ 264,634	5.6	\$ 5,030,212	\$ 46,366	0.9	\$ 308,404	6.5
Department of Wildlife and Parks	3,902,034	3,639,292	3,603,083	(36,209)	(1.0)	3,587,800	(15,283)	(0.4)	(314,234)	(8.1)
TOTAL – Recreation and Historical	\$ 8,623,842	\$ 8,358,504	\$ 8,586,929	\$ 228,425	2.7	\$ 8,618,012	\$ 31,083	0.4	\$ (5,830)	(0.1)
HIGHWAYS AND OTHER TRANSPORTATION										
Department of Transportation	\$ 9,052,009	\$ 9,767,668	\$ 9,631,000	\$ (136,668)	(1.4)	\$10,000,000	\$ 369,000	3.8	\$ 947,991	10.5
OTHER										
Claims Against the State			\$ 380,360	\$ 380,360	0.0		\$ (380,360)	(100.0)	0.0	0.0
Salary Plan Reserve				0	0.0	0.0	0	0.0	0.0	0.0
TOTAL – Other	0	0	\$ 380,360	\$ 380,360	0.0	0.0	\$ (380,360)	(100.0)	0.0	0.0
TOTAL STATE GENERAL FUND	\$2,412,216,633	\$2,408,724,200	\$2,635,199,743	\$226,475,543	9.4	\$3,088,168,796	\$452,969,053	17.2	\$675,952,163	28.0

FY 1991 – FY 1994 OPERATING EXPENDITURES FINANCED FROM ALL FUNDS

	Actual FY 1991	Actual FY 1992	Approved 1993	\$ Change FY 93/ FY 92	% Change FY 93/ FY 92	Approved FY 94	\$ Change FY 94/ FY 93	% Change FY 94/ FY 93	\$ Change FY 94/ FY 91	% Change FY 94/ FY 91
GENERAL GOVERNMENT										
Abstracters Board	\$ 16,086	\$ 15,435	\$ 16,430	\$ 995	6.4%	\$ 16,860	\$ 430	2.6%	\$ 774	4.8%
Accountancy Board	181,216	187,482	203,673	16,191	8.6	204,944	1,271	0.6	23,728	13.1
Commission on Human Rights	1,482,560	1,488,819	1,697,393	208,574	14.0	1,791,934	94,541	5.6	309,374	20.9
Attorney General	9,736,634	9,213,646	8,763,417	(450,229)	(4.9)	8,544,352	(219,065)	(2.5)	(1,192,282)	(12.2)
Bank Commissioner	2,669,046	2,703,220	2,986,684	283,464	10.5	3,426,960	440,276	14.7	757,914	28.4
Board of Barbering	83,855	87,545	93,234	5,689	6.5	95,046	1,812	1.9	11,191	13.3
Behavioral Sciences Reg. Board	217,659	235,912	330,128	94,216	39.9	383,932	53,804	16.3	166,273	76.4
Board of Healing Arts	1,148,258	1,193,130	1,266,967	73,837	6.2	1,325,009	58,042	4.6	176,751	15.4
Citizens' Utility Ratepayer Board	299,704	304,412	312,222	7,810	2.6	353,190	40,968	13.1	53,486	17.8
Bicentennial Commission, U.S. Constitution	14,738	14,737		(14,737)	(100.0)		0	0.0	(14,738)	(100.0)
Corporation for Change			979,408	979,408	0.0	1,082,682	103,274	10.5	1,082,682	0.0
Kansas Corporation Commission	15,279,671	12,340,432	11,890,530	(449,902)	(3.6)	12,835,299	944,769	7.9	(2,444,372)	(16.0)
Board of Cosmetology	282,036	307,362	400,367	93,005	30.3	388,575	(11,792)	(2.9)	106,539	37.8
Dept. of Credit Unions	553,296	577,775	611,972	34,197	5.9	648,325	36,353	5.9	95,029	17.2
Dental Board	141,487	159,838	177,612	17,774	11.1	171,189	(6,423)	(3.6)	29,702	21.0
Department of Administration	24,641,070	24,231,030	26,599,793	2,368,763	9.8	26,083,399	(516,394)	(1.9)	1,442,329	5.9
Mortuary Arts Board	132,509	139,306	149,892	10,586	7.6	149,205	(687)	(0.5)	16,696	12.6
Comm. on Governmental Standards & Conduct	248,933	296,052	354,309	58,257	19.7	344,956	(9,353)	(2.6)	96,023	38.6
Governor	1,294,138	1,494,762	1,875,130	380,368	25.4	1,661,654	(213,476)	(11.4)	367,516	28.4
Hearing Aids Examiners	13,404	14,866	14,307	(559)	(3.8)	14,502	195	1.4	1,098	8.2
Kansas Healthy Kids Corporation			158,739	158,739	0.0	278,493	119,754	75.4	278,493	0.0
Department of Commerce and Housing	28,615,589	27,765,987	50,163,429	22,397,442	80.7	49,311,828	(851,601)	(1.7)	20,696,239	72.3
Board of Indigents Defense Services	7,206,429	7,880,927	9,017,232	1,136,305	14.4	8,065,377	(951,855)	(10.6)	858,948	11.9
Insurance Department	50,936,893	58,854,106	77,071,792	18,217,686	31.0	79,598,426	2,526,634	3.3	28,661,533	56.3
Commission on Interstate Cooperation	219,622	187,796	209,832	22,036	11.7	186,058	(23,774)	(11.3)	(33,564)	(15.3)
Judicial Council	222,808	213,562	252,296	38,734	18.1	250,826	(1,470)	(0.6)	28,018	12.6
Kansas Arts Commission	1,654,462	1,794,350	1,677,945	(116,405)	(6.5)	1,934,836	256,891	15.3	280,374	16.9
Kansas, Inc.	419,826	476,630	1,957,928	1,481,298	310.8	1,940,101	(17,827)	(0.9)	1,520,275	362.1

	Actual FY 1991	Actual FY 1992	Approved 1993	\$ Change FY 93/ FY 92	% Change FY 93/ FY 92	Approved FY 94	\$ Change FY 94/ FY 93	% Change FY 94/ FY 93	\$ Change FY 94/ FY 91	% Change FY 94/ FY 91
KPERS	100,000,337	116,951,862	127,728,002	10,776,140	9.2	136,233,290	8,505,288	6.7	36,232,953	36.2
Kansas Technology Enterprise Corp.	8,084,976	8,307,570	11,476,663	3,169,093	38.1	15,416,899	3,940,236	34.3	7,331,923	90.7
Legislative Coordinating Council	537,121	475,183	408,496	(66,687)	(14.0)	421,533	13,037	3.2	(115,588)	(21.5)
Legislative Research Dept.	1,685,505	1,770,878	1,892,402	121,524	6.9	1,915,815	23,413	1.2	230,310	13.7
Legislature	9,386,635	9,395,041	9,540,089	145,048	1.5	9,495,566	(44,523)	(0.5)	108,931	1.2
Legislative Educational Planning Comm.	30,160	32,105	33,795	1,690	5.3	35,644	1,849	5.5	5,484	18.2
Lieutenant Governor	102,789	82,262	99,364	17,102	20.8	108,786	9,422	9.5	5,997	5.8
Kansas Lottery	48,112,245	53,832,930	60,547,823	6,714,893	12.5	75,666,778	15,118,955	25.0	27,554,533	57.3
Consumer Credit Commission	308,191	329,715	325,754	(3,961)	(1.2)	342,290	16,536	5.1	34,099	11.1
Board of Nursing	671,824	746,959	760,750	13,791	1.8	839,303	78,553	10.3	167,479	24.9
Optometry Board	25,651	36,356	37,404	1,048	2.9	43,281	5,877	15.7	17,630	68.7
Board of Pharmacy	334,602	365,549	383,104	17,555	4.8	392,720	9,616	2.5	58,118	17.4
Division of Post Audit	1,357,415	1,380,827	1,550,334	169,507	12.3	1,528,639	(21,695)	(1.4)	171,224	12.6
Real Estate Commission	510,798	559,751	642,039	82,288	14.7	655,388	13,349	2.1	144,590	28.3
Racing Commission	3,648,013	3,349,233	3,739,124	389,891	11.6	4,440,481	701,357	18.8	792,468	21.7
Board of Tax Appeals	1,663,865	1,535,742	1,614,955	79,213	5.2	1,697,777	82,822	5.1	33,912	2.0
Department of Revenue	63,486,087	64,700,565	70,540,973	5,840,408	9.0	64,698,434	(5,842,539)	(8.3)	1,212,347	1.9
Revisor of Statutes	1,872,884	1,931,612	2,170,100	238,488	12.3	2,091,691	(78,409)	(3.6)	218,807	11.7
Savings and Loan Dept.	202,709	139,567	144,208	4,641	3.3	0	(144,208)	(100.0)	(202,709)	(100.0)
Secretary of State	3,186,079	4,162,001	3,003,573	(1,158,428)	(27.8)	2,883,302	(120,271)	(4.0)	(302,777)	(9.5)
Securities Commissioner	1,278,113	1,354,809	1,442,643	87,834	6.5	1,464,274	21,631	1.5	186,161	14.6
Board of Technical Professions	265,938	277,536	321,484	43,948	15.8	343,878	22,394	7.0	77,940	29.3
State Treasurer	77,916,157	82,404,279	85,765,560	3,361,281	4.1	90,557,448	4,791,888	5.6	12,641,291	16.2
Judicial Branch	56,171,984	57,930,228	60,444,053	2,513,825	4.3	62,657,351	2,213,298	3.7	6,485,367	11.5
Board of Veterinary Medical Examiners	82,454	106,393	106,226	(167)	(0.2)	107,722	1,496	1.4	25,268	30.6
TOTAL -- General Government	\$ 528,634,461	\$ 564,338,072	\$ 643,951,579	\$ 79,613,507	14.1%	\$ 675,126,248	\$ 31,174,669	4.8%	\$ 146,491,787	27.7%
PUBLIC WELFARE										
Aging, Department on	\$ 13,140,320	\$ 13,950,352	\$ 16,830,506	\$ 2,880,154	20.6%	\$ 19,443,055	\$ 2,612,549	15.5%	\$ 6,302,735	48.0%
Department of Human resources	230,338,758	287,857,439	325,161,034	37,303,595	13.0	323,553,177	(1,607,857)	(0.5)	93,214,419	40.5
Department of Revenue - Homestead	9,326,117	9,058,970	8,200,000	(858,970)	(9.5)	8,500,000	300,000	3.7	(826,117)	(8.9)
Dept. of Social & Rehabilitation Services	915,236,177	1,020,634,815	1,167,792,757	147,157,942	14.4	1,254,456,411	86,663,654	7.4	339,220,234	37.1
Commission on Vet. Affairs/Soldiers Home	4,999,707	5,162,332	5,393,780	231,448	4.5	5,719,331	325,551	6.0	719,624	14.4
TOTAL -- Public Welfare	\$ 1,173,041,079	\$ 1,336,663,908	\$ 1,523,378,077	\$ 186,714,169	14.0%	\$ 1,611,671,974	\$ 88,293,897	5.8%	\$ 438,630,895	37.4%

2-7

**EDUCATION AND RESEARCH,
INCLUDING LIBRARIES**

Regent Institutions

Fort Hays State University	\$ 35,243,379	\$ 36,463,224	\$ 38,021,690	\$ 1,558,466	4.3%	\$ 40,132,520	\$ 2,110,830	5.6%	\$ 4,889,141	13.9%
Kansas State - Agricultural Extension	66,814,406	67,256,585	65,378,332	(1,878,253)	(2.8)	67,969,605	2,591,273	4.0	1,155,199	1.7
Kansas State Univ. Veterinary Med. Ctr.	14,489,017	15,252,435	14,896,832	(355,603)	(2.3)	14,605,397	(291,435)	(2.0)	116,380	0.8
Kansas State University	160,071,555	170,094,713	158,491,973	(11,602,740)	(6.8)	167,437,157	8,945,184	5.6	7,365,602	4.6
Univ. of Kansas - Salina	6,296,342	10,784,413	7,082,898	(3,701,515)	(34.3)	7,433,156	350,258	4.9	1,136,814	18.1
Emporia State University	35,388,381	37,286,057	39,811,768	2,525,711	6.8	41,592,101	1,780,333	4.5	6,203,720	17.5
Pittsburg State University	38,183,749	41,192,386	40,661,629	(530,757)	(1.3)	42,634,350	1,972,721	4.9	4,450,601	11.7
University of Kansas	227,049,304	242,576,041	257,776,342	15,200,301	6.3	269,192,286	11,415,944	4.4	42,142,982	18.6
Univ. of Kansas Medical Center	235,214,262	249,178,518	260,104,990	10,926,472	4.4	271,554,142	11,449,152	4.4	36,339,880	15.4
Wichita State University	93,681,729	99,344,859	102,095,076	2,750,217	2.8	105,065,443	2,970,367	2.9	11,383,714	12.2
Subtotal - Regent Institutions	\$ 912,432,124	\$ 969,429,231	\$ 984,321,530	\$ 14,892,299	1.5%	\$ 1,027,616,157	\$ 43,294,627	4.4%	\$ 115,184,033	12.6%

Council on Vocational Education	151,739	160,791	149,032	(11,759)	(7.3)	153,266	4,234	2.8	1,527	1.0
KPERS - School	134,257,294	155,521,547	168,514,737	12,993,190	8.4	173,857,724	5,342,987	3.2	39,600,430	29.5
State Library	4,431,513	4,374,192	5,759,395	1,385,203	31.7	5,934,313	174,918	3.0	1,502,800	33.9
Public Broadcasting Commission	786,377	709,249	660,079	(49,170)	(6.9)	1,061,383	401,304	60.8	275,006	35.0

Board of Regents	11,868,112	17,890,547	17,347,995	(542,552)	(3.0)	20,369,012	3,021,017	17.4	8,500,900	71.6
Kansas State School for the Blind	3,057,305	3,103,984	3,350,984	247,000	8.0	3,599,740	248,756	7.4	542,435	17.7
School for the Deaf	5,566,830	5,735,707	5,947,857	212,150	3.7	6,218,437	270,580	4.5	651,607	11.7
Department of Education	1,138,216,331	1,139,118,806	1,403,283,532	264,164,726	23.2	1,808,293,728	405,010,196	28.9	670,077,397	58.9
State Treasurer - Debt Service	109,869	80,995	51,759	(29,236)	(36.1)	41,598	(10,161)	(19.6)	(68,271)	(62.1)
Subtotal - Other Agencies	\$ 1,298,445,370	\$ 1,326,695,818	\$ 1,605,065,370	\$ 278,369,552	21.0%	\$ 2,019,529,201	\$ 414,463,831	25.8%	\$ 721,083,831	55.5%

TOTAL - Education and Research	\$ 2,210,877,494	\$ 2,296,125,049	\$ 2,589,386,900	\$ 293,261,851	12.8%	\$ 3,047,145,358	\$ 457,758,458	17.7%	\$ 836,267,864	37.8%
---------------------------------------	-------------------------	-------------------------	-------------------------	-----------------------	--------------	-------------------------	-----------------------	--------------	-----------------------	--------------

PUBLIC SAFETY

Youth Centers

Youth Center at Topeka	\$ 8,218,665	\$ 8,464,615	\$ 8,864,996	\$ 400,381	4.7%	\$ 9,018,211	\$ 153,215	1.7%	\$ 799,546	9.7%
Youth Center at Beloit	3,910,410	4,008,065	4,259,117	251,052	6.3	4,370,777	111,660	2.6	460,367	11.8
Youth Center at Atchison	4,405,873	4,565,505	4,853,648	288,143	6.3	4,942,053	88,405	1.8	536,180	12.2
Subtotal - Youth Centers	\$ 16,534,948	\$ 17,038,185	\$ 17,977,761	\$ 939,576	5.5%	\$ 18,331,041	\$ 353,280	2.0%	\$ 1,796,093	10.9%

	Actual FY 1991	Actual FY 1992	Approved 1993	\$ Change FY 93/ FY 92	% Change FY 93/ FY 92	Approved FY 94	\$ Change FY 94/ FY 93	% Change FY 94/ FY 93	\$ Change FY 94/ FY 91	% Change FY 94/ FY 91
Corrections System										
Ellsworth Correctional Facility	\$ 7,007,867	\$ 7,217,365	\$ 7,327,797	\$ 110,432	1.5%	\$ 7,632,073	\$ 304,276	4.2%	\$ 624,206	8.9%
El Dorado Correctional Facility	4,069,436	12,217,430	13,662,343	1,444,913	11.8	14,238,661	576,318	4.2	10,169,225	249.9
Hutchinson Correctional Facility	19,489,715	19,585,884	20,162,641	576,757	2.9	20,903,810	741,169	3.7	1,414,095	7.3
Lansing Correctional Facility	28,470,857	27,405,725	27,259,941	(145,784)	(0.5)	28,308,423	1,048,482	3.8	(162,434)	(0.6)
Larned Correctional Facility		3,013,413	5,520,261	2,506,848	83.2	5,732,685	212,424	3.8	5,732,685	0.0
Department of Corrections	58,290,517	60,498,419	63,362,093	2,863,674	4.7	68,814,461	5,452,368	8.6	10,523,944	18.1
Newton Correctional Facility	9,144,911	9,294,092	9,453,774	159,682	1.7	9,705,918	252,144	2.7	561,007	6.1
Peke Correctional Facility	11,348,010	11,869,697	11,848,884	(20,813)	(0.2)	12,233,257	384,373	3.2	885,247	7.8
Winfield Correctional Facility	3,415,476	3,488,233	3,608,764	120,531	3.5	3,844,687	235,923	6.5	429,211	12.6
Subtotal -- Corrections System	\$ 141,236,789	\$ 154,590,258	\$ 162,206,498	\$ 7,616,240	4.9%	\$ 171,413,975	\$ 9,207,477	5.7%	\$ 30,177,186	21.4%
Adjutant General	\$ 9,715,922	\$ 11,460,233	\$ 10,818,710	\$ (641,523)	(5.6)%	\$ 12,530,129	\$ 1,711,419	15.8%	\$ 2,814,207	29.0%
Attorney General - K.B.I.	9,841,703	9,952,440	10,342,920	390,480	3.9	11,171,298	828,378	8.0	1,329,595	13.5
Civil Air Patrol	20,390	19,204	22,170	2,966	15.4	21,402	(768)	(3.5)	1,012	5.0
Ombudsman of Corrections	171,558	160,176	169,161	8,985	5.6	177,835	8,674	5.1	6,277	3.7
Emergency Medical Services Board	757,334	785,726	838,900	53,174	6.8	824,836	(14,064)	(1.7)	67,502	8.9
Fire Marshal	1,504,619	1,473,356	1,584,245	110,889	7.5	1,780,203	195,958	12.4	275,584	18.3
Highway Patrol	31,385,886	32,893,959	34,005,908	1,111,949	3.4	35,215,710	1,209,802	3.6	3,829,824	12.2
Parole Board	670,488	677,250	688,852	11,602	1.7	733,983	45,131	6.6	63,495	9.5
Sentencing Commission	262,150	235,926	240,950	5,024	2.1	257,007	16,057	6.7	(5,143)	(2.0)
Subtotal -- Other Agencies	\$ 54,330,050	\$ 57,658,270	\$ 58,711,816	\$ 1,053,546	1.8%	\$ 62,712,403	\$ 4,000,587	6.8%	\$ 8,382,353	15.4%
TOTAL -- Public Safety	\$ 212,101,787	\$ 229,286,713	\$ 238,896,075	\$ 9,609,362	4.2%	\$ 252,457,419	\$ 13,561,344	5.7%	\$ 40,355,632	19.0%
CONSERVATION OF AGRICULTURE AND NATURAL RESOURCES										
Board of Agriculture	\$ 16,060,508	\$ 16,753,108	\$ 19,048,321	\$ 2,295,213	13.7%	\$ 19,050,595	\$ 2,274	0.0%	\$ 2,990,087	18.6%
Animal Health Department	1,381,625	1,532,838	1,720,371	187,533	12.2	1,713,426	(6,945)	(0.4)	331,801	24.0
Grain inspection Department	5,337,310	5,292,532	6,126,412	833,880	15.8	5,826,330	(300,082)	(4.9)	489,020	9.2
Kansas State Fair	2,429,560	2,578,398	2,756,833	178,435	6.9	2,790,662	33,829	1.2	361,102	14.9
Wheat Commission	1,710,507	1,914,622	2,284,597	369,975	19.3	2,351,304	66,707	2.9	640,797	37.5
State Conservation Commission	8,000,784	10,392,901	11,432,962	1,040,061	10.0	10,877,959	(555,003)	(4.9)	2,877,175	36.0
Kansas Water Office	5,740,792	4,328,090	4,786,522	458,432	10.6	4,563,447	(223,075)	(4.7)	(1,177,345)	(20.5)
TOTAL -- Conservation of Agri. and Nat. Res.	\$ 40,661,086	\$ 42,792,489	\$ 48,156,018	\$ 5,363,529	12.5%	\$ 47,173,723	\$ (982,295)	(2.0)%	\$ 6,512,637	16.0%

