

Approved: Feb. 15, 1993
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on February 10, 1993 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Leah Robinson, Legislative Research Department
Scott Rothe, Legislative Research Department
Norm Furse, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

SB 39 -- APPROPRIATIONS FOR FY94, LEGISLATIVE AGENCIES, GOVERNOR'S DEPARTMENT, LIEUTENANT GOVERNOR, ATTORNEY GENERAL, SECRETARY OF STATE, STATE TREASURER, INSURANCE DEPARTMENT

LEGISLATIVE COORDINATING COUNCIL (Attachment 1)

Senator Moran reviewed the FY93 subcommittee report. It was moved by Senator Moran and seconded by Senator Morris that the FY93 subcommittee report be adopted. The motion carried on a voice vote.

The FY94 subcommittee report was reviewed by Senator Moran. Senator Moran moved, Senator Morris seconded, that the FY94 subcommittee report be adopted. The motion carried on a voice vote.

LEGISLATIVE RESEARCH DEPARTMENT (Attachment 2)

The subcommittee report for fiscal year 1993 was reviewed by Senator Moran. It was moved by Senator Moran and seconded by Senator Rock that the report be adopted. The motion carried on a voice vote.

Senator Moran reviewed the FY94 subcommittee report. Senator Moran moved and Senator Rock seconded that the FY94 subcommittee report be adopted. The motion carried on a voice vote.

REVISOR OF STATUTES (Attachment 3)

The FY93 subcommittee report was reviewed by Senator Moran. It was moved by Senator Moran and seconded by Senator Lawrence that the FY93 subcommittee report be adopted. The motion carried on a voice vote.

Senator Moran reviewed the FY94 subcommittee report for members. It was noted that an appropriation was not included for the merit pool in the Governor's request for the offices of the Revisor of Statutes and Post Audit. It was moved by Senator Moran and seconded by Senator Morris that the FY94 report be adopted. The motion carried on a voice vote.

LEGISLATIVE EDUCATION PLANNING COMMITTEE (Attachment 4)

Senator Moran reviewed the FY93 and FY94 subcommittee reports. In answer to a question, staff noted that the FY94 appropriation for meeting expenses is split between meeting expenses and a post secondary conference hosted by LEPC. It was moved by Senator Moran and seconded by Senator Rock that the FY93 and FY94 subcommittee reports be adopted. The motion carried on a voice vote.

LEGISLATURE (Attachment 5)

Senator Moran reviewed the FY93 subcommittee report. It was moved by Senator Moran and seconded by

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on February 10, 1993.

Senator Rock that the FY93 subcommittee report be adopted. The motion carried on a voice vote.

The FY94 subcommittee report was reviewed by Senator Moran. In answer to Senator Kerr, it was stated that no new monies are recommended in FY94 for additional computer personnel or equipment, but the appropriation is sufficient to support the current level of computerization. Senator Karr queried whether the subcommittee's recommendation for the Census Data Unit would allow for maintenance of the Census Data and for its use in other areas. Staff indicated that the recommendation would allow current initiatives to continue but the school district data and any 1992 data would not be available. Adoption of the FY94 subcommittee report was moved by Senator Moran and seconded by Senator Rock. The motion carried on a voice vote.

DIVISION OF POST AUDIT (Attachment 6)

The FY93 subcommittee report was reviewed by Senator Moran. It was moved by Senator Moran and seconded by Senator Rock that the FY93 subcommittee report be adopted. The motion carried on a voice vote.

Senator Moran read the FY94 subcommittee report. Senator Moran moved, Senator Rock seconded, that the FY94 subcommittee report be adopted. The motion carried on a voice vote.

GOVERNOR'S DEPARTMENT (Attachment 7)

Senator Moran read from the FY93 subcommittee report. It was noted that a needs analysis has been submitted to be reviewed by the Joint Committee on Computers and Technology. It was moved by Senator Moran and seconded by Senator Rock that the FY93 subcommittee report be adopted. The motion carried on a voice vote.

The FY94 subcommittee report was presented by Senator Moran. Senator Rock seconded Senator Moran's motion to adopt the FY94 subcommittee report. The motion carried on a voice vote.

LIEUTENANT GOVERNOR (Attachment 8)

Senator Moran reviewed the FY93 subcommittee report. It was moved by Senator Moran and seconded by Senator Rock that the FY93 report be adopted. The motion carried on a voice vote.

The FY94 subcommittee report was presented by Senator Moran. Adoption of the report was moved by Senator Moran and seconded by Senator Rock. The motion carried on a voice vote.

INTERSTATE COOPERATION COMMISSION (Attachment 9)

Senator Moran reviewed the FY93 and FY94 subcommittee reports. It was moved by Senator Moran and seconded by Senator Rock that the FY93 and FY94 subcommittee reports be adopted. The motion carried on a voice vote.

ATTORNEY GENERAL (Attachment 10)

Senator Lawrence presented the FY93 subcommittee report. In answer to a question, it was stated that approximately \$9 million has been spent on the water litigation against Colorado and that the Attorney General believes that the state will recover litigation expenses. Senator Lawrence moved, Senator Rock seconded, the adoption of the FY93 subcommittee report. The motion carried on a voice vote.

The FY94 subcommittee report was read by Senator Lawrence. In answer to Senator Rock, a representative from the Attorney General's office stated that it is estimated that the Supreme Court will hear oral comments on the water litigation in May of 1994. There was some discussion regarding the recovery of costs associated with the hydrological model of the Arkansas River basin. Mr. Woerman, Office of the Attorney General, stated that he could not speak to the marketability of the model, but said that the state would own the model when it is complete. It was moved by Senator Lawrence and seconded by Senator Petty that the FY94 subcommittee report be adopted. The motion carried on a voice vote.

SECRETARY OF STATE (Attachment 11)

Senator Lawrence reviewed the FY93 subcommittee report. Senator Lawrence moved, Senator Morris seconded the adoption of the FY93 report. The motion carried on a voice vote.

The FY94 subcommittee report was reviewed by Senator Lawrence. In answer to a question, Ron Thornburg, office of the Secretary of State, stated that federal law requires that the motor voter system be in place by January, 1995. However, the Secretary of State's office is trying to implement the program by 1994 as required by state law. He noted that it is premature to estimate costs associated with the motor voter program, but indicated that there will be state as well as local costs. Mr. Thornburg stated that a bill in the Senate Transportation Committee proposes a new paperless drivers' licensing system to which a voter

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on February 10, 1993.

registration program could be attached. In answer to Senator Karr, he indicated that a bill on general orders would delay the implementation date of the motor voter program from January of 1994 to July of 1994 in order to coincide with this new proposal. It was moved by Senator Lawrence and seconded by Senator Petty that the FY94 subcommittee report be adopted. The motion carried on a voice vote.

STATE TREASURER (Attachment 12)

Senator Lawrence presented the FY93 subcommittee report. The adoption of the FY93 report was moved by Senator Lawrence and seconded by Senator Petty. The motion carried on a voice vote.

The FY94 subcommittee report was read by Senator Lawrence. Senator Vancrum questioned the subcommittee's endorsement of the practice of paying fees for bank services and requested an analysis of this practice before commending the Secretary of State's office. A representative from the Treasurer's office stated that it is important for the state to recognize what bank services cost rather than having a certain amount set aside that earns no interest. It was noted that there is no compensating balance at this time. Senator Vancrum moved, Senator Kerr seconded, that the last sentence of recommendation 7 be stricken from the subcommittee report. The motion carried on a voice vote. The Chairman stated that a performance audit would be requested.

It was moved by Senator Lawrence and seconded by Senator Petty that the FY94 amended subcommittee report be adopted. The motion carried on a voice vote.

INSURANCE DEPARTMENT (Attachment 13)

Senator Lawrence reviewed the FY93 subcommittee report. It was moved by Senator Lawrence and seconded by Senator Petty that the FY93 report be adopted. The motion carried on a voice vote.

The FY94 subcommittee report was read by Senator Lawrence. Senator Petty noted that she had written a minority report because she did not agree with the recommendation to add 4 FTE positions (Attachment 14). Chairman Bogina noted that the subcommittee felt it was important to try to reduce the "deemed" approved filings in the Department. In answer to a question, it was stated that the recommendation for operating expenditures would cover the cost of additional space and equipment and the expenses for relocating some personnel from the current facility. Senator Brady expressed concern the amount of the ending balances in the fee fund. Chairman Bogina stated that ending balances of fee funds could be considered at a later date.

Senator Lawrence moved, Senator Rock seconded, the adoption of the FY94 subcommittee report. The motion carried on a voice vote.

It was moved by Senator Rock and seconded by Senator Lawrence that SB 39 as amended be recommended favorable for passage. The motion carried on a roll call vote.

The Chairman adjourned the meeting at 12:03 P.M.