	Actual FY 1991	Actual FY 1992	Approved 1993	\$ Change FY 93/ FY 92	% Change FY 93/ FY 92	Approved FY 94	\$ Change FY 94/ FY 93	% Change FY 94/ FY 93	\$ Change FY 94/ FY 91	% Change FY 94/ FY 91
HEALTH AND HOSPITALS										
Mental Health Institutions										
Larned State Hospital	\$ 30,097,614	\$ 30,418,988	\$ 31,442,805	\$ 1,023,817	3.4%	\$ 32,837,527	\$ 1,394,722	4.4%	\$ 2,739,913	9.1%
Osawatomie State Hospital	21,114,808	21,086,010	21,189,051	103,041	0.5	21,610,163	421,112	2.0	495,355	2.3
Rainbow Mental Health Facility	4,667,706	4,840,383	5,047,970	207,587	4.3	5,304,887	256,917	5.1	637,181	13.7
Topeka State Hospital	22,215,723	21,130,823	21,398,981	268,158	1.3	22,955,514	1,556,533	7.3	739,791	3.3
Subtotal -- Mental Health Institutions	\$ 78,095,851	\$ 77,476,204	\$ 79,078,807	\$ 1,602,603	2.1%	\$ 82,708,091	\$ 3,629,284	4.6%	\$ 4,612,240	5.9%
Institutions for Mental Retardation										
Kansas Neurological Institute	\$ 24,726,369	\$ 25,091,797	\$ 24,686,186	\$ (405,611)	(1.6)%	\$ 24,555,656	\$ (130,530)	(0.5)%	\$ (170,713)	(0.7)%
Parsons State Hospital	17,667,776	18,160,897	18,006,661	(154,236)	(0.8)	18,091,106	84,445	0.5	423,330	2.4
Winfield State Hospital	31,363,415	30,181,954	28,956,982	(1,224,972)	(4.1)	28,794,913	(162,069)	(0.6)	(2,568,502)	(8.2)
Subtotal -- Inst. for Mental Retardation	\$ 73,757,560	\$ 73,434,648	\$ 71,649,829	\$ (1,784,819)	(2.4)%	\$ 71,441,675	\$ (208,154)	(0.3)%	\$ (2,315,885)	(3.1)%
Department of Health and Environment	\$ 74,671,512	\$ 85,166,409	\$ 117,012,332	\$ 31,845,923	37.4	\$ 126,156,356	\$ 9,144,024	7.8	\$ 51,484,844	68.9%
TOTAL -- Health and Hospitals	\$ 226,524,923	\$ 236,077,261	\$ 267,740,968	\$ 31,663,707	13.4%	\$ 280,306,122	\$ 12,565,154	4.7%	\$ 53,781,199	23.7%
RECREATIONAL AND HISTORICAL										
State Historical Society	\$ 5,514,695	\$ 5,661,092	\$ 6,521,363	\$ 860,271	15.2%	\$ 6,281,443	\$ (239,920)	(3.7)%	\$ 766,748	13.9%
Department of Wildlife and Parks	21,403,741	21,796,444	23,040,112	1,243,668	5.7	22,990,773	(49,339)	(0.2)	1,587,032	7.4
TOTAL -- Recreational and Historical	\$ 26,918,436	\$ 27,457,536	\$ 29,561,475	\$ 2,103,939	7.7%	\$ 29,272,216	\$ (289,259)	(1.0)%	\$ 2,353,780	8.7%
HIGHWAYS AND OTHER TRANSPORTATION										
Department of Transportation	\$ 306,758,654	\$ 314,301,808	\$ 345,938,280	\$ 31,636,472	10.1%	\$ 370,116,604	\$ 24,178,324	7.0%	\$ 63,357,950	20.7%
OTHER										
Claims Against the State			\$ 497,397	\$ 497,397	0.0%		\$ (497,397)	(100.0)%	\$ 0	0.0%
Salary Plan Reserve				\$ 0	0.0	0	0	0.0	0	0.0
TOTAL -- Other	\$	\$	\$ 497,397	\$ 497,397	0.0%	\$ 0	\$ (497,397)	(100.0)%	\$ 0	0.0%
TOTAL All FUNDS	\$ 4,725,517,920	\$ 5,047,042,836	\$ 5,687,506,769	\$640,463,933	12.7%	\$ 6,313,269,664	\$ 625,762,895	11.0%	\$ 1,587,751,744	33.6%

29

LEGISLATIVE ADJUSTMENTS IN EXCESS OF \$100,000 TO THE GOVERNOR'S
FY 1993 STATE GENERAL FUND RECOMMENDATIONS

Amount	Agency	Adjustment
\$7,332,168	Department of Education	\$6.6 million for republication; \$2.2 million for community colleges; lapse of \$1.5 million for school aid based on the latest estimates.
205,539	Board of Indigents Defense Services	Assigned counsel.
380,360	Claims Against the State	Mainly the wrongful incarceration settlement.
346,333	Kansas Public Employees Retirement System	Local school employers' contributions.
(169,826)	Department of Corrections	Providing funding of Phase I (only) of the staff testing for tuberculosis and hepatitis B vaccinations.
(800,000)	Department of Revenue -- Homestead	Legislative estimates based on expenditures to date.
<u>(5,161,008)</u>	Department of Social and Rehabilitation Services	\$1.0 million for salary savings, \$1.5 million for caseload adjustments, and \$2.5 million for day care savings.
<u>\$ 3,133,566</u>	Net Addition Above the Governor's Recommendation as of April 7, 1993.	

LEGISLATIVE ADJUSTMENTS IN EXCESS OF \$100,000 TO THE GOVERNOR'S
FY 1994 STATE GENERAL FUND RECOMMENDATIONS

Amount	Agency	Adjustment
\$ 24,186,431	Department of Education	\$22.7 million for general and supplemental aid; \$800,00 for community colleges; \$520,000 for student testing; \$138,000 for 3.0 FTE positions for QPA.
1,676,504 1,630,900	Kansas Public Employees Retirement System Department of Corrections	Local school employers' contributions. Shift of debt service payment for Ellsworth from the Correctional Institutions Building Fund; salaries pool; and video imaging.
1,174,498	Department on Aging	Transfer portion of nursing home caseload to Aging for Community Based Services; study on aging services.
609,782	Topeka State Hospital	Additional direct care staff (\$143,000); reduction in turnover (\$237,485); additional security personnel (\$24,432); revised school contract (\$96,464); increased pharmaceutical costs (\$119,619).
209,331	Adjutant General	Shift of capital improvements from the General Facilities Building Fund.
200,824 155,703	Youth Center at Beloit Commission on Veterans Affairs/Soldiers' Home	Reopened cottage recommended by the Governor to be closed in FY 1994. Additional veteran service representative; pharmaceuticals; additional licensed personnel.
136,387	Larned State Hospital	Increased pharmaceuticals (\$112,853) and temporary pharmacy help (\$23,534).
113,392 109,290	Kansas Healthy Kids Corporation Attorney General - K.B.I.	Additional operating expenditures. Reduction in turnover from 3.8 percent to 2.6 percent; new position for DNA laboratory.
(142,131) (168,540)	Department of Human Resources Board of Regents	Advisory Committee on African-American Affairs. Student financial aid adjustments.
(297,486)	Department of Administration	Eliminate personnel/payroll study (\$400,000); increased turnover (\$139,286); shift of financing for capital improvements from the General Facilities Building Fund (\$241,800).
(339,619)	Department of Revenue	Average six month delay in hiring 18.0 FTE positions for PVD.

2a-3

Amount	Agency	Adjustment
(429,721)	State Treasurer	Adjustments for the latest estimates on the demand transfers.
(785,000)	Kansas Arts Commission	Shift of financing to the EDIF.
(5,237,572)	Regents Institutions KU (\$1,898,916) KUMC (\$835,706) KSU (\$1,019,422) KSU-Extension (\$277,193) WSU (\$551,240) FHSU (\$106,263) PSU (\$327,663) KSU-VMC -- less than a net adjustment of \$100,000 KSU-Salina -- less than a net adjustment of \$100,000 ESU -- less than a net adjustment of \$100,000	Primarily Regents Systemwide Adjustments -- Reduce unclassified salaries from 3.0 percent to 2.5 percent (\$1.7 million); reduce student salaries from 5.0 percent to 2.5 percent (\$0.2 million); delete 1.0 percent increase in unclassified retirement (\$2.6 million); reduce OOE from 4.0 percent to 3.5 percent (\$0.5 million); a decrease in shrinkage rate of 0.10 percent (\$ addition of \$0.6 million); shift in funding due to increase in nonresident undergraduate tuition (\$1.0 million).
(8,994,416)	Department of Social and Rehabilitation Services	Community MR/DD placements \$1,000,000; Hold harmless - case mix reimbursement \$533,000; Topeka Screening Unit - 30 beds until January 1, 1994 \$271,500; MR/DD family subsidy program \$208,000; Vocational services - mentally ill \$200,000; Regular medical assistance services modification (\$3,740,000); KanWork reduction (\$2,791,199); Transfer portion of nursing home caseload to Aging for community based services (\$1,000,000); Delete nursing facility rate adjustment (\$901,333); day care savings (\$700,000); net all other- primarily caseload reductions (\$2,574,384).
<u>(11,440,419)</u>	Salary Reserve (Base increase/job reclassification)	
<u>2,567,196</u>	Net Addition above the Governor's Recommendations as of April 7, 1993.	

Current Status of FY 1994 State Employee

Base Salary Adjustments

Employee Group	Percent Increase	Expenditures	
		State General Fund	All Funds
Classified			
Step movement and annualization of the 1.0 percent base salary increase provided for one-half year in FY 1993.	2.5%	\$ 10,032,000	\$ 20,900,000
Longevity pay based on \$40 per year of state service with a 10-year minimum (\$400) and 25-year maximum (\$1,000).		5,232,000	10,900,000
Regents Unclassified			
Merit pool for Regents unclassified	2.5	9,401,590	9,401,590
Elected Officials			
	--	--	--
Other Unclassified Employees			
Merit pool for judges and other unclassified state employees	2.5	1,440,000	3,000,000
TOTAL		\$ 26,105,590	\$ 44,201,590

MEMORANDUM

Kansas Legislative Research Department

300 S.W. 10th Avenue
Room 545-N -- Statehouse
Topeka, Kansas 66612-1504
Telephone (913) 296-3181 FAX (913) 296-3824

April 21, 1993

To: Senator August Bogina, Chair, Senate Committee on Ways and Means
Representative Rochelle Chronister, Chair, House Committee on Appropriations

Re: Line-Item Vetoes (As of 5:00 p.m., April 21, 1993)

The following appropriation bills have had line-item vetoes as noted below.

- S.B. 38 -- Emergency Supplemental, Section 4 -- The vetoed section increased expenditures by \$334,500 from the Medical Scholarship and Loan Repayment Fund to increase the number of student loans at the University of Kansas Medical Center.
- S.B. 41 -- Kansas Corporation Commission, Section 5 -- Line-item vetoes of the public service regulation fund, the motor carrier license fees fund, and the conservation fee fund. The three funds have an aggregate expenditure limitation of \$11,392,246 in FY 1994.
- S.B. 62 -- Senate Supplemental, Section 15 -- Line-item veto of a current year lapse of \$27,411 from the State General Fund for the Tuition Grant Program administered by the Board of Regents.
- H.B. 2046 -- Fee Agencies, Sections 5 and 22 -- Line-item veto of the appropriation for the Savings and Loan Department (\$107,175 from the Savings and Loan Fee Fund and 2.0 FTE positions in FY 1994).
- H.B. 2062 -- Claims, Sections 5, 18, and 26 -- Chauncey Shepard (gravel), LaForge and Budd Construction (boilers), and Orrin Fowles (lottery ticket). The Shepard claim was \$38,000 from the Wildlife Fee Fund in FY 1993; the LaForge claim was \$4,848 from the State Institutions Building Fund in FY 1993; and the Fowles claim was \$117,037 from the Lottery Operating Fund in FY 1993.

AGENCY	FY 1993 FTE Adjustments	Explanation	FY 1994 FTE Adjustments	Explanation
General Government				
Behavioral Sciences Regulatory Board	--		1.5	Provide Additional Investigative and Administrative Support
Board of Healing Arts	--		1.0	Provide Additional Clerical Support
Citizens' Utility Ratepayer Board	--		(1.0)	Switch Attorney FTE to Special Project Position
Insurance Department	--		2.0	Allow More Review of Policy and Rate Filings
KPERS	(0.5)	Delete New Attorney Position	--	
Legislature	--		(1.0)	Delete Position Associated with Census Data Unit
Board of Nursing	--		2.0	Expansion of Disciplinary/Enforcement Activities
Racing Commission	--		7.0	Additional Veterinary Assistants
SUBTOTAL GENERAL GOVERNMENT	(0.5)		11.5	
Public Welfare				
Kansas Department of Human Resources	--		(3.0)	Elimination of African-American Advisory Committee
Department of Social and Rehabilitation Services	39.0	Restore Zebley Family Preservation Positions	11.5	Deletion of 44.0 FTE for KanWork Program; Restoration of 39.0 FTE for Zebley Family Preservation Program and 13.5 FTE for Topeka Screening Unit; Addition of 3.0 FTE for MR/DD Quality Assurance
Veterans' Commission and Soldiers' Home	--		1.0	Restore 1.0 FTE Veterans' Service Rep. Deleted by Governor
SUBTOTAL PUBLIC WELFARE	39.0		9.5	
Education and Research, Including Libraries				
Fort Hays State University	--		4.3	Primary Care Nurse Practitioner Program
KPERS--School	(0.5)	Delete New Attorney Position	--	
Emporia State University	--		4.0	Additional Enrollment Adjustment
Pittsburg State University	--		25.0	Restricted Use FTE in Anticipation of Non-State Research Growth
Department of Education	--		3.0	QPA Specialists
KU Medical Center	--		(3.0)	Primary Care Nurse Practitioner Program
Wichita State University	--		3.7	Primary Care Nurse Practitioner Program
SUBTOTAL EDUCATION AND RESEARCH	(0.5)		37.0	
Public Safety				
Adjutant General	56.0	New Federal Program	57.5	New Federal Program
Kansas Bureau of Investigation	--		1.0	DNA Laboratory Criminologist
Fire Marshal	--		2.0	Additional Field Staff to Improve Fire Prevention Program
Youth Center at Beloit	--		5.0	Restore Closed Cottage Deleted by Governor
Youth Center at Atchison	--		3.0	Restore Closed Cottage Deleted by Governor
Department of Corrections	--		(3.0)	Delete 3.0 Requested New FTE from Correctional Industries
Sentencing Commission	--		0.4	Restore Executive Director to Full-Time Position
SUBTOTAL PUBLIC SAFETY	56.0		65.9	
Health and Hospitals				
Kansas Department of Health and Environment	--		(1.0)	Delete New Position for State Oversight of Wolf Creek
Larned State Hospital	--		10.0	Positions Added to Attempt Certification of Adult Treatment Facility
Parsons State Hospital	1.0	Restore Clerical Position Cut by Governor	1.0	Restore Clerical Position Cut by Governor
Topeka State Hospital	--		11.0	Restore Positions Deleted by Governor
SUBTOTAL HEALTH AND HOSPITALS	1.0		21.0	
TOTAL ALL AGENCIES	95.0		144.9	

SOCIAL SERVICES CONTINGENCY FUND

	CURRENT STATUS
BEGINNING BALANCE	\$50,000,000
Governor's FY 1994 Recommendation: SRS Operating Expenditures	25,000,000
Legislative Adjustments:	
FY 1993:	
Community Mental Retardation -- One-time Placement Costs	100,000
FY 1994:	
Larned State Hospital	109,910
Topeka State Hospital	665,996
NF-MH Pilot Project	100,000
Community MR -- One-time Placement Costs	625,500
Training for Community Mental Retardation	1,000,000
Transfer to CMRC Revolving Fund	500,000
Subtotal -- Legislative Adjustments	\$3,101,406
FY 1994 ENDING BALANCE	\$21,898,594

**STATE WATER PLAN FUND
FY 1993 and FY 1994 EXPENDITURES**

Agency/Program	FY 1993 Governor's Rec.	FY 1993 Legislative Approved	FY 1993 Difference	FY 1994 Governor's Rec.	FY 1994 Legislative Approved	FY 1993 Difference
Board of Agriculture						
Conservation Plan Coordination	\$195,000	\$195,000	--	\$148,489	\$148,489	--
Water Data Base Renovation	29,712	29,712	--	--	--	--
Interstate Water Issues	135,696	135,696	--	--	--	--
Subbasin Management Plan	--	--	--	500,000	500,000	--
Total - Board of Agriculture	\$360,408	\$360,408	--	\$648,489	\$648,489	--
State Conservation Commission						
Conservation District Aid	\$776,700	\$776,700	--	\$778,700	\$778,700	--
Watershed Dam Construction	1,405,815	1,405,815	--	1,474,652	1,474,652	--
Multipurpose Small Lakes	1,602,969	1,602,969	--	1,055,206	1,055,206	--
Benefit Area Program	172,534	172,534	--	--	--	--
Nonpoint Source Pollution Asst.	1,399,676	1,399,676	--	1,000,000	1,000,000	--
Land Treatment Cost Share	5,600,000	5,600,000	--	6,000,000	6,000,000	--
Riparian and Wetland Program	--	--	--	100,000	100,000	--
Total - Conservation Commission	\$10,957,694	\$10,957,694	--	\$10,408,558	\$10,408,558	--
Health and Environment						
Contamination Remediation	\$1,632,170	\$1,632,170	--	\$2,981,276	\$3,694,359	\$713,083
Local Environmental Aid	1,670,000	1,670,000	--	1,670,000	1,720,000	50,000
Nonpoint Source Program	362,219	362,219	--	216,000	216,000	--
Total - Health and Environment	\$3,664,389	\$3,664,389	--	\$4,867,276	\$5,630,359	\$763,083
University of Kansas						
Dakota Aquifer Study	\$200,000	\$200,000	--	\$200,000	\$200,000	--
Sunflower Landfill Remediation	--	--	--	713,083	--	(713,083)
Total - University of Kansas	\$200,000	\$200,000	--	\$913,083	\$200,000	(\$713,083)
Kansas Water Office						
Water Related Research	\$348,000	\$348,000	--	\$587,000	\$562,000	(\$25,000)
GIS Data Base Development	458,720	458,720	--	300,000	300,000	--
GIS Data Support Center	120,000	120,000	--	120,000	120,000	--
GIS Resource Manager	41,280	41,280	--	47,787	47,787	--
Geography Resource Center	50,000	50,000	--	50,000	50,000	--
West. Kansas Educational Assist.	50,000	50,000	--	75,000	75,000	--
Water Storage Aquisition	--	--	--	--	--	--
Total - Kansas Water Office	\$1,068,000	\$1,068,000	--	\$1,179,787	\$1,154,787	(\$25,000)
Wildlife and Parks						
Cheyenne Bottoms	\$1,000,000	\$1,000,000	--	\$1,000,000	\$820,000	(\$180,000)
Cheney Reservoir Riprap	100,000	100,000	--	--	175,000	175,000
Lake Crawford Dam Study	100,000	100,000	--	--	--	--
Easement Aquisition	150,000	150,000	--	--	--	--
Madtom Research	15,000	15,000	--	--	--	--
Total - Wildlife and Parks	\$1,365,000	\$1,365,000	--	\$1,000,000	\$995,000	(\$5,000)
TOTAL EXPENDITURES	\$17,615,491	\$17,615,491	--	\$19,017,193	\$19,037,193	\$20,000

* Includes expenditures from prior year allocations from the State Water Plan Fund

ATTACHMENT 6

**STATE WATER PLAN FUND
FY 1993 and FY 1994 RESOURCE ESTIMATE**

	FY 1993 Governor's Rec.	FY 1993 Legislative Approved	FY 1993 Difference	FY 1994 Governor's Rec.	FY 1994 Legislative Approved	FY 1994 Difference
BEGINNING BALANCE	\$784,335	\$784,335	--	\$973,330	\$973,330	--
RECEIPTS:						
State General Fund (a)	\$5,820,000	\$5,820,000	--	\$5,820,000	\$6,000,000	\$180,000
EDIF	2,000,000	2,000,000	--	2,000,000	2,000,000	--
Municipal Fees	3,300,000	3,300,000	--	3,300,000	3,300,000	--
Industrial Fees	1,000,000	1,000,000	--	1,000,000	1,000,000	--
Stock Fees	250,000	250,000	--	250,000	250,000	--
Fertilizer Fees	2,149,188	2,149,188	--	2,121,539	2,121,539	--
Pesticide Fees	753,800	753,800	--	738,700	738,700	--
Fines	57,277	57,277	--	57,277	57,277	--
Subtotal - Receipts	\$15,330,265	\$15,330,265	--	\$15,287,516	\$15,467,516	\$180,000
TOTAL AVAILABLE	\$16,114,600	\$16,114,600	--	\$16,260,846	\$16,440,846	\$180,000
LESS TRANSFERS:						
Board of Agriculture	\$311,919	\$311,919	--	\$600,000	\$600,000	--
State Conservation Commission	9,958,018	9,958,018	--	9,654,544	9,654,544	--
Health and Environment (b)	2,238,333	2,238,333	--	2,743,933	3,792,870	1,048,937
University of Kansas	200,000	200,000	--	913,083	200,000	(713,083)
Kansas Water Office	1,068,000	1,068,000	--	1,177,953	1,152,953	(25,000)
Wildlife and Parks	1,365,000	1,365,000	--	1,000,000	995,000	(5,000)
Subtotal - Transfers	\$15,141,270	\$15,141,270	--	\$16,089,513	\$16,395,367	\$305,854
ENDING BALANCE	\$973,330	\$973,330	--	\$171,333	\$45,479	(\$125,854)

(a) In GBA No. 2 the Governor recommends a 3% reduction in the FY 1994 State General Fund demand transfer.

(b) In GBA No. 2 the Governor recommends a reduction of \$335,854 in the FY 1994 transfer to the agency.

REAPPROPRIATION (FROM PRIOR YEAR ALLOCATIONS) EXPENDITURE ANALYSIS *

	FY 93-94 Transfers	FY 93-94 Expenditures	FY 93-94 Difference
Board of Agriculture	\$911,919	\$1,008,897	\$96,978
State Conservation Commission	19,612,562	21,366,252	1,753,690
Health and Environment **	6,031,203	9,294,748	3,263,545
University of Kansas	400,000	400,000	--
Kansas Water Office	2,220,953	2,222,787	1,834
Wildlife and Parks	2,360,000	2,360,000	--
TOTAL	\$31,536,637	\$36,652,684	\$5,116,047

* Based on the Governor's recommendations as modified by the Legislature.

** In addition, the agency would have \$335,854 remaining at the end of FY 1994 from prior year allocations. In GBA No. 2 the Governor recommends that this amount be used to reduce the FY 1994 transfer to the agency.