The next meeting is scheduled for February 11, 1993.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: Feb. 10, 1993

[illegible]

SUBCOMMITTEE REPORT

Agency: Legislative Coordinating Council

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 107

Budget Page No. 420

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 408,496	\$ 408,496	\$ --
FTE Positions	10.0	10.0	--

Agency Estimate/Governor's Recommendation

The FY 1993 revised budget submitted by the Legislative Coordinating Council (LCC) is \$408,496 or the currently authorized level, including reappropriations. The budget includes \$19,901 for the compensation and expenses associated with Council meetings and \$388,595 for salaries and travel of employees of the Division of Legislative Administrative Services. The Governor concurs with the agency's estimate in the current year.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Legislative Coordinating Council

Bill No. 39

Bill Sec. 3

Analyst: Conroy

Analysis Pg. No. 107

Budget Page No. 420

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 418,083	\$ 418,083	\$ --
FTE Positions	10.0	10.0	--

Agency Request/Governor's Recommendation

The FY 1994 budget request of the LCC is \$418,083, or an increase of \$9,587 above the FY 1993 revised request. Estimated expenses for LCC meetings are virtually unchanged from the current year estimate. Estimated expenses for the Division of Legislative Administrative Services would increase \$9,569, almost totally for salaries and wages. The Governor's recommendation adds \$3,450 to the budget request. The amount represents a merit salary pool for employees who are not assigned to the basic state pay plan.

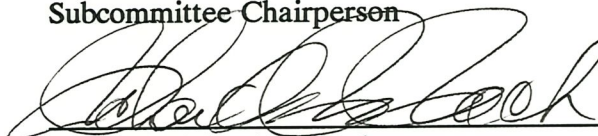
Senate Subcommittee Recommendations

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

1. The Subcommittee notes that contained with the agency's request, at the direction of the Legislative Coordinating Council, and within the Governor's recommendation is \$3,240 (plus fringe benefits) for longevity pay for eligible employees. The LCC has since the inception of longevity pay provided the payment to eligible employees. However, the Subcommittee observes that the budgets of executive branch agencies do not contain longevity pay for unclassified employees.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Legislative Research Department **Bill No. --** **Bill Sec. --**
Analyst: Conroy **Analysis Pg. No. 109** **Budget Page No. 426**


<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,892,402	\$ 1,892,402	\$ --
FTE Positions	35.3	35.3	--

Agency Estimate/Governor's Recommendation

The FY 1993 revised budget estimate of the Legislative Research Department is \$1,892,402, the currently authorized amount by the 1992 Legislature, including reappropriations but excluding a \$14,850 contingency amount. The Governor concurs with the agency's estimate in the current year.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendation.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Legislative Research Department Bill No. 39 Bill Sec. 3
Analyst: Conroy Analysis Pg. No. 109 Budget Page No. 426

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,907,968	\$ 1,915,815	\$ --
FTE Positions	35.3	35.3	--

Agency Request/Governor's Recommendation

The FY 1994 budget request of the Legislative Research Department is \$15,566 greater than the revised agency estimate for FY 1993. Of the increase, \$20,466 is for salaries and benefits of the present 35.3 FTE positions and \$4,100 is for contractual services and commodities, while capital outlay is reduced \$9,000. The Governor's recommendation adds \$7,847 to the budget request. The amount represents a merit salary pool for employees who are not assigned to the basic state pay plan.

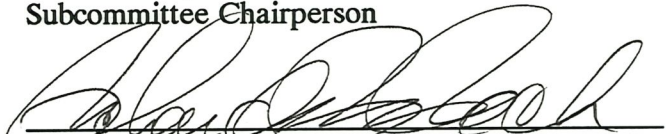
Senate Subcommittee Recommendations

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

1. The Subcommittee notes that contained with the agency's request, at the direction of the Legislative Coordinating Council (LCC) and within the Governor's recommendation is \$16,080 (plus fringe benefits) for longevity pay for eligible employees. The LCC has since the inception of longevity pay provided the payment to eligible employees. However, the Subcommittee observes that the budgets of executive branch agencies do not contain longevity pay for unclassified employees.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Revisor of Statutes

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 112

Budget Page No. 510

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations: State General Fund	\$ 2,170,100	\$ 2,170,100	\$ --
FTE Positions	27.3	27.3	--

Agency Estimate/Governor's Recommendation

The revised FY 1993 agency budget estimate is \$221,076 less than authorized by the 1992 Legislature, including the reappropriated amount. The Governor concurs with the agency request in the current year.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Revisor of Statutes

Bill No. 39

Bill Sec. 3

Analyst: Conroy

Analysis Pg. No. 112

Budget Page No. 510

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations: State General Fund	\$ 2,087,844	\$ 2,087,844	\$ 3,847
FTE Positions	27.6	27.6	--

Agency Request/Governor's Recommendation

The FY 1994 budget request of the Revisor of Statutes is \$82,256 less than the revised expenditure estimate for FY 1993. Salaries and wages increase \$58,894, and printing costs (mainly associated with the *Kansas Statutes Annotated*) are estimated to decrease by \$124,246. Nonsalary expenses for computing services decrease \$34,664. All other expenses increase \$17,760. For FY 1994 the Governor concurs with the agency's request.