ECONOMIC DEVELOPMENT INITIATIVES FUND

1993 AND FY 1994 TRANSFERS

Program	FY 1993 Gov Rec	FY 1993 Legislative Adjust to Gov Rec	FY 1994 Gov Rec	FY 1994 Legislative Adjust to Gov Rec
AGRICULTURE BOARD H.B. 2086				
Market Promotion and Development	\$275,004		\$274,996	\$50,000
ARTS COMMISSION H.B. 2064				
Other Operating Expenditures	--		--	
Arts Programming Grants	786,938		--	1,035,000
BOARD OF REGENTS S.B. 43				
Council on Economic Education	\$40,000		--	\$40,000
Washburn/Technical School Program	--		--	60,000
COMMERCE H.B. 2087, H.B. 2122				
Salaries and Wages	\$638,742		\$1,252,777	
Other Operating Expenditures	3,804,093		3,652,356	50,000
Strategic Planning Grants	445,000		445,000	
KIT/KIR Programs	2,250,000	300,000	2,250,000	
Sm. Business Development Centers	325,000		325,000	
Certified Development Company	475,000		475,000	
Trade Show Promotion	220,894		275,172	
Tourism Grants	610,000		290,000	750,000
KS Basic Enterprise Loan Program	--		1,000,000	
Resource Network	5,000		5,000	
KQIN	--		65,000	
Russian Cultural Exchange and Festival	--	\$75,000	--	
Travel Information Center	--	--	--	880,000
DEPT. OF EDUCATION H.B. 2049				
Innovative Grants Assistance	\$1,500,000		--	
Capital Outlay for AVTS	1,000,000		1,000,000	
Postsecondary Aid for AVTS	500,000		2,500,000	
Matching Grants for AVTS	500,000		500,000	
Heritage Cultural Center	25,000		--	25,000
Foundation for Agriculture	25,000		--	25,000
HISTORICAL SOCIETY H.B. 2087 H.B. 2122				
Other Operating Expenditures	\$119,000	\$93,000	--	\$30,000
Capital Improvements	104,500	(24,500)	--	--
Center for Historical Research	--		--	688,858
KANSAS INC. S.B. 38, H.B. 2063				
EPSCoR Grant	\$1,500,000		\$1,500,000	
Special Studies	100,874	27,500	105,995	
KANSAS STATE FAIR H.B. 2086				
Operating Expenditures	\$100,000		\$100,000	
K-STATE UNIVERSITY S.B. 43				
Forest Survey	--		--	\$190,000
KTEC H.B. 2063				
General Operations	\$691,786		\$749,736	
Commercialization Operations	250,000		250,000	250,000
Industrial Ag. Operations	200,000		250,000	
Centers of Excellence	3,715,000		3,700,663	785,000
Applied Research Grants	1,009,613		1,009,613	250,000
Industrial Liaison Offices	300,000		300,000	
Training Equipment Grants	150,000		150,000	
Business Innovation Grants	25,000		25,000	
Data Base Development	35,000		15,000	
Ad Astra -- Seed Capital	--		1,500,000	
Return on Public Investment	50,000		50,000	
Intellectual Tech. Enterprise Corp.	50,000		50,000	
Special Projects	221,250		248,000	
KS Value Added Processing Center	622,705		633,887	
Mid-Am. Manufacturing Tech. Center	1,000,000		1,000,000	
STATE LIBRARY H.B. 2064				
Literacy Grants	\$283,700		\$283,700	
Grants to Libraries	--		--	\$1,089,641
REVENUE H.B. 2063				
County Reappraisal Aid	\$3,000,000		\$3,000,000	
PUBLIC BROADCASTS. H.B. 2064				
Equipment Matching Grants	--		--	\$424,573
BLIND H.B. 2064				
Accessible Arts, Inc.	\$19,300		\$95,000	\$55,000
WATER OFFICE H.B. 2086				
State Water Plan Fund	\$2,000,000		\$2,000,000	
WILDLIFE AND PARKS H.B. 2086				
Capital Improvements	\$20,000		--	\$1,407,587 *
KEEP H.B. 2507				
Kansas Economic Emergency Fund	--	--	--	\$0
TOTAL	\$28,993,399	\$471,000	\$31,326,895	\$8,086,659

*\$302,337 is appropriated in FY 1995

Resource Estimate -- EDIF				
	Gov. Rec. FY 1993	Legislative Rec. FY 1993	Gov. Rec. FY 1994*	Legislative Rec. FY 1994**
Beginning Balance	\$6,916,741	\$6,916,741	\$6,688,942	\$10,868,242
Lottery Transfers	22,950,000	28,080,000	20,904,000	28,944,000
Racing Transfers	5,585,600	5,085,900	3,908,813	4,430,019
Other	250,000	250,000	250,000	645,793
Total Available	35,682,341	40,332,641	31,751,755	44,888,054
Less: Transfers	28,993,399	29,464,399	31,326,895	39,413,554
ENDING BALANCE	\$6,688,942	\$10,868,242	\$424,860	\$5,474,500
*Based on a transfer of 65 percent from the State Gaming Revenue Fund to the EDIF.				
**Based on a transfer of 90 percent from the State Gaming Revenue Fund to the EDIF.				

ITEMS FOR OMNIBUS CONSIDERATION

State Department of Education

A. Governor's Budget Amendment No. 2, Item 26 – Shifts in Funding from the State General Fund (SGF) to the Economic Development Initiatives Fund (EDIF). The Governor recommended and the Legislature approved a total of \$21,403,850 in FY 1994 for postsecondary area vocational school aid, of which \$2.5 million is from the EDIF and the remainder is from the SGF. The Governor now proposes that an additional \$10,900,000 be shifted from the SGF to the EDIF, resulting in funding for the program of \$8,003,850 from the SGF and ~~\$400,000~~ ^{\$13,400,000} from the EDIF. (There is no change in the total recommended.)

B. S.B. 334 (Governor). S.B. 334 establishes the Kansas Mastery of Basic Skills program applicable to students in grades ten through 12 in public and accredited nonpublic schools. Beginning with the 1995-96 school year, students who demonstrate a mastery of basic skills will be awarded certificates. Students who do not obtain a certificate would be given repeated opportunities to qualify, pursuant to plans developed by local boards to assist students who initially fail.

The tests to be used to determine the mastery of basic skills are those already required under the School District Finance and Quality Performance Act. However, according to the State Department of Education and the University of Kansas Center for Educational Testing and Evaluation, tests in the four core areas of communications, math, science, and social studies would have to be reviewed in order to identify those components considered "basic." Once items that pertain to these skills have been identified, proficiency standards would be set and any modifications to the tests necessitated by the passage of S.B. 334 would be made.

The State Department of Education estimates that \$15,000 from the State General Fund will be needed in FY 1994 to contract with the University of Kansas to identify the basic skills component of the student assessment tests. The money is primarily for travel expenses of members of subject-area committees who would be involved in defining and identifying measures of basic skills and developing proficiency standards.

C. Substitute for H.B. 2011 (Governor). Substitute for H.B. 2011 primarily concerns community colleges and has two items that affect the State Department of Education's budget and one item that affects the Legislature's budget.

Substitute for H.B. 2011 (Governor) establishes a mechanism for the collection of overdue county out-district tuition that is owed a community college. Under current law the community college must try to collect the money, but under Substitute for H.B. 2011 the money becomes due to the State Board of Education after 45 days. The county commission that owes the money has 14 days to pay the State Board, after which the State Board initiates proceedings under K.S.A. 75-6201 *et seq.* for the collection of the money. K.S.A. 75-6201 *et seq.* is the debt setoff law under which an amount owed a state agency could be withheld from any payments made by the state to the debtor.

Money paid or collected by the State Board for overdue county out-district tuition would be deposited in the Out-District Tuition Suspense Fund created by Substitute for H.B. 2011, from

which payments would be made to the community college entitled to receive the money. In order for the State Board of Education to receive and expend money, the new fund must be appropriated for FY 1994 in the Omnibus Bill. The State Department of Education suggests that the fund have a "no limit" expenditure limitation.

Substitute for H.B. 2011 also contains a provision that relates to community college courses taught on the Fort Hays State University campus under an agreement between a community college and the University. The provision waives the requirement that county out-district tuition be charged for students enrolled in the courses and authorizes community colleges to require the students to pay at least \$36 per hour in student tuition.

The impact the bill could have on state aid is due to the fact that the State Department of Education estimates an additional 1,200 credit hours would be generated by University students who enroll in community college courses. The State Department estimates that credit hour aid would increase in FY 1994 by \$33,600 and out-district state aid by \$28,800, for a total of \$62,400.

D. H.B. 2505 (Governor) and School Finance Adjustments for FY 1993 and FY 1994. H.B. 2505 concerns school finance and contains several items to be addressed in the Omnibus Bill. In addition, the State Department of Education, the Division of the Budget, and the Legislative Research Department have agreed to some revisions in estimates that affect general and supplemental state aids to school districts.

FY 1993. H.B. 2505 eliminates the earmarking of enhanced sales and income taxes in the form of demand transfers for financing school districts, effective in the current fiscal year. Of the \$365.0 million that was estimated during the Session, transfers totaling \$170,005,000 were made in January and March. To fully fund the previously estimated amount of the remaining demand transfer that would have been made in June, a supplemental appropriation of \$194,995,000 is needed. No changes have been made to the estimates that were used during the Session of school district budgets and available resources. Therefore, the required supplemental appropriation does not represent an increase in the amount of money from the State General Fund that was agreed to at the Session's end (April 8). The only difference is the change from a demand transfer to an appropriation.

A complicating factor is a lapse of \$9,569,870 in general state aid that is contained in H.B. 2087, which has been sent to the Governor and which was passed before final legislative action on H.B. 2505. The supplemental appropriation of \$194,995,000 described above assumes that the Governor will sign both H.B. 2505 and H.B. 2087. An alternative would be to amend H.B. 2087 in the Omnibus Bill to delete the lapse and reduce the supplemental appropriation accordingly. Also included in H.B. 2087 is a proviso to the lapse that says if estimates of the demand transfer, local resources, and the local effort recapture fall below amounts that were previously estimated, the State Finance Council can release money that would otherwise be lapsed to make up the shortfall.

If H.B. 2505 becomes law, that proviso will be defective because it takes into account the amount of a demand transfer in June that will not be made and contains a figure that no longer is valid. In addition, when the proviso was agreed to, the Legislature had not agreed to the provision in H.B. 2505 that authorizes the State Board of Education to reduce the base state aid per pupil in the event the appropriation for general state aid is insufficient to pay the full entitlement. (The purpose of the proviso was to ensure full funding of the entitlement in FY 1993 in the event there is a revenue shortfall.)

In the Governor's Budget Amendment No. 2, Item 67, the Governor revises her budget for FY 1993 to use the estimates used by the Legislature during the Session of school district expenditures and available resources. *Specifically, the Governor recommends a reduction of \$1,481,870 in general state aid and a reduction of \$5,790 in supplemental general state aid for FY 1993, adjustments already made by the Legislature.* Unlike the Legislature, the Governor does not recommend the expenditure of \$6,641,000 to fund the consequences of the republication of school district budgets. Thus, the Governor recommends a supplemental appropriation of \$188,354,000 to replace the June demand transfer, which would fully fund school district entitlements in FY 1993, minus the estimated cost of republication.

FY 1994. Several issues must be addressed for FY 1994. First, because there will no longer be demand transfers of earmarked sales and income taxes, it will be necessary to appropriate an additional \$375.0 million to replace the amount that was previously estimated for the demand transfer.

Second, H.B. 2505 contains a declining enrollment provision that allows schools to count half of the number of students by which the enrollment has decreased from the prior year, excluding any decrease that exceeds 4 percent. The fiscal consequence of this provision is estimated to be \$2.4 million.

Slight changes also have been made in the estimate of local resources available in FY 1994. The most recent estimate (made in April, 1993, by the State Department of Education, the Division of the Budget, and the Legislative Research Department) is that local resources will total \$571,776,000, an increase of \$280,000 over the prior estimate. Thus, to fully fund the entitlement in FY 1994, the Legislature would have to appropriate an additional \$377,120,000 for general state aid to school districts -- \$375.0 million to replace the demand transfer and \$2.4 million for the declining enrollment provision, offset by an estimated increase of \$280,000 in local resources.

In addition, based on the revised estimates, an extra \$50,000 is needed to finance supplemental general state aid in FY 1994.

In the Governor's Budget Amendment No. 2, Item 67, the Governor revises her budget to reflect the most recent estimates. The Governor's revised recommendations are consistent with the Legislature's policy to fully fund school district entitlements in FY 1994.

Specifically, the Governor recommends the addition of \$22,684,429 for general and supplemental state aid to reflect more recent estimates of school district expenditures and resources, a General Fund appropriation of \$375.0 million to replace the estimated demand transfer, \$2,120,000 to fund the declining enrollment provision (offset by an estimated increase of \$280,000 in local resources), and \$50,000 in supplemental general aid to reflect revised estimates made on April 8. The adjustment recommended by the Governor totals \$399,854,429. *Of that amount, the Legislature already has made adjustments totaling \$22,684,429 for general and supplemental state aid.*

Kansas Corporation Commission

A. Governor's Budget Amendment No. 2, Item 65 -- Alternative Fuels Grant Program. The Governor amends her budget to recommend the expenditure in FY 1994 of an additional \$120,000 from the Energy Grants Management Fund (oil overcharge money), bringing to \$820,000 the total recommended.

The proposal to spend the \$120,000 involves 80 grants of \$1,500 each to state agencies, county and municipal governments, school districts, and small businesses for the conversion of vehicles to compressed natural gas. The program would target high-use vehicles in the Wichita, Kansas City, and Topeka areas. The money will be matched by an estimated \$96,000 from grant applicants.

Because the Energy Grants Management Fund has a "no limit" expenditure limitation, no action is necessary by the Legislature to enable the Corporation Commission to spend the money. *The availability of the additional money was known during the Session and the Legislature has already taken the increased expenditure into account.*

B. Portions of Sec. 5, S.B. 41 (Veto). The Governor has line-item vetoed portions of S.B. 41, the appropriations bill that contains the FY 1994 Corporation Commission's budget. The portions pertain to three major funds of the Corporation Commission: the Public Service Regulation Fund, the Motor Carrier License Fees Fund, and the Conservation Fee Fund. These funds have an aggregate expenditure limit of \$11,392,246, which represents approximately 90 percent of the Commission's approved expenditures for the budget year.

The reason for the Governor's veto is that the aggregate expenditure limitation includes \$380,000 added by the Legislature for an emergency salary contingency fund. The 1992 Legislature approved a contingency fund of \$196,000 for FY 1993, but the Governor deleted it in both the current year and in the request for FY 1994. The purpose of the fund was to enable the Commission to hire temporary or special projects employees to help handle the workload resulting from an unexpected rate filing or other unforeseen event. (Up until the time the Governor recommended that the FY 1993 contingency fund be deleted, the Commission had made no expenditure or assessment in connection with the fund.)

In her veto message, the Governor stated, "The State Finance Council, which meets when the Legislature is not in session, was established precisely for addressing emergencies and other unanticipated occurrences and is currently able to address the needs of the Corporation Commission." The Governor recommends that a new aggregate expenditure limitation of \$11,012,246 be established, which is the approved amount minus the salary contingency fund of \$380,000.

Without some action by the Legislature to reinstate the funds that the Governor vetoed, the operations of the Commission virtually would terminate in FY 1994.

C. FY 1993 Expenditure Limitation Increase for Hugoton Natural Gas Field Hearings. Applications filed on behalf of operators in the Hugoton natural gas field request that the Commission make fundamental changes in how the field is regulated. The hearings being held in Wichita began in August, 1992, and were expected to last only six weeks. It now appears that they could extend until July or August, 1993.

The Governor recommended and the Legislature has already approved an expenditure limitation increase of \$91,000 on the Conservation Fee Fund for costs associated with the hearings. At the time the Subcommittees reviewed the Corporation Commission's budget, it was known that the \$91,000 would fund expenditures only through January and that an additional expenditure limitation increase would be necessary before the 1993 Session ended. The Subcommittees recommended that the Commission's request be fully funded and included in the Omnibus Bill and noted that all costs associated with the hearing will be assessed back to the parties involved.

The Commission estimates that additional costs will total \$62,964. They consist of \$7,434 for rent, \$16,000 for court reporter services, \$9,530 for travel expenses of Commission members and staff, and \$30,000 for the services of consultants.

D. Appeals to the Governor for Electronic Imaging Consultant and 4.0 FTE Additional Positions. In its original budget submission to the Governor, the Corporation Commission requested an expenditure limitation increase of \$60,000 in FY 1993 to pay for the services of a consultant to assist in a project to microfilm and convert to electronic images many of the Commission's records, particularly those maintained in Wichita by the conservation division. Neither the Governor nor the Legislature approved the increase, nor did they approve a request for \$417,110 in FY 1994 for capital outlay associated with the project.

The original budget submission also requested 24.0 FTE new positions for FY 1994. Included among them were four positions the Commission considers a priority: two Office Assistants II (one each at the Chanute and Wichita offices), at a cost of \$19,529 each for salaries and fringe benefits; one Environmental Technician IV for the environmental protection and remediation section of the conservation division, at a cost of \$31,140 for salary and fringe benefits; and one Secretary II for the conservation division, at a cost of \$23,059 for salary and fringe benefits. (The total cost for the four positions is \$93,257.)

When the Budget Division did not recommend any new positions, the Commission appealed to the Secretary of Administration, but no new positions were added by the Governor. During legislative hearings on the Commission's budget, Commission staff did not appeal the Governor's recommendation, but said they would make a renewed appeal to the Governor to revise her budget in the form of a Governor's Budget Amendment. They informed the House Subcommittee that the request would be to add four of the requested 24.0 FTE new positions in FY 1994 and to authorize the expenditure of \$60,000 in FY 1994 (not FY 1993, as originally requested) for a consultant to assist with the proposed electronic imaging project.

The House Subcommittee included in its report the recommendation that the four positions and the consultant be considered later in the Session when the Governor's response to the Commission's request to amend her budget is known.

The Governor recommends neither the positions nor the consultants in the Governor's Budget Amendment No. 2.

E. H.B. 2041 (Law). H.B. 2041 enacts the Kansas Underground Utility Damage Prevention Act. The bill imposes the requirement (which is now voluntary) that anyone who engages in excavation activities must notify a statewide communication center so that owners of underground gas, electricity, communication, petroleum, petroleum product, or hazardous liquid facilities can be notified of the planned excavation. Owners in the excavation area must then mark the location of their facilities so that damage from the excavation will not occur. The Corporation Commission is charged with administering and enforcing the Act.

As part of its duties to enforce the new law, the Corporation Commission will visit sites where damage to a facility occurs due to an excavation. H.B. 2041 gives the Commission the authority to assess civil penalties if it determines that notification procedures set forth in the Act have not been followed. The Commission estimates that travel expenses for staff will total \$3,000 in FY 1994. Because expenditures will be from the federal Gas Pipeline Safety Program Fund which has a "no limit" expenditure limitation, it is not necessary to include this item in the Omnibus Bill.

F. H.B. 2461 (Governor). H.B. 2461 concerns the registration of motor carriers. Pursuant to federal law enacted in 1991, the Interstate Commerce Commission (ICC) is in the process of implementing the "single state registration system." Under this system, motor carriers that have been granted authority to operate by the ICC will register only in the state in which they are based. The base state will collect a registration fee as well as other fees required by states where their carriers operate. The fees required by other states will be remitted to the appropriate state.

The fund into which these fees will be deposited and from which payments to other states will be made is the Base State Registration Clearing Fund, which is created by H.B. 2461. In order for the Corporation Commission to receive and expend money, the new fund must be appropriated for FY 1994 in the Omnibus Bill.

According to the Commission, there will be no additional operating expense due to the passage of the bill. However, an existing fee to register motor carriers based in other states will be eliminated, resulting in a loss of revenue to the Motor Carrier License Fees Fund estimated to be \$23,000. The impact of this loss will be on the State Highway Fund because the Commission is statutorily required to transfer biannually to the Highway Fund all balances in excess of \$400,000 that are in the Motor Carrier License Fees Fund. In recent years, transfers have been between \$2.7 million and \$3.4 million.

Attorney General

A. Governor's Budget Amendment No. 2, Item 4 – FY 1993 Supplemental Appropriation for Water Litigation. The Governor revises her budget to add \$91,630 from the State General Fund as a supplemental appropriation in FY 1993 for water litigation with Colorado. Because it was not known when the Governor's budget was submitted that more money would be necessary to fully fund water litigation against Colorado in FY 1993, the Senate and House Subcommittees that reviewed the Attorney General's budget asked the Attorney General to request a Governor's Budget Amendment to revise the budget to include the additional amount. (The Subcommittees are on record in support of full funding of the water litigation.) The addition would bring the total available in FY 1993 to \$663,870, of which \$322,796 was appropriated by the 1992 Legislature and \$249,444 was approved by the 1993 Legislature as an emergency supplemental appropriation. Expenditures since FY 1984 for water litigation, including the request for FY 1993 and the approved appropriation of \$250,000 for FY 1994, total approximately \$9.5 million.

The trial phase of the litigation ended mid-December, 1992, several months behind schedule. Briefs are now being prepared for submission to the Special Master by the end of the current fiscal year. Once briefs have been received and oral arguments made, the Special Master will make his findings and recommendations to the U.S. Supreme Court, possibly early in FY 1994. The Supreme Court's decision probably will not be made until FY 1995. During FY 1994, Kansas will have the opportunity to prepare a response to the Special Master's recommendations and present oral argument before the Supreme Court.

Kansas Department of Transportation

A. Governor's Budget Amendment No. 2, Item 66 – Demand Transfers. The Governor proposes to freeze in FY 1994 certain demand transfers at the FY 1993 levels. These recommendations, when contrasted with the April, 1993 estimates by the Consensus Revenue Estimating Group,

will reduce estimated FY 1994 demand transfers from the State General Fund to the following KDOT funds:

	<u>Consensus Estimate</u>	<u>Governor's Recommendation</u>	<u>Difference</u>
State Highway Fund	\$ 81,533,000	\$ 75,500,766	\$ (6,032,234)
Special City-County Highway Fund	10,000,000	9,630,741	(369,259)
Total -- KDOT	<u>\$ 91,533,000</u>	<u>\$ 85,131,507</u>	<u>\$ (6,401,493)</u>

Kansas Public Employees Retirement System (KPERS)

A. Technical Item for FY 1993. Correct posting error in S.B. 62 to reflect a \$50,000 shift between administrative expenses and investment related expenses.

B. Governor's Budget Amendment No. 2, Item 31 -- KPERS Data Processing. The Governor recommends funding to upgrade and enhance the agency's computer system as suggested by a needs analysis performed by Grant Thornton, Accountants and Management Consultants. In FY 1993, the Governor recommends to add \$84,094, including \$4,155 for contractual services and \$79,939 for capital outlay. In FY 1994, the Governor recommends to add \$290,261, including \$63,668 for salaries and benefits for 2.0 FTE new positions, \$37,800 for contractual services, and \$188,793 for capital outlay.