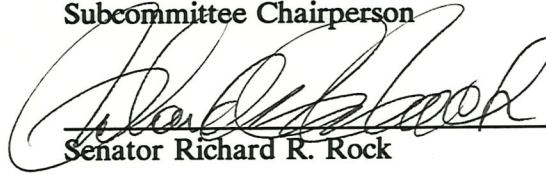
Senate Subcommittee Recommendations

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

1. The Subcommittee notes that contained with the agency's request, at the direction of the Legislative Coordinating Council (LCC), and within the Governor's recommendation is \$15,880 (plus fringe benefits) for longevity pay for eligible employees. The LCC has since the inception of longevity pay provided the payment to eligible employees. However, the Subcommittee observes that the budgets of executive branch agencies do not contain longevity pay for unclassified employees.
2. Add \$3,847 (State General Fund) for a 2.5 percent merit pool for the two positions whose salary are established by the LCC. The addition is consistent with the Governor's recommendations in the other legislative agencies (except the Legislative Division of Post Audit). The additional funds will provide uniformity for all legislative branch employees.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Legislative Educational Planning
Committee

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 111

Budget Page No. 424

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 33,795	\$ 33,795	\$ --
FTE Positions	0.0	0.0	--

Agency Estimate/Governor's Recommendation

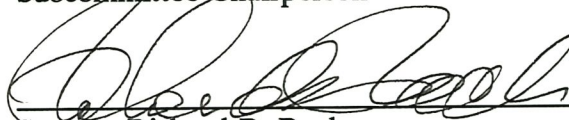
The revised agency estimate of FY 1993 expenditures is \$4,671 less than the amount authorized. The Governor concurs with the agency's revised estimate in FY 1993.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Legislative Educational Planning
Committee

Bill No. 39

Bill Sec. 3

Analyst: Conroy

Analysis Pg. No. 111

Budget Page No. 424

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 35,644	\$ 35,644	\$ --
FTE Positions	0.0	0.0	--

Agency Request/Governor's Recommendation

The agency's FY 1994 budget request is \$1,849 more than the revised agency estimate for FY 1993. The FY 1994 budget request can be summarized in terms of two broad categories: regular Committee meeting expenses of \$27,134 and expenses for the postsecondary education annual conference of \$8,510. The Governor concurs with the agency's FY 1994 request.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Legislature

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 114

Budget Page No. 428

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
All Funds	\$ 9,540,089	\$ 9,540,089	\$ --
State General Fund	9,504,684	9,504,684	--
FTE Positions	30.0	30.0	--

Agency Estimate/Governor's Recommendation

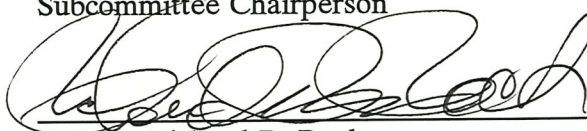
The FY 1993 budget estimate of \$9,540,089 for the Legislature as submitted with the approval of the Legislative Coordinating Council (LCC) is equal to the amount appropriated by the 1992 Legislature, including the reappropriation. The Governor concurs with the agency's estimate in FY 1993.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Legislature

Bill No. 39

Bill Sec. 4

Analyst: Conroy

Analysis Pg. No. 114

Budget Page No. 428

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
All Funds	\$ 9,481,512	\$ 9,536,651	\$ (41,085)
State General Fund	9,147,716	9,202,855	(41,085)
FTE Positions	31.0	31.0	(1.0)

Agency Request/Governor's Recommendation

The FY 1994 budget request for the Legislature as submitted by the Legislative Coordinating Council (LCC) totals \$9,481,512, of which \$9,147,716 is from the State General Fund and \$333,796 is from special revenue funds. The Governor recommends a budget of \$9,536,651 for FY 1994, an increase of \$55,139 of salaries and wages above the requested expenditures. The amount represents a merit pool of 2.5 percent for employees.