C. Governor's Budget Amendment. No. 2, Item 32 -- KPERS School. The Governor concurs with the FY 1993 and FY 1994 adjustments previously adopted by the 1993 Legislature which increased employers' contributions from the State General Fund by \$346,333 this fiscal year and by \$1,676,504 next fiscal year, based on a contribution rate of 3.3 percent.

D. Substitute for H.B. 2211 (Law). This bill included the omnibus retirement legislation of the 1993 Session and provisions for reducing the state work force due to retirements.

KPERS prepared a fiscal impact assessment which provides the Legislature with estimated administrative costs for implementing the retirement provisions of this bill. A complete description of individual items included in the agency's fiscal impact assessment is provided separately by the agency in a letter to the Committees. Costs which KPERS has identified by category may be summarized as follows:

	<u>FY 1993</u>	<u>FY 1994</u>
Agency Operations	\$ 28,549	\$ 94,083
Consultant Fees	18,000	--
Total Costs	<u>\$ 46,549</u>	<u>\$ 94,083</u>

In addition to administrative costs, the bill provides procedures for reducing the number of state workers based on retirements. Estimates may be derived for additional FY 1994 salary turnover savings based on Substitute for H.B. 2211 (the KPERS retirement bill). Because not all retirements of state employees would occur at the start of the new fiscal year, the annual estimated savings would not be fully realized until FY 1995.

Kansas Racing Commission

A. Governor's Budget Amendment No. 2, Item 17 – County Fair Horse Racing Benefit Fund. The Governor recommends increasing the County Fair Horse Racing Benefit Fund limitation from \$0 to no limit in both FY 1993 and FY 1994. The Governor estimates expenditures of \$146,325 in FY 1993 and \$535,658 in FY 1994 from this fund to support a limited number of county fair racing meets. Receipts to this fund are derived from crediting one-third of the parimutuel tax generated from simulcasting races.

B. Governor's Budget Amendment No. 2, Item 18 – Overtime Funding. The Governor recommends increased expenditures from the Racing Reimbursable Expense Fund amounting to \$22,871 in FY 1993 and by \$38,257 in FY 1994. This fund is no limit and is financed by assessments charged against the race tracks for services rendered by these race officials. The Division of Personnel Services recently ruled that racing judges and stewards are entitled to overtime pay, and the ruling is retroactive to July 1, 1992.

C. Governor's Budget Amendment No. 2, Item 19 – State Racing Fund Receipt Estimates. The Governor recommends a reduction of \$280,349 in the revenue estimates for the current fiscal year due to a lag in receipts from the parimutuel tax. The Governor's revised FY 1993 estimate differs from the current approved estimate by \$252,651. For FY 1993, the 1993 Legislature previously adopted an estimated decrease of \$533,000 in receipts this fiscal year, which in turn would reduce the transfer to the State Gaming Revenues Fund (SGRF) by a similar amount.

The estimated transfers for FY 1993 would total \$5,651,000 based on the amounts approved by the Legislature. The Governor's revised recommendation includes \$5,903,561 for FY 1993 transfers, or \$252,651 more than assumed in the Legislature's estimate.

D. Governor's Budget Amendment No. 2, Item 20 – Pittsburg Race Track. The Governor recommends deleting all approved FY 1994 revenues, expenditures, and FTE positions associated with the proposed new race track. The Governor states that, should operation of a track near Pittsburg begin, the funding and positions can be restored by the State Finance Council.

In a letter of April 12, 1993, the Executive Director of the Kansas Racing Commission states that the approved revenue and expenditure estimates for FY 1994 will need to be adjusted because of a delay in the opening of the Frontenac race track. The House and Senate Committees recommended revisiting the revenue and expenditure projections during the Omnibus period. The Executive Director's letter states that the most optimistic opening date for the track is May of 1994.

The Governor's proposed FY 1994 reductions include \$640,999 in receipts to the State Racing Fund (SRF), \$610,599 of expenditures (\$409,497 from the SRF, of which \$117,453 is for salaries, \$38,760 is for a computer upgrade, and \$253,284 is for other operating expenses), 9.0 FTE

positions, and transfers of \$231,502 to the SGRF. The Governor's revised FY 1994 transfer estimate would be \$5,782,057, compared with the original estimate of \$6,013,559.

The 1993 Legislature approved reductions of \$1,079,000 in the FY 1994 SGRF transfer estimates. The total approved estimate for FY 1994 transfers to the SGRF is \$4,934,559, based on action by the 1993 Legislature. The House and Senate Committees recommended revisiting both the FY 1993 and FY 1994 SGRF transfer estimates during the Omnibus period.

E. Salaries and Wages Expenditures. The House and Senate Committees recommended revisiting during the Omnibus period the expenditure projections for staff costs paid from the State Racing Fund. In FY 1993, additional costs for overtime pay and back pay may result in expenditures greater than recommended by the Governor. In FY 1994, the issue of overtime pay will be compounded by the dual race meets at the Woodlands and by the county fair races. Also recommended was a review of adding a Director of Racing position in FY 1994 due to reorganization.

F. Computer Upgrade Costs. The House and Senate Committees recommended revisiting the proposed expenditures during the Omnibus period to determine if any costs were to be incurred and in which fiscal year. This item is addressed by Governor's Budget Amendment No. 2, Item 20, which was discussed previously in this memorandum.

Kansas Lottery

A. Governor's Budget Amendment No. 2, Item 21 – Computer System Repairing and Servicing. For FY 1993, the Governor recommends increasing expenditures by \$36,000 for computer hardware and software maintenance changes this fiscal year to pay the last three months of costs. The Governor's FY 1993 budget recommendation, approved by the Legislature, included \$80,000 for nine months of maintenance costs.

B. Governor's Budget Amendment No. 2, Item 22 – Advertising. The Governor recommends for FY 1993 increasing expenditures by \$100,000 for advertising this fiscal year. The Governor's FY 1993 budget recommendation, approved by the Legislature, included \$2,309,100 for advertising costs.

C. Governor's Budget Amendment No. 2, Item 23 – Travel and Stationery Adjustments. For FY 1993, the Governor recommends increasing expenditures by \$47,600, including \$36,000 for additional motor pool expenses this fiscal year and \$11,600 for additional stationery. The Governor notes that the Lottery has experienced higher than budgeted costs in these areas due to the expansion in the number of retailers.

D. Governor's Budget Amendment No. 2, Item 24 – Lottery Sales Estimates. The Governor recommends higher lottery sales estimates for both FY 1993 and FY 1994. Total sales this fiscal year are estimated by the Governor at \$108.3 million and next fiscal year at \$119.2 million. The 1993 Legislature's current approved lottery sales estimates are \$104.0 million in FY 1993 and \$107.2 million in FY 1994.

The Governor's revised recommendations would increase current approved sales projections by \$4.3 million in FY 1993 and by \$12.0 million in FY 1994. Increased transfers to the State Gaming Revenues Fund (SGRF) resulting from the Governor's recommendations would yield

an additional \$1.29 million in FY 1993 and \$3.6 million in FY 1994 more than previously approved by the 1993 Legislature.

The Governor also recommends increased expenditures in FY 1993 and FY 1994 for items which vary depending upon the level of sales. In FY 1993, the Governor recommends additional net expenditures of \$798,686, and in FY 1994, the recommendation includes \$193,563 for additional expenditures. Materials provided by the Division of Budget indicate that the FY 1993 increase in expenditures is attributed to \$97,623 for printing additional instant lottery tickets and \$701,063 for other unspecified items. For FY 1994, the increase in expenditures is attributed to \$97,623 for printing additional instant lottery tickets and \$95,940 for other unspecified items.

The Governor's Budget Amendment 2-24 does not address the amount of expenditures associated with increased payments for prizes and service fees for on-line telecommunications and for G-Tech Corporation. These three line items are no limit appropriations and do not need to be adjusted as sales estimates increase.

E. Governor's Budget Amendment No. 2, Item 25 – Transfer from Lottery Operating Fund. For FY 1993, the Governor recommends transferring \$2.0 million to the State General Fund. The Governor notes that because of efficient management and better than expected sales, more funds are available to transfer.

F. Lottery Computer System Purchase. The House and Senate Committees asked to revisit during the Omnibus period the acquisition of the new system, and to determine in which fiscal year or years expenditures will be made and in what amounts. H.B. 2087 and H.B. 2063 contain appropriation line items pertaining to this acquisition. The Governor's original recommendation was for the Lottery to pay the costs over three fiscal years, with payments of \$500,000 in FY 1993, \$488,500 in FY 1994, and \$488,500 in FY 1995. These recommendations for FY 1993 and FY 1994 were incorporated into H.B. 2087 and H.B. 2063. The Lottery has suggested that the entire amount of \$1.4 million might be paid in FY 1993, thus saving approximately \$77,000 of interest charges.

Kansas Department of Commerce and Housing

A. S.B. 73 (Law) authorizes firms, employing no more than 500 full-time equivalent employees, to receive specified types of business assistance and income and sales tax incentives if, for their part, such firms provide to their employees a certain level of training and education. Such tax incentives would take effect for taxable years commencing after December 31, 1992.

The bill requires the Secretary of Commerce and Housing to certify annually to the Secretary of Revenue applicant firms meeting specified criteria. The Department is also required to promulgate rules and regulations to implement the program.

The Department of Commerce and Housing requests in FY 1994 \$62,524 to carry out the administrative duties of the Act. The request is detailed below:

1.0 FTE Economic Development Representative III	\$	38,696
0.5 FTE Office Assistant IV		14,358
Other Operating Expenditures		9,470
TOTAL	\$	<u>62,524</u>

In addition, the bill creates the High Performance Incentive Fund within the Department of Commerce to provide matching funds of up to 50 percent for business assistance and consulting services to the qualifying firms. The Department requests \$75,000 which would provide ten grants of \$7,500 each.

B. H.B. 2507 (Veto) would have established the Kansas Economic Emergency Projects Fund. The bill would have authorized the State Finance Council to make allocations to, and authorizes expenditures by, one or more state agencies from the Fund when the Legislature is not in session. Expenditures from the Fund would have enabled state agencies to intervene in addressing expenses associated with securing economic benefits or avoiding or remedying economic losses related to certain unanticipated eventualities detailed in the bill. The bill also would have allowed for transfers to be made from the Fund to the Economic Development Initiatives Fund in the event that receipts from the State Gaming Revenue Fund do not sustain approved expenditures levels.

No funds were appropriated to the Fund during the regular session.

C. Governor's Budget Amendment No. 2, Item 79. The Governor recommends additional expenditures of \$3,008,281 in FY 1993 from the federal Community Development Block Grant Fund for grants to small cities. The amount reflects the latest grant award notification from the U.S. Department of Housing and Urban Development.

Kansas Technology Enterprise Corporation

A. H.B. 2536 (Law) merges the responsibilities of the Kansas Value Added Center (KVAC), located at Kansas State University, with those of the Kansas Technology Enterprise Corporation's (KTEC's) industrial agriculture initiative. Currently, KVAC is funded through KTEC's budget; however, KTEC is not authorized to exercise policy oversight over KVAC. Provisions in the bill would grant KTEC policy and accountability oversight over the newly configured Center. No additional appropriation is requested for the Center. The Legislature approved for FY 1994, in separate line items, \$633,887 for KVAC and \$250,000 for KTEC's industrial agriculture initiative. The House and Senate Subcommittees which reviewed KTEC's budget recommended that if H.B. 2536 were to become law the line items for KVAC and KTEC's industrial agriculture initiative be merged into one.

B. Governor's Budget Amendment No. 2, Item 88. The Governor recommends a reduction in the FY 1994 transfer from EDIF for KTEC by \$55,039 due to savings from prior fiscal year encumbrances.

Board of Cosmetology

A. Governor's Budget Amendment No. 2, Item 70. The Governor recommends that the expenditure limitation on the Cosmetology Fee Fund be increased by \$1,224 in FY 1993 to pay for a hearing that was unanticipated and not budgeted.

Board of Barbering

A. Governor's Budget Amendment No. 2, Item 68. The Governor recommends that the expenditure limitation on the Barbering Fee Fund be increased by \$1,565 in FY 1993 to pay for a hearing that was unanticipated and not budgeted.

Adjutant General

A. H.B. 2429 (Law) creates the Kansas Nuclear Safety Emergency Preparedness Act, which requires any entity in Kansas that produces electricity through the use of nuclear energy to pay fees to the Adjutant General. The fees would be collected to cover the costs incurred by state and local government agencies in establishing and maintaining emergency preparedness plans. The fees collected would be credited to the Nuclear Safety Emergency Preparedness Fee Fund, created by the legislation. The agency requests that the fund be included in the Omnibus Bill with an expenditure limitation of \$560,000.

Fees collected under the provisions of the bill would be used exclusively to finance state and local government agency activities which maintain nuclear preparedness plans. State and local agencies will apply to the Adjutant General for reimbursement of preparedness related expenses.

The bill would require participating state and local agencies to submit a budget request to the Adjutant General each fiscal year. The Adjutant General, beginning in FY 1994, will submit a budget estimate including total estimated expenditures from all state and local agencies involved in emergency preparedness related to potential nuclear accidents.

The Adjutant General requests \$3,729 in FY 1993 and \$37,153 in FY 1994 from fee funds (in FY 1993 the appropriation would be from the Emergency Preparedness Fee Fund and in FY 1994 from the above mentioned newly created Nuclear Safety Emergency Preparedness Fee Fund) for administration of the Act. The following table details the request for both fiscal years:

	<u>FY 1993</u>	<u>FY 1994</u>
1.0 FTE Administrative Officer	\$ 3,229	\$ 29,800
Capital Outlay	--	5,053
Other Operating Expenditures	<u>500</u>	<u>2,300</u>
TOTAL	<u>\$ 3,729</u>	<u>\$ 37,153</u>

In the Governor's Budget Amendment No. 2, Item 14, the Governor recommends in FY 1994 \$11,604 for a .5 FTE position for the administration of the Nuclear Safety Emergency Preparedness Act.

B. Governor's Budget Amendment No. 2, Item 13 -- New Federal Program. The Governor concurs with the Legislature's addition of \$327,738 in FY 1993 and \$1.6 million in FY 1994 for a newly initiated federal program which will provide funding for 56.0 FTE positions. The new federal program will rebuild certain items of military equipment which are being transferred from active duty Army units in Europe to National Guard units in the United States.

State Treasurer

A. Governor's Budget Amendment No. 2, Item 66 – FY 1993 Adjust Local Ad Valorem Tax Reduction Fund. For FY 1993, based on actual distributions to local units, the Governor adjusts her budget to reflect decreased expenditures from the Local Ad Valorem Tax Reduction Fund (LAVTRF) of \$41,936. *The Legislature has already made this adjustment.*

B. Governor's Budget Amendment No. 2, Item 66 – FY 1994 Freeze Demand Transfers. For FY 1994, the Governor amends her budget to freeze demand transfers, including the Local Ad Valorem Tax Reduction Fund (LAVTRF) and City and County Revenue Sharing Fund (CCRSF), at the approved FY 1993 levels (which were reduced by 3 percent by the 1992 Legislature). This recommendation would reduce demand transfers for the LAVTRF and CCRSF from the State General Fund by approximately \$4.1 million below the amounts currently estimated to be distributed in FY 1994.

**SGF Demand Transfers to LAVTRF and CCRSF
FY 1994**

Transfer To	Current Law Based on April Consensus Estimate	Revised Governor's Recommend.	Difference Revised Gov. Rec. and Current Law
Local Ad Valorem Tax Reduction Fund	\$ 41,714,208	\$ 39,324,064	\$ (2,390,144)
City and County Revenue Sharing Fund	31,905,071	30,218,458	(1,686,613)
Total	<u>\$ 73,619,279</u>	<u>\$ 69,542,522</u>	<u>\$ (4,076,757)</u>

C. S.B. 421 (Law) authorizes the use of sales, use and transient guest taxes to finance major projects located in a city redevelopment district, such as the proposed "Wonderful World of Oz" project in Kansas City, Kansas. The bill creates a City Bond Finance Fund and authorizes the State Treasurer to make distributions from the fund as prescribed by the law. The agency requests this fund be appropriated as a "no limit" fund.

Regents Institutions – Systemwide Issues

A. Governor's Budget Amendment No. 2, Item 71 – General Fees Fund Adjustments. Based on the Governor's estimates the Governor recommends that the general fees funds be adjusted in FY 1994 to utilize available additional revenues from FY 1993 and FY 1994 to increase fee fund expenditures and reduce State General Fund appropriations in FY 1994 where applicable. Based on the Governor's estimates, where revenues are projected to decline, the Governor recommends reductions in the fee fund expenditure limitations and an increase in the State General Fund appropriations by the same amount. The following table displays the Governor's original and revised recommendation for expenditures from general fees funds for FY 1993 and FY 1994 with columns showing the net adjustments.

**Governor's Revised Recommendations
Regents' Institutions General Fees Fund Estimates**

	FY 1993			FY 1994		
	Governor's Budget Report	Governor's Revised Rec.	Net Adjustment	Governor's Budget Report	Governor's Revised Rec.	Net Adjustment
KU	\$ 55,492,983	\$ 55,492,983	\$ 0	\$ 59,565,313	\$ 59,686,487	\$ 121,174
KUMC	7,777,674	7,777,674	0	8,650,285	8,858,721	208,436
KSU	32,271,874	31,903,756	(368,118)	34,830,137	34,439,950	(390,187)
KSU-Vet. Med.	3,535,822	3,535,822	0	3,816,294	3,816,294	0
KSU-Salina	581,985	581,985	0	644,931	649,061	4,130
KSU-Extension			0			0
WSU	19,290,071	19,290,071	0	20,772,920	21,084,167	311,247
FHSU	6,213,642	6,213,642	0	6,841,893	7,105,459	263,566
ESU	6,956,446	6,956,446	0	7,666,382	7,549,819	(116,563)
PSU	8,248,139	8,248,139	0	9,691,214	10,152,990	461,776
TOTAL	<u>\$ 140,368,636</u>	<u>\$ 140,000,518</u>		<u>\$ 152,479,369</u>	<u>\$ 153,342,948</u>	
Net Adjustment			<u>\$ (368,118)</u>			<u>\$ 863,579</u>
GRAND TOTAL						
Adjustments (FY 1993, FY 1994)				<u>\$ 495,461</u>		

The Governor's revised recommendations do not incorporate general fees fund expenditure increases and decreases made by the Legislature. The following table displays the legislative recommendations regarding the General Fees Funds in FY 1993 and FY 1994, the Regents estimate of shortfalls and surpluses, and the Governor's estimate of shortfalls and surpluses.

FY 1993 and FY 1994 – General Fee Fund Estimates

**Potential Legislature Adjustments Based on Prior
Legislative Action as of April 7, 1993**

FY 1993 Adjustments

<u>Institution</u>	<u>Legislative Rec. Expenditures</u>	<u>Regents Est. Surplus/(Shortfall)</u>	<u>Gov. Rec. Surplus/(Shortfall)</u>
University of Kansas	\$ 55,492,983	\$ (165,016)	\$ 0
KU Medical Center	7,777,674	0	0
Kansas State University	32,271,874	(374,751)	(368,118)
KSU-Veterinary Medical Center	3,535,822	0	0
KSU-Salina	581,985	0	0
Wichita State University	19,290,071	0	0
Emporia State University	6,956,446	0	0
Pittsburg State University	8,568,389	0	0
Fort Hays State University	6,317,674	0	0
Total	<u>\$ 140,792,918</u>	<u>\$ (539,767)</u>	<u>\$ (368,118)</u>

FY 1994 Adjustments

<u>Institution</u>	<u>Legislative Rec. S.B. 43</u>	<u>Regents Est. Surplus/(Shortfall)</u>	<u>Gov. Rec. Surplus/(Shortfall)</u>
University of Kansas	\$ 60,173,767	\$ (234,486)	\$ 121,174
KU Medical Center	8,660,929	208,436	208,436
Kansas State University	35,006,567	(466,317)	(390,187)
KSU-Veterinary Medical Center	3,816,294	0	0
KSU-Salina	646,161	4,130	4,130
Wichita State University	20,908,306	311,247	311,247
Emporia State University	7,678,562	(116,563)	(116,563)
Pittsburg State University	9,735,996	141,526	461,776*
Fort Hays State University	6,865,599	263,566	263,566
Total	<u>\$ 153,492,181</u>	<u>\$ 111,539</u>	<u>\$ 863,579</u>

* The Governor's recommendation does not include the fee release for PSU of \$320,250 approved during the regular session of the Legislature.

B. Governor's Budget Amendment No. 2, Item 72 – Utility Adjustments. The Governor recommends a net increase in utility expenditures at the Regents institutions in FY 1993 (\$220,372) and FY 1994 (\$218,921) resulting in additional expenditures from the State General Fund totaling \$439,293. The revised recommendations are based on actual expenditures through February and estimated expenditures for the rest of FY 1993 (based on FY 1992 actual expenditures). FY 1994 adjustments are based on revised estimates for FY 1993. The revised utility estimates approved by the Board of Regents are based on expenditures through January, and different assumptions projected through the end of the fiscal year.

**Governor's Revised Recommendations
Regents' Institutions Systemwide Utility Expenditures**

	FY 1993				
	Governor's Budget Report	Regents Revised Estimate	Regents Net Adjustment	Governor's Revised Rec.	Governor's Net Adjustment
KU	\$ 5,428,564	\$ 5,483,824	\$ 55,260	\$ 5,589,329	\$ 160,765
KUMC	4,955,672	4,955,672	0	4,955,672	0
KSU	4,699,489	4,774,311	74,822	4,552,524	(146,965)
KSU-Extension	688,634	700,621	11,987	667,061	(21,573)
KSU-Vet. Med.	769,248	807,694	38,446	759,710	(9,538)
KSU-Salina	169,834	169,834	0	177,385	7,551
WSU	3,287,462	3,327,504	40,042	3,336,699	49,237
FHSU	876,217	961,238	85,021	921,370	45,153
ESU	700,340	810,166	109,826	836,082	135,742
PSU	1,021,274	1,021,274	0	1,021,274	0
TOTAL	\$ 22,596,734	\$ 23,012,138		\$ 22,817,106	

Net Adjustment - FY 1993		\$ 415,404		\$ 220,372
--------------------------	--	------------	--	------------

	FY 1994				
	Governor's Budget Report	Regents Revised Estimate	Regents Net Adjustment	Governor's Revised Rec.	Governor's Net Adjustment
KU	\$ 5,478,585	\$ 5,533,845	\$ 55,260	\$ 5,639,350	\$ 160,765
KUMC	4,926,626	4,926,626	0	4,926,626	0
KSU	6,191,763	6,317,018	125,255	6,013,687	(178,076)
KSU-Extension			0		0
KSU-Vet. Med.			0		0
KSU-Salina	178,834	178,834	0	186,385	7,551
WSU	3,281,211	3,321,253	40,042	3,354,448	73,237
FHSU	876,217	935,787	59,570	895,919	19,702
ESU	700,340	810,166	109,826	836,082	135,742
PSU	1,021,274	1,021,274	0	1,021,274	0
TOTAL	\$ 22,654,850	\$ 23,044,803		\$ 22,873,771	
Net Adjustment - FY 1994			\$ 389,953		\$ 218,921

C. Systemwide Issue – S.B. 9 (Law). The bill creates the Regents Supplemental Grant Program and authorizes the Board of Regents to transfer grant monies to the Regents institutions for distribution to students. Section 4 of the bill provides that monies transferred to the institution shall be credited to the Regents Supplemental Grant Fund of the institution and then distributed from that fund to the account of each participating student. To initiate transfers the Board Office requests the creation of a "no limit" Regents Supplemental Grant Fund for each Regents institution for FY 1994, except for KSU-Extension Services and KSU-Veterinary Medical Center.

Board of Regents Office

A. Governor's Budget Amendment No. 2, Item 74 – FY 1993 Savings in Ethnic Minority Scholarship Program. Based on the Board of Regent's revised estimate of expenditures for the Ethnic Minority Scholarship Program, the Governor amends her budget to reduce the FY 1993 State General Fund appropriation by \$29,058. *The Legislature has already made this adjustment and reappropriated the savings to FY 1994 to reduce demands on the State General Fund.*

B. Governor's Budget Amendment No. 2, Item 75 – Adjustments to Special Revenue Funds. Based on the most recent estimate of available funds, the Governor amends her budget to substitute additional funds available from various discontinued attendance funds and scholarship repayment funds for State General Fund expenditures in FY 1994; except for the Tuition Grant Program which appears to be underfunded by \$31,678. As indicated in the table, the Legislature has already made several of these adjustments. The recommended adjustments by program and fund are as follows:

<u>Program/Fund</u>	<u>Revised Gov. Rec.</u>	<u>Legislative Adjustments</u>
State Scholarship Program Discontinued Attendance Fund	\$ 2,026	\$ --
Tuition Grant Program Discontinued Attendance Fund	(31,678)	--
Vocational Scholarship Program Discontinued Attendance Fund	4,198	--
Ethnic Minority Scholarship Program Discontinued Attendance Fund	36,126	36,000
Osteopathic Scholarship Program Repayment Fund	36,466	37,000
Nursing Scholarship Program Discontinued Attendance Fund/Repayment Fund	2,465	--
Optometric Scholarship Program Repayment Fund (H.B. 2026)	61,375	Has not yet addressed this adjustment (see Item H).

C. Governor's line-item veto -- FY 1993 Tuition Grant Program. S.B. 62, Section 15(a) includes the lapse of \$27,411 from the State General Fund in the current fiscal year for the Tuition Grant Program. The lapse was included in the Governor's original recommendation and was based on anticipated savings in the program. According to the veto message, the latest information provided by the Board of Regents indicates that the anticipated savings of \$27,411 will not be realized.

D. S.B. 267 (Law) amends the existing Teacher Scholarship Program to create a separate Teacher Scholarship Repayment Fund. Based on legislative action, budgeted expenditures from the Teacher Scholarship Repayment Fund are \$29,997 in FY 1994. For maximum flexibility, the agency would request that this be a "no limit" fund.

E. S.B. 17 (Law) creates the Advanced Registered Nurse Practitioner Scholarship Program under which not more than 12 new state funded scholarships may be offered annually. The scholarship program is administered by the Kansas Board of Regents. Under the provisions of the bill, scholarships awarded may not exceed \$15,000 annually and are conditioned on the recipient entering into an agreement to engage in full-time practice in a rural area or a medically underserved area of Kansas on the basis of one year of practice for each year the scholarship assistance is awarded. Failure to satisfy the terms of the agreement result in an obligation to repay the state an amount representing the total amount of money received by the scholarship recipient plus annual

interest of 15 percent. All repayments are to be deposited in the Advanced Registered Nurse Practitioner Program Fund and used to fund the program. According to the agency, 12 new awards at a cost of \$15,000 each would require an additional State General Fund appropriation of \$180,000. Also, the Board office states that they anticipate \$500 in administrative costs (printing, postage, etc.) associated with this new scholarship program.

During the regular 1993 Session, the Legislature was made aware that the Nurse Practitioner Program involving KUMC, WSU, and FHSU had received a grant from the Kansas Health Foundation which includes a total of \$150,000 for scholarships in both FY 1994 and FY 1995 (five scholarships for each school at \$10,000 each).

F. S.B. 9 (Law) creates the Regents Supplemental Grant Program designed to provide financial assistance to certain eligible students attending Regents' institutions. The bill authorizes the Board of Regents to transfer grant monies to the Regents institutions for distribution to students. The bill provides that monies transferred to the institution shall be credited to the Regents Supplemental Grant Fund of the institution and then distributed from that fund to the account of each participating student. In order to initiate the transfers, the Board of Regents requests the creation of a Regents Supplemental Grant Fund with a no limit expenditure limitation for each Regents institution for FY 1994, except for KSU-Extension and KSU-Veterinary Medical Center. *The Legislature has already appropriated \$2.3 million for this new program in S.B. 43.*

G. S.B. 7 (Law) establishes the Kansas Ethnic Minority Fellowship Program. This is a program available to graduate students. The bill provides that each year, up to 40 new fellowships of \$8,000 may be awarded. *The Legislature has already appropriated \$516,000, of which \$474,000 is from the State General Fund for the Ethnic Minority Fellowship and Ethnic Minority Scholarship Programs in a combined appropriation.*

H. S.B. 8 (Law) amends the state's tuition grant program to include Washburn University students in the program. Kansas resident full-time Washburn University students with financial need will qualify for tuition grant awards equal to the lesser of the amount of the total tuition and fees of the student for two semesters or up to one-half of the difference between the average tuition and fees at the "qualified" institutions (certain independent colleges and universities and, now, Washburn University) and the average tuition and fees at Regents' institutions. Further, the bill provides that for FY 1994 only, the appropriation for tuition grants will be separated into two line items: one for eligible students who attend the independent institutions and one for eligible students who attend Washburn University.

According to the Kansas Board of Regents, it would cost \$320,000 from the State General Fund to provide tuition grants to Washburn University students in the same manner that grants are currently provided to students attending private institutions. That is, under the current level of appropriation for the Tuition Grant Program approximately half of the eligible students receive a grant. The \$320,000 would fund grants for approximately 820 Washburn University students at an average grant award of \$390.

I. H.B. 2026 (Law) amends the law relating to the Osteopathic Scholarship Program, Nursing Scholarship Program, and Optometry Education Program.

Among other provisions, the bill amends the Osteopathic Scholarship Program to increase the maximum award from \$10,000 to \$15,000. *The Legislature has already addressed the*

increase in the maximum award and recommends 42 scholarships at \$11,500 each for a total of \$483,000 in FY 1994.

Also, the bill amends the Nursing Scholarship Program to establish two additional funds, Nursing Student Scholarship Discontinued Attendance Fund and Nursing Student Scholarship Repayment Fund. The agency requests that these funds be appropriated as "no limit" for maximum flexibility. Finally, the bill amends the Optometry Education Program to create an Optometry Education Repayment Fund. Previously, all repayments were credited to the State General Fund. The bill provides that the director of accounts and reports shall transfer from the State General Fund to the Optometry Education Repayment Fund an amount equal to the repayments received since January 1, 1993. According to the Board of Regents office, receipts to the repayment fund for the last half of FY 1993 are estimated to be \$45,034. Anticipated receipts in FY 1994 are estimated to be \$33,360. A total of \$78,394 would be available for additional expenditures for this program or used to offset the State General Fund support for this program in FY 1994.

University of Kansas

A. Governor's Budget Amendment No. 2, Item 76 -- Allen Fieldhouse. The Governor recommends appropriating \$535,000 in FY 1994 and \$630,000 in FY 1995 from the Kansas Special Capital Improvement Fund for renovation of Allen Fieldhouse. The renovations would address the State Fire Marshal's concerns over life safety issues, particularly the availability of exits from the upper level. In addition, \$735,000 would be financed by a combination of University funds and Athletic Corporation funds for a total project budget of \$1.9 million.

The University had previously requested \$1.9 million from the State General Fund in FY 1994 for the project. In response to a Legislative request for exploration of additional funding sources, the University advanced a revised proposal in which \$735,000 would be financed by a combination of University funds and Athletic Corporation funds and the balance from the State General Fund over two fiscal years: FY 1994 (\$535,000) and FY 1995 (\$630,000). The Joint Committee on State Building Construction was asked to review the revised funding proposal and make a recommendation for consideration during the Omnibus Session. The Joint Committee concurs with the agency's revised funding proposal as follows:

<u>Funding Source</u>	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ 535,000	\$ 630,000
University Funds (including Athletic Corp. Funds)	<u>350,000</u>	<u>385,000</u>
Total	<u>\$ 885,000</u>	<u>\$ 1,015,000</u>

B. Governor's Budget Amendment No. 2, Item 77 -- Dyche Museum Storage Building. The Governor recommends \$1,580,000 for the construction of a storage facility for Dyche Hall. The recommendation includes appropriations of \$395,000 from the Educational Building Fund in both FY 1994 and FY 1995 to match federal funds for this project. *The Legislature has already made this adjustment.*

C. Technical Addition -- 1993 S.B. 43 failed to correctly reappropriate the capital complex public management degree program account of the State General Fund for FY 1994; therefore, this section should be corrected and inserted into the Omnibus bill.

D. House Subcommittee Recommendation -- Closure of Sunflower Research Landfill. The House Subcommittee on the KU budget requested a Governor's Budget Amendment to address an apparent funding shortfall in the Governor's recommendation for the closing of the Sunflower Research Landfill for consideration during the Omnibus Session. The Governor's recommendation totaled \$2,625,000 and included \$713,083 from the State Water Plan Fund and \$1,911,917 from the Remediation Projects Fund. According to KU, based on the best available data, there appears to be only \$1,665,354 available in the Remediation Projects Fund, which is \$245,563 less than the amount anticipated by the Governor. Governor's Budget Amendment No. 2 does not address this issue.

Legislative action regarding this project eliminated the State Water Plan funding of \$713,083 and concurred with the Governor's recommendation of \$1,911,917 from the Remediation Projects Fund.

University of Kansas Medical Center

A. Governor's Budget Amendment No. 2, Item 73 -- Advanced Registered Nurse Practitioner Program. The FY 1994 *Governor's Budget Report* includes \$400,000 from the State General Fund and 7.5 FTE positions to initiate a collaborative Advanced Registered Nurse Practitioner Program at the campuses of the University of Kansas Medical Center, Wichita State University, and Fort Hays State University. Within the same expenditure amount from the State General Fund, the Governor amends her budget to provide \$187,704 and 3.5 FTE positions at the University of Kansas Medical Center, \$106,418 and 2.0 FTE positions at Wichita State University, and \$106,148 FTE positions at Fort Hays State University. *The Legislature has already made this adjustment, although the Legislature approved 5.0 additional FTE positions associated with the receipt of grant funding.*

B. Governor's Line-Item Veto and Governor's Budget Amendment No. 2, Item 89 -- FY 1993 Medical Student Loans. The Governor line-item vetoed the section in S.B. 38 (emergency supplemental appropriation bill) relating to increasing expenditures by \$334,500 from the Medical Scholarship and Loan Repayment Fund to allow for 15 additional new loans for a total of 45 new loans in the current fiscal year. The loans were to be retroactive to the beginning of the academic year. In her veto message the Governor explained that "the item does not meet the standard sense of urgency which defines an emergency appropriation."

Governor's Budget Amendment No 2, Item 89 recommends the addition of \$334,500 from the Medical Scholarship and Loan Repayment Fund to allow 15 additional new loans to be awarded in the current year. The Governor recommends that these loans be awarded retroactively to the beginning of the 1992-93 academic year. *The Legislature has already made this adjustment in 1993 S.B. 38, but as explained in the previous paragraph the Governor line-item vetoed this item.*

C. S.C.R. 1606 expresses the sense of the Legislature that increasing the number of primary care physicians in Kansas is an urgent issue and that it is the policy of the Legislature to support full funding and utilization of the Medical Student Loan Act and the 1992 legislation that created the medical residency bridging program through utilizing money available in the Medical Scholarship and Loan Repayment Fund. The specific policy enunciated by S.C.R. 1606 is that money

in the Fund should be used solely to finance medical student loans, the bridging program, and two locum tenens positions to provide respite for rural primary care physicians. For FY 1994, the Legislature has recommended expenditures of \$4,502,338 from the Medical Scholarship and Loan Repayment Fund, of which \$2,802,338 is for Medical Student Loans (35 new and 94 renewals), \$330,000 is for the Medical Residency Bridging Program, \$276,000 is for the Faculty Locum Tenens Program and \$1,094,000 is for support of general operating expenditures in the KUMC-Education budget. The estimated ending balance in the Fund for FY 1994 is \$265,784.

According to KUMC, they have received 87 applications from first year students for new awards in FY 1994, of which 82 applicants are Kansas residents. In addition, KUMC reports that 13 second and third year students have applied for new loans. It appears that if there is legislative interest in further increasing the number of new loans for FY 1994, it would require the addition of funding from the State General Fund to replace all or a portion of the \$1,094,000 budgeted for general operations in order to use funding from the Medical Scholarship and Loan Repayment Fund for any new awards. New awards for FY 1994 are based on a maximum annual loan of \$22,665.

Kansas State University

A. Technical Adjustment. To accurately reflect the Legislature's intent regarding KSU's appropriation, \$2,209 (State General Fund) should be shifted from the Operating Expenditures account to the Centers of Excellence account.

Kansas State University -- Extension

A. Governor's Budget Amendment No. 2, Item 78 -- Restricted Use Capital Improvement Projects. The Governor recommends \$110,000 in FY 1994 for four chemical storage buildings funded from restricted use funds. *The Legislature has already made this adjustment.*

Emporia State University

A. Technical Adjustment. A proviso placed on a residence hall renovation project in the 1993 capital improvements bill (S.B. 87) requiring the presentation of the project to the Joint Committee on State Building Construction before construction expenditures should be eliminated. The Committee has since reviewed and approved such construction expenditures.

Fort Hays State University

A. Technical Adjustment. The classified position limitation should be reduced by 1.7 FTE and the unclassified position limitation should be increased by 1.7 FTE to correct an oversight in the FY 1994 appropriations bill (S.B. 43).

Pittsburg State University

A. Technical Adjustment. A proviso should be restored that was inadvertently deleted from the student center renovation project in the 1993 capital improvements bill (S.B. 87). The

proviso requires the presentation of the project to the Joint Committee on State Building Construction before construction expenditures can be made.

School for the Blind

A. Joint Committee on State Building Construction – Irwin Building Renovation. The 1992 Legislature approved multiyear funding from the State Institutions Building Fund (SIBF) of \$1,378,000 to renovate the Irwin Building to accommodate a cafeteria and administrative offices, and \$200,000 to demolish the existing dormitory and administration building. The Legislature also approved \$53,200 for FY 1993 to plan a prototype for student group homes (construction for those homes was expected to cost approximately \$1,235,000). Upon the completion of a planning study, the Kansas Department of Education directed the School for the Blind to locate all student residences on campus. The School submitted a revised request to the Joint Committee on State Building Construction for \$2,624,500 (SIBF) to construct a two-story residence and cafeteria for 40 students.

In its review of capital improvement expenditures for the Schools for the Blind and Deaf, the 1993 Legislature realized that three construction projects were pending totaling \$10,442,500 (SIBF). The Legislature noted that given the average number of students at the School for the Blind (65) and the School for the Deaf (185), it is time to study the feasibility of consolidating the agencies. The Legislature placed a proviso on the multiyear capital improvement appropriations for the two schools (H.B. 2122) limiting release of the previously appropriated funds to be subject to approval of the State Finance Council following a review by the Joint Committee on State Building Construction of a long-range plan to be developed by the State Department of Education.

Due to a now possible delay in removing the children from the existing dormitory facility, the Joint Committee on State Building Construction met on April 13, 1993, and recommended the expenditure of \$70,000 (SIBF) in FY 1994 for basic renovations of the Irwin Building to accommodate a temporary residential facility. Children would be permitted inside the old administration and dormitory building only to use the dining facility. **Governor's Budget Amendment No. 2, Item 69** incorporates the recommendation of the Building Committee. Recommended expenditures include the following:

REMODEL IRWIN BUILDING

Demolition and Removal	\$	1,600
Tape, Finish and Spray Ceilings		9,850
Remodel Building - Miscellaneous		11,000
Drapes and Blinds		9,100
Asbestos Removal		3,850
Miscellaneous Mechanical and Electrical		19,600
Contingency (20%)		11,000
Architectural Services Fee (6%)		4,000
TOTAL	\$	<u>70,000</u>

Board of Indigents' Defense Services

A. S.B. 170 (Governor). The bill removes voluntary intoxication of the victim as a defense to the offenses of rape, aggravated criminal sodomy and aggravated sexual battery. The Board estimates that this will result in additional filings, including an increase of 40 to 50 cases per year for the state's public defender offices, and an increase of 60 cases per year for the assigned counsel program. The Board requests \$136,200 from the State General Fund for FY 1994.

B. S.B. 348 (Law). The bill will allow a stipulation of the facts to be entered into any diversion agreement. By doing so, state public defenders estimate that the number of diversions will decline and the number of cases going to trial will increase due to the inherent liability of stipulating to facts which may or may not be in accordance with the client's version and may constitute coercive effort by the prosecutor to obtain diversions or later convictions without benefit of trial. The Board estimates an additional 400 public defender hours per year (\$14,000) and an additional 320 hours of assigned counsel time (\$16,000) for a total request of \$30,000 from the State General Fund in FY 1994.

C. S.B. 354 (Law). The bill exempts children from the requirement to be physically present at the preliminary examination where the felony victim is the child, and permits the use of video-taped testimony without cross-examination. The Board estimates that additional investigations will be required to ensure adequate representation is afforded to the client in the absence of the ability to cross-examine the child. The FY 1994 estimated fiscal impact of \$11,250 from the State General Fund includes 150 additional public defender hours (\$5,250) and 120 additional assigned counsel hours (\$6,000).

D. 1992 S.B. 479 (Law). The Sentencing Guidelines Act, passed by the 1992 Legislature, applies a new sentencing guidelines grid for crimes committed on or after July 1, 1993. The 1992 Legislature appropriated \$8,000 for four public defender training sessions in FY 1993. For the first year of implementation in FY 1994, the Board estimates additional costs of \$255,000 from the State General Fund. The Appellate Defender Office estimates first year costs of \$50,000, and succeeding year costs of \$160,000 per year for an additional 656 cases annually. First year trial level costs are estimated to total \$130,000, while succeeding year costs would total \$390,000 annually. The Board also estimates first year start-up costs for the retroactivity portion of the bill to be \$75,000. Using the figure of 1,500 to 1,800 retroactive-eligible inmates, attorneys will spend an average of one hour per case evaluating the inmate's record, preparing the motion for modification, and arguing the motion in court. In summary, the Board estimates FY 1994 costs of \$255,000 and succeeding year costs of \$550,000 from the State General Fund.

Judicial Branch

A. Substitute for S.B. 2211 (Law). The 1993 retirement act makes district magistrate judges eligible for participation in the judges' retirement system. The Judicial Branch estimates that all district magistrate judges currently participating in the Kansas Public Employees' Retirement System (KPRS) will elect to participate in the judges' retirement system. The Judicial Branch estimates an FY 1994 fiscal impact of \$104,748 from the State General Fund based on increasing the retirement rate on the approved accumulative salaries of district magistrate judges (\$2,380,638) from 3.3 percent (\$78,561) to 7.7 percent (\$183,309).

B. Governor's Budget Amendment No. 2, Item 27 – Post-Conviction Non-Prison Sanctions. The Governor recommends the shift of \$375,000 (SGF) in FY 1994 for non-prison sanctions under the Sentencing Guidelines Act from the Department of Corrections to the Judicial Branch. The Governor had recommended this funding as a contingency to cover the costs of reimbursing counties for county jail expenses related to felony non-prison sentences for offenders sentenced to county jails (limited to a maximum sentence of 30 days). The funding was placed in the budget of the Department of Corrections on the assumption that the consolidation of field services would be approved; it now appears that such consolidation will not be implemented by the 1993 Legislature. Since probation services are within the jurisdiction of the Judicial Branch, the Governor recommends the shift of this funding to the Judiciary's budget.

Legislature

A. Substitute for H.B. 2011 (Governor), which primarily concerns community colleges, has one item that could affect the Legislature's budget. The bill creates a 12-member task force comprised of eight legislators and four public members appointed by the legislative leadership. Public members are to be representatives of business and industry who have used community college programs or vocational or technical programs, and employers of graduates of these programs.

The task force is charged with studying the funding of community colleges and the Kansas postsecondary vocational and technical training system, with particular emphasis on community colleges and area vocational schools. The task force is authorized to meet at any time on call of the chairperson and to hold public hearings throughout the state. The first meeting will be on the call of the Chairperson of the Legislative Educational Planning Committee (LEPC).

The task force is required to submit a status report to the LEPC in November, 1993, and a final report and recommendations to the Legislature on or before January 10, 1994. Provisions of Substitute for H.B. 2011 relating to the task force will expire January 15, 1994.

Legislative members of the task force will receive per diem compensation and payment for travel and subsistence. Public members will receive payment for travel and subsistence. Assuming that the task force holds nine two-day meetings in FY 1994, per diem compensation for legislators and travel and subsistence expenses for all members are estimated to total \$32,967. Assuming that the cost to print reports and other materials would be \$1,000, the total estimated cost of the task force would be \$33,967.

All Agencies

A. Governor's Budget Amendment No. 2, Item 8 – Assessment for Annual Leave Payments Upon Retirement. In the Governor's original budget for FY 1994 an amount of \$1,835,867 (\$881,216 from the State General Fund and \$954,651 from all other funds) was included for an assessment (0.14 percent) on salaries and wages to fund annual leave upon retirement. S.B. 56 which would statutorily implement the annual leave payment assessments is currently in the Senate Ways and Means Committee. The Governor recommends that, since the bill has not been approved, the funding be deleted.

Department of Social and Rehabilitation Services

A. Governor's Budget Amendment No. 2, Item 39 – Shift Expenditures from State General Fund to SRS Fee Fund. Based on revised estimates of receipts to the Social Welfare Fund (SRS Fee Fund), the Governor recommends shifting of \$2.2 million in FY 1993 and \$2.3 million in FY 1994 in SRS expenditures from the State General Fund to the SRS Fee Fund. The recommendation would delete State General Fund expenditures for state operations in both fiscal years, and replace those expenditures with Fee Fund dollars. *The Legislature authorized expenditures of \$2.2 million in FY 1993 and \$2.3 million in FY 1994 to fund 39.0 FTE positions in family preservation deleted by the Governor.*

B. Governor's Budget Amendment No. 2, Item 40 – Restore Topeka Screening Unit to Full Capacity. The *FY 1994 Governor's Budget Report*, as amended, reduced the capacity of the Topeka Screening Unit from 30 beds to 15 beds and reduced staffing from 37.0 FTE positions to 23.5 FTE positions in FY 1994. After a program review, Youth Services staff has concluded that the Screening Unit would not be a viable program with a 50 percent reduction in capacity. Therefore, SRS proposes restoring the Screening Unit to full capacity while avoiding the addition of State General Fund dollars. The Governor recommends the restoration of 15 beds and 13.5 FTE positions, to allow SRS to meet standards to allow Title XIX (Medicaid) matching funds for the screening units. The Governor recommends the addition of \$543,434 in federal Medicaid funds in FY 1994. *The Legislature added \$271,500 from the State General Fund to restore the screening unit to full capacity until January 1, 1994; if the Legislature adopts this item, this funding can be deleted.*

C. Governor's Budget Amendment 2, Item 41 – Adjustment in Federal Match Rate for Vocational Rehabilitation. The federal Rehabilitation Act Amendments of 1992 implemented new matching rates for vocational rehabilitation grants to states. Prior to this change in federal law, a two-tier, or "split-match" rate system was used for grants. For some grants, the match rate was higher than the new approved rate; in other cases, the match rate for existing grants was lower than the new rate. The Governor amends her budget based on the net effect of the new rates to add \$106,363 from the State General Fund in FY 1993 and \$158,722 from the State General fund for FY 1994. Adjustments to fee funded expenditures include a \$38,334 increase for FY 1993 and a \$96,398 decrease for FY 1994 to maintain the recommended service level.

D. Governor's Budget Amendment 2, Item 42 – Expansion of KIB Laser Cartridge Project. On January 7, 1993, Kansas Industries for the Blind was awarded a state sole source contract for new and used laser cartridges. In the submitted budget for FY 1993 and FY 1994, SRS projected KIB revenues and expenditures based on the assumption that KIB would provide only recycled laser cartridges to the state, not new cartridges. As a result of the expanded contract, the Governor amends her budget to increase operating expenditures from the Topeka Workshop for the Blind Fee Fund by \$337,284 in FY 1993 and \$573,283 in FY 1994. The increase in the operating expenditure limitation for both years would allow KIB to add 4.0 special project positions and to purchase the materials necessary for the expanded contract.

E. Governor's Budget Amendment 2, Item 43 – No Limit Authority on KVRG Fee Fund. The U.S. Department of Education, Rehabilitation Services Administration, has issued a new directive concerning states' use of vocational rehabilitation fee fund revenues in programs also receiving federal rehabilitation grants. The Rehabilitation Services Program must now expend all fee fund revenues generated by the Kansas Vocational Rehabilitation Center during the federal fiscal year, or a grant amount equal to the fee fund balance must be returned to the federal government. This policy change is meant to prevent states from maximizing federal dollars, while avoiding full use

of state fee fund revenues. In order to avoid a loss of federal funds available for rehabilitation services, the Governor amends her budget to provide a no-limit to the Kansas Vocational Rehabilitation Center Fee Fund in FY 1993 and FY 1994. This action would allow the agency to make full use of the fee fund revenues when receipts exceed original estimates.

F. Governor's Budget Amendment 2, Item 44 -- Increase in Federal Supported Employment Services Grant. SRS received notification on March 9, 1993, that the federal Supported Employment Grant for the Rehabilitation Services Program would be increased for FY 1994. The Governor amends her budget to provide a \$28,364 increase to the federal Vocational Rehabilitation Title IV-C expenditure limitation from \$286,636 to \$315,000 for other assistance expenditures. The agency indicates that the increase in matching funds from the State General Fund can be absorbed.

G. Governor's Budget Amendment 2, Item 45 -- Adjustments to Youth Services Foster Care Caseload. The *FY 1994 Governor's Budget Report*, as amended, included a foster care caseload recommendation of 62,037 person months to be funded in both FY 1993 and FY 1994. The total recommended cost per person month in the program was \$780 for total foster care expenditures of \$48,479,897. The revised FY 1993 and FY 1994 caseloads estimate a total of 59,700 person months in both years, at a revised cost of \$843 per person month for total expenditures of \$50.4 million. The Governor amends her budget to provide the following changes in foster care caseload expenditures: for both FY 1993 and FY 1994, a \$34,965 reduction from the State General Fund, and an All Funds increase of \$2,513,367. This change does not provide an overall increase in total caseloads. The increase in expenditures is due to a higher than expected caseload shift from AFDC foster care to GA foster care, and a higher than expected cost per person month for both types of foster care. The Governor's recommendation would adjust FY 1993 and FY 1994 expenditures based on the agency's FY 1993 estimate. The Legislature did not address foster care caseloads but requested a Governor's Budget Amendment.

H. Governor's Budget Amendment 2, Item 46 -- Adjustments to Youth Services Adoption Support Caseloads. The *FY 1994 Governor's Budget Report*, as amended, provided for 12,000 person months in the Adoption Support program in FY 1993 and 13,680 person months in FY 1994. In both years, expenditures were based on a cost per person month of \$245. In both FY 1993 and FY 1994, the cost has increased above the original estimate to \$251 in FY 1993 and an estimated \$255 in FY 1994. The revised expenditures are based on 12,270 person months in FY 1993 and 13,680 person months in FY 1994. The Governor amends her budget to provide \$91,661 in additional State General Fund dollars, and an All Funds increase of \$139,770 in both fiscal years. As with foster care caseloads, the Governor accepts the FY 1993 agency estimates and carries those estimates forward to FY 1994.

I. Governor's Budget Amendment 2, Item 47 -- Technical Corrections to Appropriations Bill to Reflect Governor's Recommendations. The Governor recommends technical corrections to the following funds in the appropriations bill to correct errors in posting the Governor's recommendation: Juvenile Justice and Delinquency Fund; federal Vocational Rehabilitation Persons Fund; and Kansas Vocational Rehabilitation Center Fee Fund.

J. Governor's Budget Amendment 2, Item 48 -- Funding Realignment and Increase in Child Care Development Block Grant. Since the *FY 1994 Governor's Budget Report* was completed, SRS has reevaluated the distribution of various funds in order to maximize federal grants and minimize the amount of State General Fund match needed for agency programs. As a result of this evaluation, the Governor amends her budget to provide an increase in other assistance funding from the Child Care Development Block Grant (CCDBG) of \$1,448,690 in FY 1993 and \$1,373,367 in FY

1994. The funding realignments necessary to achieve an increase in the federal grant amounts affect many programs, but there is no net change to the State General Fund matching amount as a result of the CCDBG expenditure increase.

K. Governor's Budget Amendment 2, Item 49 – Community Mental Retardation Savings. The Governor amends her budget to delete savings of \$405,007 from the State General Fund (\$974,511 all funds) experienced due to delayed placement of clients from state hospitals and community waiting lists into community mental retardation programs in FY 1993. *The Legislature has already made this adjustment.*

L. Governor's Budget Amendment 2, Item 50 – Federal MMIS Mandates. SRS requests funding of \$1,050,766, including \$177,767 from the State General Fund, for Medicaid Management Information System mandates for FY 1994. The request includes funding for three new program components. The Health Care Financing Administration (HCFA) has required all states and private payers to process a uniform claim form for inpatient hospital services which will be in exclusive use as of January 1, 1994, and will require implementation of new software (\$651,091). HCFA has also mandated that states begin reporting budget projection information in a new format (\$179,675), and HCFA is requiring states to assess interest penalties on drug manufacturers who do not rebate within a specified time (\$220,000). The Governor amends her budget to provide for these enhancements.

M. Governor's Budget Amendment 2, Item 51 – VA Policy Change. The U.S. Veterans Administration has announced that it will no longer pay pensions to surviving spouses in nursing facilities, which will increase the number of Medicaid-eligible clients. The Governor amends her budget to reflect additional Medicaid expenditures of \$686,400 from the State General Fund (\$1,560,000 All Funds) in FY 1994. *The Legislature has already made this adjustment.*

N. Governor's Budget Amendment 2, Item 52 – Income Eligible Child Care Savings. The Governor amends her budget to delete \$2,450,000 from the State General Fund in FY 1993 and \$700,000 in FY 1994 based on projected savings in child care services. *The Legislature has already made this adjustment.*

O. Governor's Budget Amendment 2, Item 53 – Cash Assistance Caseloads. The Governor amends her budget to reflect the agency's March caseload estimates for cash assistance programs. The recommendation includes an increase of \$239,501 from the State General Fund in FY 1993 and a reduction of \$361,028 from the State General Fund in FY 1994. *The Legislature has already made this adjustment.*

P. Governor's Budget Amendment 2, Item 54 – Regular Medical Assistance Caseload. The Governor amends her budget to reflect the agency's March caseload estimates for regular medical assistance. The recommendation includes a reduction of \$3,690,972 in expenditures in FY 1993, including \$551,782 from the State General Fund, and a reduction of \$6,856,071 in expenditures in FY 1994, including \$2,780,959 from the State General Fund. *The Legislature has already made this adjustment.*

Q. Governor's Budget Amendment 2, Item 55 – Adult Care Homes Caseload. SRS requests expenditure changes to reflect a reduction in anticipated nursing home caseloads in FY 1993 and FY 1994, and an increase in nursing home reimbursement rates for FY 1994. For FY 1993, the adjustment includes a reduction of expenditures of \$1,258,385, including \$553,689 from the State General Fund. FY 1994 savings would total \$1.5 million, including \$600,000 from the State General

Fund, for caseload adjustments only made in FY 1993. *The Legislature has already addressed FY 1993 and has reduced FY 1994 expenditures by approximately \$900,000 from the State General Fund.*

R. Governor's Budget Amendment 2, Item 56 – Shift MMIS Expenditures. SRS requests authority to transfer funding for the Medicaid Management Information System of \$1,908,329, including \$258,445 from the State General Fund, from FY 1993 to FY 1994. This shift is necessary to accommodate changes in scheduling of system upgrades. The Governor amends her budget to accomplish this shift.

S. Governor's Budget Amendment 2, Item 57 – GA – KanWork Correction. The Governor amends her budget to delete \$90,530 from the State General Fund in FY 1993 in expenditures for the General Assistance KanWork program due to a data entry error.

T. Governor's Budget Amendment 2, Item 58 – Shift Topeka State Hospital Rental Property Rehabilitation and Repair Fund to the Department of Social and Rehabilitation Services. The Governor amends her budget to transfer \$135,788 from the Topeka State Hospital Rental Property Rehabilitation and Repair Fund in FY 1994 to the Department of Social and Rehabilitation Services' Rehabilitation and Repair -- State Complex West Fund. The Department rents office space on the Topeka State campus and remits a monthly \$2 per square foot fee to the hospital to provide repair and maintenance to the State Complex West Buildings. The agency is requesting that the fee be shifted from the hospital to the Department so that proceeds can be matched with federal funds. As a result, SRS estimates that an additional \$183,713 in federal matching funds would be generated for the capital improvement fund.

U. Governor's Budget Amendment 2, Item 59 – Substance Abuse Treatment Capacity Expansion – Federal Grant. The Governor amends her budget to provide federal grants to expand the treatment capacity of substance abuse centers in Kansas City, Wichita, and Topeka. The funding is part of a three-year program to improve substance abuse treatment services and would be matched with funding from local units of government. The Governor recommends additional federal funding of \$306,742 in FY 1993 and FY 1994.

V. Governor's Budget Amendment 2, Item 60 – Community Youth Block Grant. The Governor amends her budget to decrease the federal Community Youth Block grant in Alcohol and Drug Abuse Services by \$91,996 in FY 1994. The prevention grant was not refunded by Congress for FY 1994.

W. S.B. 119 (Governor) directs the Secretary of Social and Rehabilitation Services to contract for a managed care pilot project to be conducted during fiscal year 1995 in Sedgwick County and in another county having a population of less than 100,000 specified by the Secretary and a task force established by the bill.

During consideration of the SRS budget, the House Appropriations and Senate Ways and Means Subcommittees recommended that administrative costs of planning and implementing a managed care system be funded through savings from conversion of three specialty hospitals to the DRG (Diagnosis Related Grouping) reimbursement system. Further, the Conference Committee on H.B. 2047 (SRS budget) recommended that in addition to the two projects delineated in S.B. 119, the Secretary establish a managed care project in conjunction with the University of Kansas Medical Center.

The agency states that planning for conversion from a fee-for-service to a managed care system involves major systemic changes over a multi-year period. Conversion to a managed care system involves policy development, waiver authority, provider contracting, automation enhancements, and actuarial work. The agency estimates that 8.0 FTE positions will be necessary to plan for and implement the managed care projects. The estimate includes funding for a Social Service Administrator (SSA) IV, a Management Analyst IV, two SSA IIs, an SSA I, a Secretary II, and two Office Assistant IIs. The agency requests state operations authority for the new staffing and OOE expenses. The request would shift State General Fund dollars of \$468,633 approved in the medical assistance budget (\$1,148,188 all funds) to state operations in FY 1994 and would authorize the expenditure of additional federal matching funds primarily associated with modifications to the Medicaid Management Information System.

X. Technical Adjustments. There are technical adjustments necessary to several accounts in H.B. 2087, the FY 1993 supplemental bill, and H.B. 2047, the FY 1994 SRS appropriations bill, in order to correct bill posting errors and accurately reflect the Governor's recommendation and legislative adjustments.

Real Estate Commission; Real Estate Appraisal Board

A. S.B. 269 (Governor) creates the Kansas Real Estate Appraisal Board as an independent state agency, as of October 1, 1993. The bill authorizes the independent Board to appoint a director prior to October 1, who will be in the unclassified service, and other employees as necessary, who will be in the classified service. No major changes are made to the existing Board's general powers and duties as they relate to licensing and certifying real estate appraisers. When the Board was created in 1990, the Legislature placed the Board within the Real Estate Commission for administrative purposes. However, the Board has been independent in the sense that actions taken with regard to the certification of real estate appraisers are not reviewed by the Real Estate Commission and the Real Estate Commission has no jurisdiction over real estate appraisers.

The House Appropriations and Senate Ways and Means Subcommittees reviewing the budget of the Real Estate Commission were informed that additional staffing and operating support would be necessary for the Appraisal Board even if legislation to formally separate the two functions was not enacted, and both subcommittees recommended review during the Omnibus Session.

At the present time, the Real Estate Appraisal Board has no employees of its own. The Real Estate Commission, which currently has 15 FTE positions, assigns its staff to assist the Board in its duties. For purposes of the budget, the Commission pays the salaries of one of its clerical employees and part of an administrative position (0.3 FTE) from fees collected by the Real Estate Appraisal Board. The approved budget for the Real Estate Commission for FY 1994 includes \$73,385 from the Appraiser Fee Fund, which consists of the salaries of the 1.3 FTE positions and office expenses such as travel, equipment, and rent that can be attributed to the Appraisal Board.

The Appraisal Board estimates that expenditures for the independent Appraisal Board would increase by \$38,158 in FY 1994, beyond the level approved for appraisal operations in the Real Estate Commission for a total budget of \$111,543 in FY 1994. This increase includes \$16,724 in salaries, \$13,462 in other operating expenditures, and \$7,972 in one-time capital outlay expenses. This would provide funding for a total of 2.0 FTE positions, including a director, to be hired July 1, and a full-time clerical position. The Real Estate Commission estimates that it will incur additional

expenditures of \$31,492 in FY 1994, based on expenditures currently charged to the Appraiser Fee Fund.

Commission on Governmental Standards

A. Alternate Funding Sources for Operating Costs. The House asked to review for the Omnibus Bill alternate sources of financing to cover its prior recommendation of \$24,471 from fee funds in FY 1994 for the continued employment of two special projects positions (\$18,205) and for the purchase of computer equipment (\$6,266). The recommended \$24,471, deleted during conference on the 1994 appropriations bill, was to come from new revenues generated from increasing fees paid to the Commission (H.B. 2531). The legislation to increase fees was pending when conference on the 1994 appropriations bill was completed. Currently, H.B. 2531 continues to be located in the Senate Committee on Elections, Congressional and Legislative Apportionment and Governmental Standards.

Department of Health and Environment

A. New Initiative for Women's Health Program. Because of concerns about beginning new initiatives when current revenues are limited, the House deleted \$67,040 from the Sponsored Project Overhead Fund that was recommended by the Governor for a Women's Health program in FY 1994. However, the House asked that further consideration be given to funding this item in the Omnibus Bill since it is a preventive health care measure. The initiative provides for an expansion of the Department's existing Family Planning program by paying for pap smears and follow-up services for women of all age groups. Currently, the targeted population for the Family Planning program is those who have reached puberty and are in need of family planning services, particularly those at or below 150 percent of the poverty level.

B. Technical Adjustment. A technical adjustment should be made for both FY 1993 and FY 1994 to make the name of a fund correspond to the statutory citation (subsection a of K.S.A. 49-428) for the fund. (This requires language in the bill to abolish the old fund and transfer all of its liabilities to the correctly named Abandoned Mined-Land Fund.)

C. House Bill 2008 (Law). H.B. 2008 requires the Department of Health and Environment to collect a surcharge for death certificate copies (\$3 for the first copy and \$1 for each additional copy). According to the Department, 314 funeral homes, 340 hospitals, 105 county clerks, and hundreds of city offices as well as the general public need to be notified of the change. Modifications also must be made to certificate request forms and to the applicable computer software program. The Department requests \$16,050 in FY 1994 from the State General Fund to provide for the change (\$11,150 for communications, \$1,600 for printing, \$1,000 for professional fees, and \$2,300 for office supplies).

The bill further creates a fund called the District Coroners Fund. Part of the moneys collected from death certificate fees (the same amount as the new surcharges being imposed) are to be credited to this fund. Receipts are anticipated at \$220,000 annually. Moneys in the new fund are to be distributed to each county based on the number of recorded deaths in the county during the previous year and are to be used to help pay for district coroner expenses. No moneys are requested by the Department to administer this new fund.

D. H.B. 2538 (Conference). The House version of the bill would establish new procedures for state agencies to follow prior to the acquisition of data processing and telecommunications hardware, software, and services. The bill would require state agencies to prepare needs analyses that must be approved by the Department of Administration. Further, if the estimated cost of an acquisition is greater than \$25,000 for any fiscal year or \$100,000 for the entire acquisition, state agencies would be required to submit budget estimates and needs analyses information to the Joint Committee on Computers and Telecommunications.

The Senate version of the bill would require just the development of a comprehensive plan for the data processing needs of Regents institutions. Most of the subject matter of the bill as passed by the House was deleted by the Senate Committee on Ways and Means and referred to the Joint Committee on Computers and Telecommunications for further study.

According to the Department, the House version of the bill would have a fiscal impact of \$44,107 in FY 1994. The Department requests the \$44,107 from the State General Fund to hire a Computer Analyst III who would assist all programs within the agency in meeting the requirements of the bill (\$36,478 for salary and \$7,629 for associated other operating costs).

E. Governor's Budget Amendment No. 2, Item 80 – Increase in Expenditure Authority. The Governor recommends an expenditure limitation increase in FY 1993 for the Chapter I, Part H--federal fund (from \$250,000 to \$300,000). The agency reports that its federal allocation will increase by \$50,000 and that the additional moneys will be used to pay for more contractual professional services for newborn to two year old children who have disabilities (Infant and Toddler program). (Further information provided by the Department indicates that additional moneys of \$100,000 also may be received for FY 1994 (from \$250,000 to \$350,000).

F. Governor's Budget Amendment No. 2, Item 81 – Executive Directive No. 93-195. The Governor recommends federal fund expenditures of \$258,128 in FY 1994 to continue to provide for an Office of Primary and Secondary Disabilities. Funding for the Office was recently approved by the Governor through Executive Directive No. 93-195. The Governor has already established a "no limit" fund and approved expenditures of \$165,794 in the current year for the Office. (New information from the Department indicates that current year expenditures may be only \$74,219 instead of the \$165,794 approved by the Governor.)

The Office is to develop and expand data collection systems and to implement community intervention projects with regard to disabilities due to injury (focusing on head and spinal cord injuries), developmental disabilities (focusing on fetal alcohol syndrome), and disabilities due to secondary conditions (focusing on such conditions as skin breakdown with spina bifida). Federal moneys for the Office are anticipated for the next four years.

Of the recommended moneys for FY 1994, \$126,782 would be used to provide for continued employment of four special projects positions (Program Administrator, Disabilities Prevention Specialist, Epidemiologist, and Secretary II) and \$91,346 would be used for other operating expenses (\$6,586 for communications, \$2,100 for printing, \$10,000 for rent, \$14,360 for travel, \$42,000 for consultant fees, \$6,300 for office supplies, and \$10,000 for capital outlay). Also, \$40,000 would be used to implement a grant program to local communities (including local health departments and nonprofit organizations) for intervention projects like a project to increase the use of automobile seat belts and child seat restraints or a project to increase the use of bicycle helmets.

G. Governor's Budget Amendment No. 2, Item 82 – Federal Maternal and Child Health Block Grant. Because of a change in the federal allocation to Kansas with regard to the Maternal and Child Health Block Grant, the Governor recommends for FY 1993 an expenditure limitation increase of \$111,330 over the original budget for state operating expenditures of the federal Maternal and Child Health Block Grant Fund. The moneys are to be used for an updated statewide assessment of services needed, for consultation on computerizing data, and for an increase in rates to service providers. *The 1993 Legislature has already approved these expenditures for the current year.*

The Governor further recommends that, for FY 1994, all balances from remaining anticipated additional receipts (\$222,560) be used to finance the Department's budget instead of using money from the State General Fund.

H. Governor's Budget Amendment No. 2, Item 83 – Federal Grant Funds to Repay Loans of Qualified Medical Providers. The Governor recommends new federal grant expenditures of \$270,000 for FY 1993. The Department has received a federal grant to be used to repay outstanding student loans of fully qualified medical providers (physicians, nurse practitioners, and physician assistants) who are willing to practice in medically underserved areas of the state. The federal grant program requires a state match of \$1.25 for each \$1 of federal funds. In order to meet the match requirement, the Department plans to enter into contracts with respective local communities and medical providers so that all of the required match is provided by the local community. The Department reports that the grant program is ongoing and that an increase in federal funding is anticipated for future years (at least \$270,000 for FY 1994).

I. Governor's Budget Amendment No. 2, Item 84 – H.B. 2429 (Law). The bill allows the Adjutant General to collect new fees from producers of nuclear energy to pay for costs of state and local emergency preparedness response programs. Fees are to be assessed annually so that only the amount of appropriated expenditures for that fiscal year are collected. All entities wishing to receive payment for emergency preparedness response program expenses must submit a budget request to the Adjutant General each fiscal year.

The Governor assumes that moneys will be approved by the Adjutant General for the Department in FY 1994 and recommends that \$115,824 from fees be used instead of money from the State General Fund to finance the Department's budget. (Based on information from the Department, approximately \$500,000 in fee receipts are anticipated for FY 1994).

J. Governor's Budget Amendment No. 2, Item 85 – State Water Plan Fund. The Governor's original budget had a carry-forward balance from FY 1994 to FY 1995 of \$385,854 in the Water Plan Fund. The 1993 Legislature expended \$50,000 of the moneys. To provide for an anticipated ending balance of \$0, the Governor now recommends that the recommended transfer for FY 1994 to the Department's State Water Plan Fund be reduced by the amount remaining (\$335,854).

K. Governor's Budget Amendment No. 2, Item 86 – Technical Correction. For FY 1994, the Governor recommends \$28,160 from the State General Fund to correctly finance the staffing level in the Bureau of Disease Control. The Governor's original recommendation deleted funding for a new special projects position from the State General Fund instead of from requested federal funds. (Subsequent to the Governor's original recommendation, the Legislature deleted the federal funds (\$41,455) associated with the new special projects position because the Department reported that federal funding for the position was no longer anticipated.)

L. Governor's Budget Amendment No. 2, Item 87 – Federal Highway Safety Fund. The Governor recommends that \$212,400 from the federal Highway Safety Fund which was originally recommended for FY 1994 be shifted to FY 1993. The federal grant already has been received by the Department. *Using the Department's estimate for anticipated expenditures in the current year, the Legislature already shifted \$209,400 of the federal grant fund expenditures from FY 1994 to the current year. The moneys are to be used for purchasing capital outlay equipment (\$207,900 for breath alcohol instruments for local law enforcement units) and for travel expenses to send staff to a training seminar to learn how to properly use the equipment (\$1,500).*

State Bank Commissioner

A. Senate Bill No. 58 (Law). The bill transfers, as of June 19, 1993, all powers, duties, and functions of the Savings and Loan Department to the office of the State Bank Commissioner, including the balances of all funds appropriated for the Savings and Loan Department. (Funding approved for FY 1994 by the 1993 Legislature (\$107,175) for the Savings and Loan Department was vetoed by the Governor.) The fiscal impact of the legislation for the Bank Commissioner is unknown. A representative from the office of the Bank Commissioner says that an accurate assessment of the costs that will be incurred in FY 1994 for the new responsibilities can be done only after receipt and review of all records and materials from the Savings and Loan Department.

Based upon information from the Savings and Loan Department, the current year ending balance for its fee fund will be less than \$2,500. One or two state chartered savings and loan institutions are expected to continue to exist in FY 1994. In recent years, federal examinations have been accepted in place of state examinations for these two institutions.

B. Governor's Budget Amendment No. 2, Item 7 – Reclassification of Financial Examiners. The Governor recommends \$193,779 from fees funds in FY 1994 to provide for additional salary increases for the agency's classified Financial Examiners. Of the recommended amount, \$135,100 is to be used for a step-to-step reclassification. This will allow employees being reclassified to receive salary increases greater than 2.5 percent. In the Governor's original budget recommendation, the salary increases of the employees to be reclassified was limited to approximately 2.5 percent each.

The Governor recommends the additional funding because of the need to retain experienced staff within the agency. Concerns about the loss of the agency's most experienced staff were raised during legislative review of the budget. The Legislature approved additional funding for the reclassification of the agency's Financial Examiners. However, because then existing executive policies for these classified employees prevented use of the moneys, the Legislature made use of the funds contingent upon passage of legislation which would move the now classified Financial Examiners into the unclassified service. (The bill which would unclassify these positions, S.B. 424, is in the Senate Financial Institutions and Insurance Committee.)

The additional amount recommended by the Governor (\$135,100) corresponds to amounts added by the Legislature to reclassify the Financial Examiners. The remaining moneys (\$58,679) being recommended by the Governor would restore funding to provide for a turnover savings rate of approximately 3.0 percent instead of the Governor's original proposed 5.0 percent.

Department of Administration

A. Governor's Budget Amendment No. 2, Item 9 – Executive Aircraft Engine Overhaul. For FY 1993 the Governor recommended and the Legislature approved \$303,725 from the State General Fund to overhaul both engines of the executive aircraft. Because the work needed on one engine was more extensive than had been anticipated, the cost of the overhaul increased to \$334,646, or \$30,921 more than has been appropriated. The Governor recommends an additional \$30,921 from the State General Fund in FY 1993 for the engine overhaul.

B. Governor's Budget Amendment No. 2, Item 10 – S.B. 54 (Law) establishes the **Federal Cash Management Fund** in the state treasury for the purposes of providing payment of the interest due to the federal government under the provisions of the federal Cash Management Improvement Act of 1990. The Department estimates that, under the federal act, the state could owe \$1,500,000 in interest payments to the federal government in FY 1994; however, the amount of interest due can only be estimated at this time. The Department of Administration requests and the Governor recommends a no limit appropriation for the fund in FY 1994.

C. Governor's Budget Amendment No. 2, Item 11 – Architectural Services Recovery Fund. The Governor recommends an expenditure limitation increase of \$46,217 on the Architectural Services Recovery Fund in FY 1993. The Division of Architectural Services has found a greater than anticipated need for the services of the "on call" structural engineer under contract with the Division, and the recommended funding would pay for those services.

D. Governor's Budget Amendment No. 2, Item 12 – Snow Removal. The Governor recommends an expenditure limitation increase of \$8,115 on the Building and Grounds Fund in FY 1993 to pay for snow removal services. The Division of Facilities Management budget annually includes an amount for snow removal based on experience in previous years. However, the greater than average snowfall experienced in FY 1993 caused expenditures to exceed budgeted amounts.

E. Joint Committee on State Building Construction – Energy Conservation Project. The Joint Committee on State Building Construction recommends the addition of language authorizing the Director of Accounts and Reports to transfer in FY 1994 an amount certified by the Director of Architectural Services (estimated to be \$271,000) from the Energy Conservation Improvements Fund of the Department of Administration to the Board of Trustees of Wichita State University. This amount would finance energy conservation improvements to the Elliott Communications Center under the State Energy Conservation Improvements Program in FY 1994.

F. Joint Committee on Computers and Telecommunications (JCCT) and Conference Committee on S.B. 41 – Personnel/Payroll System. The Governor's FY 1994 recommendation for the Department of Administration included \$500,000 (\$400,000 SGF and \$100,000 Accounting Services Recovery Fund) to begin implementation of a portion of a new personnel/payroll system. Subsequent to the Governor's recommendation, the Department of Administration received a consultant's study, which included five alternatives for the state's personnel/payroll system. The alternative recommended by the consultants includes a total five year cost of \$15,586,296, as noted below.

<u>Cost Component</u>	<u>FY 1994</u>	<u>FY 1995</u>	<u>FY 1996</u>	<u>FY 1997</u>	<u>FY 1998</u>
Hardware/Shared Resources	\$ 189,900	\$ 464,250	\$ 1,114,113	\$ 1,187,575	\$ 1,192,659
Software	701,200	115,600	119,300	123,000	126,900
Systems Support and Indirect Cost	38,000	0	0	0	0
System Development and Installation	<u>4,096,800</u>	<u>4,674,100</u>	<u>1,442,900</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$ 5,025,900</u>	<u>\$ 5,253,950</u>	<u>\$ 2,676,313</u>	<u>\$ 1,310,575</u>	<u>\$ 1,319,559</u>

TOTAL FIVE YEAR HARD COST: \$15,586,296

In the absence of a funding source for the remainder of the implementation costs, the Senate Subcommittee deleted the \$400,000 SGF. The Subcommittee stated that this action did not indicate a lack of support for a phase-out of the current KIPPS (Kansas Integrated Personnel and Payroll System) system, and recommended that this item be reviewed by both the House and JCCT. The House Subcommittee restored the \$400,000 SGF to the agency budget, but the funding was again deleted by the House Committee of the Whole. The Conference Committee on S.B. 41 (Department of Administration appropriations) recommended that this issue be considered as an Omnibus item. The Joint Committee on Computers and Telecommunications subsequently approved the personnel/payroll project and also recommended that the funding issue be reviewed as an Omnibus item.

The Secretary of Administration notes that some Regents institutions have indicated willingness to participate in the payroll/personnel system and would share some portion of the system's cost.

G. Sub. H.B. 2354 (Governor) would amend current workers compensation law. The Department of Administration estimates that, to implement the provisions of the bill in FY 1994, expenditures from the no limit Workers Compensation Self-Insurance Fund would increase by \$384,197 and that 8.0 FTE positions would need to be added to the agency budget. Of the total, \$320,155 (\$215,005 for 7.0 FTE Claims Adjuster positions, \$52,607 for capital outlay, and \$52,743 for OOE) would be for fraud and abuse avoidance and \$64,042 (\$41,141 for 1.0 FTE Personnel Management Specialist position, \$7,486 for capital outlay, and \$15,415 for OOE) would be for workplace safety seminars and training activities.

H. S.B. 307 (Conference) would establish a workplace health and safety program for state agencies. House amendments specify that the program shall include, but not be limited to, the following: workplace health and safety hazard surveys in all state agencies, including on-site interviews with employees; workplace health and safety hazard prevention services, including inspection and consultation services; procedures for identifying and controlling workplace hazards; development and dissemination of health and safety informational materials, plans, rules, and work procedures; and training for supervisors and employees in healthful and safe work practices.

The program would be funded from the no-limit Workers Compensation Self-Insurance Fund. The Department of Administration estimates that, under either the House or Senate version of the bill, an additional 4.0 FTE positions would be needed to provide training, consultation, and analysis of accident causes. These include a 1.0 FTE Personnel Management Specialist IV (\$45,374 including fringe benefits), 2.0 Industrial Hygienist II positions (\$74,650 including fringe benefits), and

1.0 FTE Office Assistant IV (\$22,925 including fringe benefits). Estimated salaries total \$142,949. Other operating expenditures are estimated to be \$55,371 and one-time capital outlay expenditures are estimated to be \$29,949, for a total FY 1994 estimated cost of \$228,269.

I. Sub. H.B. 2538 (Conference) concerns the data processing needs of state agencies. The Senate version of the bill would amend current law to require that the Division of Information Systems and Communications (DISC) prepare, maintain, and present to the Joint Committee on Computers and Telecommunications (JCCT) a comprehensive plan for the data processing needs of state agencies, including Regents institutions. Among other provisions, the House version of the bill would require state agencies, with the exception of Regents institutions, to submit budget estimates and needs analyses to JCCT prior to the acquisition of any data processing or telecommunications hardware, software, or services if the estimated cost of the acquisition is greater than \$25,000 for any fiscal year or \$100,000 for the entire acquisition. DISC would prepare and maintain a comprehensive state information technology plan, to be approved by the Secretary of Administration and transmitted to JCCT.

The Department estimates that, under the Senate version of the bill, it would need to add a 1.0 FTE Policy and Systems Analyst position at a cost of \$47,649. Associated capital outlay would cost approximately \$400, and other associated costs would be absorbed within the approved DISC budget for a total FY 1994 cost of \$48,049. Under the House version of the bill, the agency estimates increased expenditures of \$390,990, including \$319,648 for 7.0 FTE Policy and Systems Analyst positions and \$43,842 for 2.0 FTE clerical positions. In addition, capital outlay expenditures of \$22,500 and travel costs of \$5,000 are estimated. All expenditures would be from the non-reportable Information Technology Reserve Fund and would be derived from fees paid by other state agencies for DISC services.

Kansas Commission on Veterans Affairs

Technical Adjustment – FTE Limitation. A technical adjustment is necessary to reflect the FTE limitation approved for the agency.

Mental Health Hospitals

A. Governor's Budget Amendment No. 2, Item 61 – Topeka State Hospital Patient Benefit Fund. The Governor recommends that the FY 1994 transfer from the agency Canteen Fund to the Patient Benefit Fund be increased from \$6,000 to \$12,000. The agency states that profits from the hospital coffee shop would enable the hospital to transfer more money to the Patient Benefit Fund than had been anticipated. Each of the larger institutions transfers funds from the Canteen Fund (revenues from coffee shop operations and vending machines used by patients) to the Patient Benefit Fund. The institutional Patient Benefit Funds are used to fund patient activities, such as trips, ward activities, parties, and other items of benefit to groups of patients.

B. Governor's Budget Amendment No. 2, Item 62 – Topeka State Hospital Pharmacy Items. The Governor recommends FY 1994 funding of \$75,435 from the Topeka State Hospital Fee Fund to purchase equipment which would be used to establish a unit dose drug distribution system. *The Legislature has already approved funding for this item by transferring \$75,435 from the SRS Contingency Fund (retroactive disproportionate share funds) to the Topeka State Hospital Fee Fund.*

C. **Governor's Budget Amendment No. 2, Item 58 – Topeka State Hospital Rental Property and Rehabilitation Fund.** The Governor recommends transferring \$135,788 from the Topeka State Hospital Rental Property Rehabilitation and Repair Fund to the Department of Social and Rehabilitation Services' Rehabilitation and Repair -- State Complex West Fund in FY 1994. SRS rents office space on the Topeka State campus and remits a monthly \$2 per square foot fee to the hospital to provide repair and maintenance to the State Complex West buildings. SRS estimates that an additional \$183,713 in federal matching funds would be generated for the capital improvement fund because the fund expenditures can be matched with federal funds.

D. **School Contract Issues.**

1. **Teacher Salary Increases.** The amounts recommended by the Governor and approved by the 1993 Legislature for the school contracts at each of the mental health hospitals include no amounts for teacher salary increases. The following percentage increases were requested by the hospitals for teacher salary increases for the 1993-1994 school year: Larned, 4.0 percent, or \$52,999; Osawatomie, 4.0 percent, or \$30,882; Rainbow, 6.0 percent, or \$45,674; and Topeka, 3.0 percent, or \$22,950. All increases would be financed from the State General fund in FY 1994.

2. **Categorical Aid.** The amounts budgeted for each of the hospital school contracts for the 1993-1994 school year include categorical aid funding based on a rate of \$19,193 per eligible teaching unit, with the exception of Topeka State, which used a rate of \$18,000 for the regular school program and a rate of \$19,193 for the summer school program. The Department of Education estimates that categorical aid reimbursement approved by the 1993 Legislature will result in a rate of \$17,810 per eligible unit, or \$1,383 less per eligible unit than the amount included in the agency budgets for FY 1994. The chart below notes the amounts of categorical aid included in the agency budgets, the numbers of eligible teaching units, and the deficit amount resulting in each budget from the revised categorical aid amount.

Agency	Total Cat. Aid Budgeted (at \$19,193 per unit)	Eligible Teaching Units	Total Amount Estimated at \$17,810 per unit	Budget Deficit
Larned	\$ 200,951	10.47	\$ 186,471	\$ 14,480
Osawatomie	257,186	13.4	238,654	18,532
Rainbow	365,988	19.07	339,637	26,351
Topeka*				19,372
TOTAL				\$ 78,735

- * The Capital City School at Topeka State serves students from the hospital and from U.S.D. 501. The Topeka State share of the total cost is calculated by computing the total cost of the school, deducting categorical aid, dividing the net program cost by the total number of full time equivalent students from the hospital and U.S.D. 501 to arrive at a per student rate, and then multiplying the rate by the number of Topeka State students.

E. Technical Adjustment -- Transfers from the SRS Social Service Contingency Fund. To reflect the correct date of transfers approved from the SRS Social Service Contingency Fund to the Larned State Hospital and Topeka State Hospital Fee Funds in FY 1994, a technical adjustment would need to be made.

State Mental Retardation Hospitals -- Systemwide Issues

A. Categorical Aid. The budgeted school contracts for each of the hospitals include categorical aid based on a rate of \$19,193 per eligible teaching unit. The chart that follows shows the total categorical aid amount included in each hospital budget request for FY 1994 and the number of eligible teaching units.

Hospital	Teaching Units	Total
KNI	31.452	\$ 603,655
Parsons	29.560	567,338
Winfield	28.416	545,391

A categorical aid amount was not included in the Governor's recommended budgets for the hospitals. The Senate and House Committees generally defer consideration of this item pending approval of the Department of Education budget. Currently, the categorical-aid rate per eligible teaching unit is \$17,810. If this rate is maintained, all hospitals would require additions from the State General Fund in order for their school contracts to be funded fully. The necessary additions are shown in the following table.

Hospital	Total
KNI	\$ 43,495
Parsons	40,875
Winfield	39,302

B. Teacher Salary Increases. The amounts recommended by the Governor for FY 1994 school contracts include nothing for teacher salary increases. The Legislature traditionally defers consideration of this item until the Omnibus session. The following table shows the amount of State General Fund moneys needed to fund teachers salary increases of varying size.

Percentage Increase	KNI	Parsons	Winfield	TOTAL
2.0 Percent	\$ 35,440	\$ 23,144	\$ (72,194)	\$ (13,610)
2.5 Percent	41,947	28,930	(45,365)	25,512
3.0 Percent	48,453	34,716	(17,999)	65,170
3.5 Percent	54,963	40,502	9,914	105,379
4.0 Percent	61,474	46,288	38,385	146,147

4.5 Percent	67,982	52,074	67,425	187,481
5.0 Percent	74,493	57,860	97,047	229,400
5.5 Percent	80,999	63,646	127,261	271,906
6.0 Percent	87,511	69,432	158,079	315,022
6.5 Percent	94,103	75,218	189,513	358,834
7.0 Percent	100,526	81,004	221,513	403,043

Winfield State Hospital and Training Center

A. Governor's Budget Amendment No. 2, Item 63 – Reduction in Trainee and Temporary Positions. The House Appropriations Subcommittee for the Mental Retardation Institutions expressed concern over the number of trainee positions at Winfield State Hospital in comparison to the other State Hospitals. Citing legislative concerns on the issue, the Governor recommends decreasing Winfield's FY 1994 budget by \$309,518 from the State General Fund (\$631,670 all funds). The reduction would eliminate funding for temporary positions in administrative and support areas, and would halve the number of budgeted trainee positions, effecting a decrease from 63.0 to 31.5 positions.

Fund	FY 1994
State General Fund	\$ (309,518)
All Other Funds	(322,152)
Total	<u>\$ (631,670)</u>

B. Governor's Budget Amendment No. 2, Item 64 – Shift in Expenditures from the State General Fund to the Winfield State Hospital and Training Center Fee Fund. Because of higher-than-expected receipts into the Hospital's Fee Fund, and because the Governor believes that fee fund reserves in the FY 1994 recommended budget are "more than adequate," the Governor proposes to shift \$242,618 in FY 1994 Hospital expenditures from the State General Fund to the Hospital's Fee Fund.

Fund	FY 1994
State General Fund	\$ (242,618)
All Other Funds	242,618
Total	<u>\$ --</u>

Kansas Highway Patrol

A. Governor's Budget Amendment No. 2, Item 15 – Vehicle Replacement. The Governor, in her FY 1994 budget recommendation, recommended \$1,376,160 from the State General Fund for the replacement of patrol vehicles. This amount was reduced by \$75,000 during the regular session, to \$1,301,160. Also during the session, the Legislature passed 1993 S.B. 212, which provides

(beginning in FY 1994) for an increase in certificate-of-title fees from \$3.50 to \$7.00; that increase will remain in effect until FY 1997, when it will drop to \$4.50. The revenue from the fee increase will flow into a Kansas Highway Patrol Motor Vehicle Fund, which may be used only for replacement patrol vehicles for the Patrol. Revenues from the sale of retired patrol vehicles, which currently flow into the Highway Patrol's General Fees Fund, will also flow into the new fund. The Governor signed the bill on April 15, 1993. In light of this, the Governor recommends that General Fund moneys for the replacement of patrol vehicles in FY 1994 be lapsed, and replaced with a line-item appropriation from the Kansas Highway Patrol Motor Vehicle Fund. She also recommends that an anticipated shortfall of \$150,000 in the General Fees Fund, caused by the re-direction of revenue from the sale of used patrol vehicles, be made up by an appropriation from the State General Fund.

Fund	FY 1994
State General Fund	\$ (1,151,160)
All Other Funds	1,151,160
Total	<u>\$ --</u>

B. Governor's Budget Amendment No. 2, Item 16 -- Motor Carrier Inspection Troop. In her FY 1994 budget recommendation, the Governor recommended, based on the shrinkage rates over the past several years, a shrinkage rate of 10 percent for the Motor Carrier Inspection Troop. The Highway Patrol expressed concern over this to legislative subcommittees, but did not ask the subcommittees to amend the budget. The Governor's Budget Amendment recommends lowering the shrinkage rate for the Troop for FY 1994 to 6 percent, since FY 1993 shrinkage-to-date has been considerably lower than in the past. This amendment will require adding \$204,331 from the Motor Carrier Inspection Fund, and the transfer of a like amount from the State Highway Fund to the Motor Carrier Inspection Fund.

Kansas Bureau of Investigation

A. H.B. 2355 (Governor). 1993 H.B. 2355 lowers from .10 percent to .08 percent the level of blood alcohol required to presume intoxication for the purposes of arrest and prosecution for operating a vessel or vehicle under the influence of alcohol, and makes other changes to the state's drunk-driving statute. The Kansas Bureau of Investigation reports that it anticipates a 20 percent increase in the workload of its Toxicology Section -- which provides laboratory services to law-enforcement agencies across the state in DUI-related cases -- as a result of the bill, and that it anticipates additional FY 1994 expenses of \$137,489 (from the State General Fund) if the bill is signed into law by the Governor. Those expenses are summarized in the following table.

Item	Amount
Additional Criminalist I Position	\$ 31,489
Support Expenses	16,000
Additional Analytical Equipment	88,000
Additional Office Furniture and Equipment	2,000
TOTAL	<u>\$ 137,489</u>

Board of Veterinary Examiners

A. 1993 H.B. 2107 (Law). 1993 H.B. 2107 makes modifications and additions to the Kansas Veterinary Practice Act. The bill expands the membership of the Board of Veterinary Examiners from five to seven people, and shifts administrative responsibilities from the secretary-treasurer to an executive director. Additionally, the bill expands the Board's power in regulating the practice of veterinary medicine. The Board also is given investigative powers in cases of alleged violations of Kansas veterinary practice law. The Board is authorized to adopt rules and regulations in order to implement the Kansas Veterinary Practice Act, and especially to establish minimum standards for veterinary practice. The Board's fee schedule was modified, and other changes are made to previous law governing veterinary practice in the state. The Board estimates that it will require an additional \$8,122 from the Veterinary Examiners' Fee Fund in FY 1994 in order to implement H.B. 2107: \$6,982 would be for postage and printing expenses, and \$1,140 would be for per diem expenses for the Board's two new members. The Board estimates that the additional income that will be generated by fines and registration fees for veterinary practices will more than cover the additional expenses; the addition, therefore, should not have a negative effect on the ending balance of the Veterinary Practice Fee Fund.

Public Broadcasting Commission

A. S.B. 350 (Governor). 1993 S.B. 350 replaces the Public Broadcasting Commission with the Public Broadcasting Council. If the bill is signed by the Governor, FY 1994 moneys appropriated to the Commission in 1993 H.B. 2064 (\$630,298 from the State General Fund and \$424,573 from the EDIF) will need to be transferred to the Council, and operating funding for the Commission (\$6,512 from the State General Fund) lapsed.

Department of Corrections

A. Governor's Budget Amendment No. 2, Item 27 -- Post-Conviction Non-Prison Sanctions. The Governor recommends the shift of \$375,000 (SGF) in FY 1994 for non-prison sanctions under the Sentencing Guidelines Act from the Department of Corrections to the Judicial Branch. The Governor had recommended this funding as a contingency to cover the costs of reimbursing counties for county jail expenses related to felony non-prison sentences for offenders sentenced to county jails (limited to a maximum sentence of 30 days). The funding was placed in the budget of the Department of Corrections on the assumption that the consolidation of field services would be approved; it now appears that such consolidation will not be implemented by the 1993 Legislature. Since probation services are within the jurisdiction of the Judicial Branch, the Governor recommends the shift of this funding to the Judiciary's budget.

B. Governor's Budget Amendment No. 2, Item 28 -- Local Jail Costs. The Governor recommends the addition of \$70,000 (SGF) in FY 1994 to pay for estimated increased expenditures to house parole violators in county jails. K.S.A. 19-1930 requires that the state pay local jails for the costs of housing parole violators until they are returned to a state facility. The FY 1994 budget currently contains \$330,000 for this purpose; the Governor's recommendation would provide a total of \$400,000, which is the same as the Department's estimate for FY 1993. Actual expenditures were \$313,027 in FY 1992; \$287,849 in FY 1991; and \$450,239 in FY 1990.

C. Governor's Budget Amendment No. 2, Item 29 – Community Corrections Grants Savings. The Governor recommends the lapse of \$178,473 (SGF) in FY 1993 as the result of projected savings in community corrections grants. The amount currently approved for community corrections grants in FY 1993 is \$11,636,998, which includes a contingency of \$200,000 to accommodate unanticipated growth in community corrections caseloads and other unexpected program changes. Only \$21,527 of this contingency has been utilized and the remaining \$178,473 will not be needed in FY 1993.

State Community Corrections Board

A. H.B. 2145 (Law) abolishes the State Community Corrections Board, effective on July 1, 1993. The *Governor's Budget Report* for FY 1994 recommended the abolition of the Board and included no funding for its operation; the agency request was \$70,358 and 1.5 FTE positions. The Board's primary duty was to hear appeals from community corrections programs regarding grants awarded by the Secretary of Corrections. During budget review, both the House Appropriations and Senate Ways and Means Committees concurred with the Governor's recommendation to abolish the Board, pending action on H.B. 2145. H.B. 2145 has been enacted and no further legislative action is necessary.

Larned Correctional Mental Health Facility

A. Governor's Budget Amendment No. 2, Item 30 – Salary Savings. The Governor recommends the lapse of \$60,000 (SGF) in salary savings in FY 1993 at the Larned Correctional Mental Health Facility. The facility attributes this salary savings primarily to holding two positions vacant pending completion of the systemwide corrections officer post analysis.

Topeka Correctional Facility

A. Governor's Budget Amendment No. 2, Item 33 – Salaries Technical Correction. The Governor recommends a technical correction in FY 1994 to the salaries and fringe benefits calculation for existing security positions at the Topeka Correctional Facility. The correction would add \$57,029 (SGF) to reflect properly the salary funding for existing staff.

State Historical Society

A. Stormwater Utility Tax. During the Legislative budget review, the Senate Subcommittee recommended that the payment of the Stormwater Utility Tax in FY 1994 by the Historical Society be reviewed during the Omnibus Session. The tax on the Society's two buildings amounts to \$6,684 (State General Fund) a year.

Wildlife and Parks

A. S.B. 137 (Law) establishes procedures by which prairie rattlesnakes can be harvested for commercial purposes. The bill requires commercial rattlesnake hunters to obtain a special permit, establishes permit fees and sets out other provisions governing the taking of rattlesnakes. The

Department of Wildlife and Parks estimates that receipts to the Wildlife Fee Fund in FY 1994 would increase by approximately \$2,970 and expenditures would total \$2,000.

B. Technical Adjustment. In order to accurately reflect amounts approved by the Legislature, \$375,000 from the Parks Fee Fund for Hillsdale State Park should be deleted from the FY 1994 appropriation for Wildlife and Parks.

C. Governor's Budget Amendment No. 2, Item 1 – Emergency Repair to Dam at Montgomery State Fishing Lake. The Governor recommends \$105,000 from the Wildlife Fee Fund in FY 1993 to repair several holes in the dam embankment at Montgomery State Fishing Lake. Recommended funding would repair the outlet pipe, fill the hole adjacent to the outlet tower, and localize pressure grouting for soil stabilization.

D. Governor's Budget Amendment No. 2, Item 2 – Land Acquisition Cheyenne Bottoms Wildlife Area. For FY 1994, the Governor recommends \$290,000 from the Wildlife Fee Fund to enable the Department to buy 680 acres of land adjacent to Cheyenne Bottoms which is susceptible to flooding. The recommended amount is equal to the appraised value of the land.

E. Governor's Budget Amendment No. 2, Item 3 – Community Assistance Lake Program. The Governor recommends \$75,000 from the Wildlife Fee Fund in FY 1994 to provide matching grants to local communities for the development of fishing and boating access for community lakes. Projects eligible for the state match include construction of boat ramps, fishing piers, fish cleaning stations and habitat development.

Youth Center at Topeka

A. Technical Adjustment. In order to accurately reflect amounts approved by the Legislature, \$6,559 from the State General Fund should be deleted from the FY 1993 appropriation to the Youth Center at Topeka.

B. Teacher Salary Adjustments. The agency requested \$91,620 (State General Fund) for a 5.5 percent increase for teachers' salaries in FY 1994. The Governor's budget recommendation does not include a salary increase for teachers. The Senate Subcommittee recommended that this issue be revisited during the Omnibus Session.

Youth Center at Beloit

A. Teacher Salary Adjustments. The agency requested \$52,222 (State General Fund) for a 6.0 percent increase for teachers' salaries in FY 1994. The Governor's budget recommendation does not include a salary increase for teachers. The Senate Subcommittee recommended that this issue be revisited during the Omnibus Session.

B. Double Coverage. Due to concerns about increasing violence against both staff and residents at the Youth Centers, the House Subcommittee recommended the addition of \$116,347 (State General Fund) and 5.5 FTE Youth Service Specialists in FY 1994 to increase double coverage from an average of 50 percent to 80 percent. The House Committee on Appropriations deleted this recommendation and instead wrote a letter to the Governor delineating the specifics of the attacks on staff over the last 18 months and requesting a Governor's Budget Amendment (GBA). If no GBA

is forthcoming, this item is to be reconsidered during the Omnibus Session. (No GBA was submitted on this item.)

Youth Center at Atchison

A. Teacher Salary Adjustments. The agency requested \$65,531 (State General Fund) for a 7.5 percent increase for teachers' salaries in FY 1994. The Governor's budget recommendation does not include a salary increase for teachers. The Senate Subcommittee recommended that this issue be revisited during the Omnibus Session.

B. Double Coverage. Due to concerns about increasing violence against both staff and residents at the Youth Centers, the House Subcommittee recommended the addition of \$313,069 (State General Fund) and 14.5 FTE Youth Service Specialists in FY 1994 to increase double coverage from an average of 50 percent to 80 percent. The House Committee on Appropriations deleted this recommendation and instead wrote a letter to the Governor delineating the specifics of the attacks on staff over the last 18 months and requesting a Governor's Budget Amendment (GBA). If no GBA is forthcoming, this item is to be reconsidered during the Omnibus Session. (No GBA was submitted on this item.)

Department of Revenue

Fiscal Impact Summary -- FY 1994

<u>Bill No.</u>	<u>Status</u>	<u>FTE</u>	<u>Salaries</u>	<u>OOE</u>	<u>Total</u>	<u>Fund*</u>
H.B. 2005	Law	--	\$ --	\$ 3,000	\$ 3,000	SGF
S.B. 73	Law	1.0	26,118	4,800	30,918	SGF
S.B. 159	Law	--	--	4,000	4,000	VOF
S.B. 130	Gov.	--	10,871	--	10,871	SGF
H.B. 2335	Gov.	2.0	60,310	17,855	78,165	VOF
Total		<u>3.0</u>	<u>\$ 97,299</u>	<u>\$ 29,655</u>	<u>\$ 126,954</u>	

* State General Fund total is \$44,789. Vehicle Operating Fund total is \$82,165.

A. Governor's Budget Amendment No. 2, Item 35, recommends the addition of language authorizing the agency to spend up to \$280,000 from the \$3,000,000 appropriated for country appraisal assistance in FY 1994 for software improvements to the Kansas Computer Assisted Mass Appraisal (KSCAMA) system.

B. H.B. 2005 (Law) amends several provisions of the Kansas Inheritance Tax Act. The agency requests \$3,000 from the State General Fund in FY 1994 for printing an informational sheet to include with the existing forms.

C. S.B. 73 (Law) modifies and expands tax incentives available to businesses for certain economic development activities such as employee training, job expansion, and capital investment. The agency requests \$30,918 from the State General Fund and 1.0 FTE position in FY 1994 for a

Tax Examiner III (\$26,118) to review claimed tax credits and answer questions from the private sector and for capital outlay (\$4,800) for the position.

D. S.B. 159 (Law) amends several statutes relating to drivers licenses. Among the provisions included in the bill is the authority for 14 year olds to receive a farm permit and 15 year olds to receive a restricted Class C or M permit. The agency reports that \$4,000 from the Vehicle Operating Fund in FY 1994 would be required for computer programming changes.

E. S.B. 130 (Law) authorizes reciprocal agreements with four neighboring states to participate in the setoff of debts owed to the agreeing states from revenues held for the debtor by one of the other agreeing states. The bill also authorizes Kansas municipalities to participate in the program. The agency reports that \$10,871 from the State General Fund is required in FY 1994 for temporary salaries to implement the bill.

F. H.B. 2355 (Governor) lowers the blood alcohol content for presumed intoxication from .10 percent to .08 percent and broadens the applicability of the state's DUI statutes from motor vehicles to all vehicles and boats. The agency anticipates that drivers license suspensions for chemical test failures and refusals could increase by 20 percent and requests \$78,165 from the Vehicle Operating Fund and 2.0 FTE positions for FY 1994. The request includes \$60,310 (including fringe benefits) for salary expenses for an Attorney I (\$37,386) and an Office Assistant IV (\$22,924) positions, \$4,937 in annual contractual services, and \$12,918 for office furniture and computer equipment.

Department of Human Resources

A. Advisory Committee on African American Affairs. The Conference Committee on S.B. 57 recommended that funding for the proposed Advisory Committee be reviewed in the Omnibus Bill. The Governor's FY 1994 recommendation includes \$146,131 (including \$142,131 from the State General Fund) and 3.0 FTE positions to support the Committee. Recommended salary and wage funding of \$91,220 (including fringe benefits) provides \$37,881 for an unclassified Executive Director, \$27,505 for an Intergroup Education Specialist, \$20,333 for a Secretary I, and \$5,501 for Committee member compensation. Recommended other operating expenses of \$54,911 (\$50,911 State General Fund) include \$12,000 for travel, \$11,350 for communications, \$9,500 for rents, \$7,061 for equipment, \$5,000 each for printing and supplies, and \$5,000 for other contractual services. Budget Amendment No. 1 recommended the addition of a proviso authorizing the Executive Director to be in the unclassified service. Funding for the Advisory Committee was deleted by the Senate, and the House concurred.

B. S.B. 145 (Governor) amends several provisions of the employment security law. Section 5 of the bill increases the statutory rate of compensation for the employment security board of review from \$11,000 to \$15,000 per year. This provision actually codifies the rate of compensation authorized for the last few years by proviso. S.B. 57, the FY 1994 appropriations bill, includes a proviso which reads in part:

"Provided, That expenditures shall be made from this fund for an additional amount of compensation for each member of the board of review created by K.S.A. 44-709 and amendments thereto in an annual amount equal to \$4,000 for fiscal year 1994"

If the proviso is maintained and S.B. 145 is signed into law, compensation for the board of review members would be \$19,000 instead of the \$15,000 included in S.B. 145.

C. Senate Substitute for Substitute for H.B. 2354 (Governor) amends several provisions of the state's Workers' Compensation Act. The agency estimates that implementation of the bill would require 62.0 FTE positions and \$3,767,098 for FY 1994. (Other aspects of the bill would affect other agencies.) The following summarizes the fiscal note submitted by the Department of Human Resources.

Function	FTE	Salaries	OOE*	Total
Fraud and Abuse Enforcement	2.0	\$ 62,048	\$ 27,683	\$ 89,731
Employer/Employee Information	--	--	76,380	76,380
Accident Prevention Program	7.0	228,644	114,800	343,444
Ombudsman Program	18.0	583,316	253,068	836,384
Benefit Review Conferences	15.0	505,260	202,445	707,705
Workers' Compensation Advisory Council	--	--	9,900	9,900
Workers' Compensation Board	9.0	542,620	175,992	718,612
Medical Administrator	1.0	120,000	--	120,000
Data Collection	6.0	141,718	126,010	267,728
General Agency Computer Expenses	4.0	137,317	459,897	597,214
TOTAL	62.0	\$ 2,320,923	\$ 1,446,175	\$ 3,767,098

* Includes \$510,888 for capital outlay.

The fiscal note submitted by the agency on April 16, 1993, does not indicate a funding source for the request. Earlier fiscal notes on the bill indicated that all of the programs could be financed by the Workmen's Compensation Fee Fund with the exception of the Accident Prevention Program which could be financed either from the Workmen's Compensation Fee Fund or the State General Fund. Other agencies with a potential fiscal impact by Senate Substitute for Substitute for H.B. 2354 include the Insurance Department, the Department of Administration, and the Legislative Coordinating Council.

D. Governor's Budget Amendment No. 2, Item 36, increases estimated unemployment insurance payments by \$34,000,000 in FY 1993 and \$62,000,000 in FY 1994. *The 1993 Legislature has already addressed this item in S.B. 57 and S.B. 62.*

Kansas Water Office

A. Governor's Budget Amendment No. 2, Item 66, recommends a reduction of 3 percent (\$180,000) in the FY 1994 \$6,000,000 demand transfer from the State General Fund to the State Water Plan Fund, the same reduction as in FY 1993. No reductions in overall State Water Plan Fund expenditures are recommended. In conjunction with the Governor's recommended adjustment in the FY 1994 State Water Plan Fund transfer to the Department of Health and Environment, the estimated balance in the State Water Plan Fund at the end of FY 1994 would be \$171,333.

B. H.B. 2443 (Law) directs the Kansas Water Office, with the approval of the Kansas Water Authority, to acquire conservation storage water supply capacity in Tuttle Creek, Melvern, and Pomona Reservoirs from the federal government. The acquisition cost for the estimated 104,500 acre feet of capacity is \$11,031,768. Average annual payments for bonds issued through the Kansas Development Finance Authority are estimated to be \$1,040,423 for a 20-year issue and \$915,764 for a 30-year issue, with approximately one-half of that amount required in the first year of acquisition if the bonds are issued in the first half of the fiscal year. Capacity acquisition would also require an estimated \$218,036 (subject to inflation) in annual payments to the federal government for operation and maintenance (O and M) charges on the reservoirs. The following summarizes the estimated supply, capital cost, and O and M charges by reservoir:

<u>Reservoir</u>	<u>Estimated Water Supply</u>	<u>Capital Cost of Storage</u>	<u>Cost Per Acre/Foot</u>	<u>Estimated Annual O&M</u>
Tuttle Creek	22,500	\$ 1,558,248	\$ 69.26	\$ 23,696
Pomona	32,000	3,075,520	96.11	75,840
Melvorn	50,000	6,398,000	127.96	118,500
TOTAL	<u>104,500</u>	<u>\$ 11,031,768</u>	<u>\$ 105.57</u>	<u>\$ 218,036</u>

State Board of Agriculture

A. Governor's Budget Amendment No. 2, Item 5 – **FACTS Program**. The Governor recommends adjustments in funding for the Farmers' Assistance, Counseling and Training Service (FACTS) program. The Governor's recommendation reflects a shift in the federal match rate from a 50-50 state-federal match to a 30-70 state-federal match. The Governor's recommendation includes a reduction of \$184,314 in State General Fund financing, and an increase of \$77,930 in all other funds for FY 1994. Included in the recommendation is a reduction of \$106,384 in savings identified by the agency since its budget submission. *The Legislature was informed of the new match rate and the identified cost savings during its consideration of the FACTS budget.*

B. Governor's Budget Amendment No. 2, Item 6 – **Insects in Kansas Publication Fee Fund**. The Governor recommends amending the proviso on the publications fee fund for FY 1994 to allow grants and donations to be accepted to fund the initial expenses of printing the publication *Insects in Kansas*.

C. H.B. 2070 (Law) establishes a water transfer hearing panel consisting of the Chief Engineer of the Division of Water Resources of the State Board of Agriculture, the Director of the Kansas Water Office, and the Secretary of the Department of Health and Environment. The panel is to select a hearing officer to conduct public hearings if considered necessary in the basin of use. The bill establishes the Water Transfer Hearing Fund in FY 1994. Receipts to this fund would come from assessments on the applicant and appropriate intervening parties to a water transfer. The assessments would be determined by the hearing officer, as provided in the bill. All assessments would be remitted to the State General Fund and then credited to the Water Transfer Hearing Fund on the 10th day of each month.

Kansas State Fair

A. Senate Subcommittee on Capital Improvements (H.B. 2122) Recommendation. A House floor amendment to H.B. 2122 intended to add \$670,000 from the State General Fund in FY 1994 for modifications to the 4-H Encampment Building. Due to an oversight, however, the funds were appropriated from the nonexistent General Facilities Building Fund (GFBF). The GFBF was recommended by the Governor but the Legislature has not yet approved the creation of the fund. The Joint Committee on State Building Construction reviewed the request and recommended \$500,000 from the State General Fund for the project, with the Fair to acquire the remaining \$170,000 from other sources. The Senate Subcommittee on Capital Improvements, in reviewing H.B. 2122, deleted the \$670,000 from the GFBF and recommended that the agency be required to present a financing plan to the Legislature during consideration of items for the Omnibus Bill.

Kansas Insurance Department

A. Substitute for H.B. 2354 (Governor) is the Workers' Compensation reform bill. Two aspects of the bill could affect the Kansas Insurance Department in FY 1994. (Other aspects of the bill affect the other agencies.)

1. One provision of the bill relating to the Insurance Department requires the Commissioner of Insurance and the Director of Workers' Compensation to develop certain educational and informational material related to workers' compensation. The Department requests the addition of 1.0 FTE policy examiner position to develop the material and estimates expenditures of \$39,001 from the Insurance Department Service Regulation Fund for that position.
2. Another provision of the bill eliminates the \$4.0 million demand transfer from the State General Fund to the Workers' Compensation Fund. For the previous two fiscal years, the transfer has been made from the State General Fund to the Workers' Compensation Fund for cash flow purposes, but a corresponding transfer has been made from the Workers' Compensation Fund back to the State General Fund. If the bill is vetoed, the demand transfer, without further legislative action, will take place without a corresponding transfer back to the State General Fund.

Dental Board

A. Governor's Budget Amendment No. 2, Item 37 -- Increase in FY 1993 Legal Fees. The Governor recommends additional expenditure authority of \$9,200 in FY 1993 from the Dental Board Fee Fund to help cover costs associated with the legal costs of a long-running case. The recommendation includes \$3,000 for the fees of an administrative law judge, \$1,200 for court reporting, and \$5,000 to replace funds utilized for the contract services of the general counsel.

B. Governor's Budget Amendment No. 2, Item 38 -- Inspection of Dental Offices for HIV Prevention. H.B. 2159 would have authorized the Dental Board to conduct inspections of dental office sterilization techniques. The bill has been withdrawn from the House calendar, but the Governor recommends additional expenditure authority of \$28,834 in FY 1994 from the Dental Board Fee Fund and the addition of a 0.6 FTE Inspector position. The Governor's recommendation

is based on the Dental Board's belief that current law concerning dental office hygiene allows the Board to approve rules and regulations which would outline an inspection program.