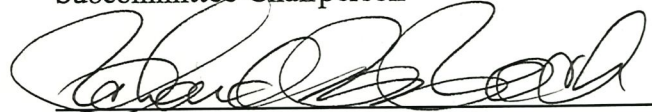
Senate Subcommittee Recommendations

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

1. Delete \$41,085 and 1.0 FTE position for the Census Data Unit. The deletion of a new Data Analyst position (\$23,465) and temporary help (\$17,620) will still leave a Research Assistant position within the Census Data Unit.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Division of Post Audit

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 116

Budget Page No. 422

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,550,334	\$ 1,550,334	\$ --
State General Fund	1,419,772	1,419,772	--
FTE Positions	19.0	19.0	--

Agency Estimate/Governor's Recommendation

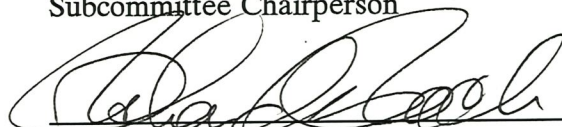
The revised agency estimate of FY 1993 expenditures from the State General Fund is \$16,861 less than the amount authorized by the 1992 Legislature, including the reappropriation. Expenditures from the Audit Services Fund are increased \$20,562 from the original estimate. The Governor concurs with the agency's estimate in the current year.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Division of Post Audit

Bill No. 39

Bill Sec. 5

Analyst: Conroy

Analysis Pg. No. 116

Budget Page No. 422

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,526,725	\$ 1,526,725	\$ 1,914
State General Fund	1,374,663	1,374,663	1,914
FTE Positions	19.0	19.0	--

Agency Request/Governor's Recommendation

The FY 1994 budget request of the Division of Post Audit is financed by \$1,374,663 from the State General Fund and \$152,062 from the Audit Services Fund. The General Fund request represents an decrease of \$45,109 and financing from the Audit Services Fund increases \$21,500, so that the net requested budget is a reduction of \$23,609. Expenditures for salaries and wages increase \$31,391 with no change in the current 19 FTE positions. Contracted audits are estimated to require \$336,800 in FY 1994, up \$21,500 from the FY 1993 estimate. There is a net decrease of \$76,500 for all other items of expenditure. The Governor concurs with the agency's request for FY 1994.

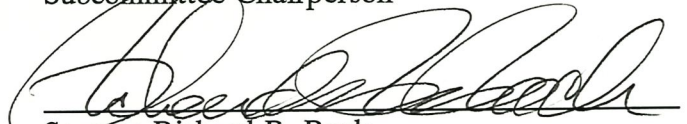
Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations with the following adjustments:

1. The Subcommittee notes that contained within the agency's request, at the direction of the Legislative Coordinating Council (LCC) and within the Governor's recommendation is \$8,200 (plus fringe benefits) for longevity pay for eligible employees. The LCC has, since the inception of longevity pay, provided the payment to eligible employees. However, the Subcommittee observes that the budgets of executive branch agencies do not contain longevity pay for unclassified employees.
2. Add \$1,914 (State General Fund) for a 2.5 percent merit pool for the one position whose salary is established by the LCC. The addition is consistent with the Governor's recommendations in the other legislative agencies (except the Revisor of Statutes). The additional funds will provide uniformity for all legislative branch employees.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Governor's Department

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 118

Budget Page No. 218

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,747,274	\$ 1,875,130	\$ --
State General Fund	1,696,274	1,824,130	--
FTE Positions	32.5	32.5	--

Agency Estimate/Governor's Recommendation

A revised FY 1993 budget estimate is submitted which is financed by \$1,696,274 from the State General Fund and \$51,000 from the Special Revenue Program Fund. The General Fund amount is \$497,165 less than the amount the agency is authorized to spend. The agency estimates that the Kansas Public Employees Retirement System (KPERs) Office of Special Prosecutor will discontinue operations in December, 1992. The Special Prosecutor's office had received funding in the current year of \$347,134 including 4.0 FTE positions, while the revised estimate is \$167,444 or a reduction of \$179,690.

The Governor recommends FY 1993 expenditures of \$1,875,130 or \$127,856 more than the revised estimate. The Governor's recommendation includes \$127,856 for an upgrade of the word processing and information processing system in the Governor's Office. Of the expenditures, \$94,900 would be for the purchase of hardware and software and \$32,956 would be for telecommunications. The Governor's recommendations can be financed within existing expenditure authorizations for the agency and no supplemental funding is required.


Senate Subcommittee Recommendations

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

1. The Subcommittee notes the expenditure of \$127,856 in the current year for an upgrade of the word processing and information processing system in the Governor's Office. The Subcommittee recommends that this acquisition be reviewed by the Joint Committee on Computers and Telecommunications.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Governor's Department

Bill No. 39

Bill Sec. 6

Analyst: Conroy

Analysis Pg. No. 118

Budget Page No. 218

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,666,290	\$ 1,661,654 *	\$ --
State General Fund	1,615,290	1,610,654 *	--
FTE Positions	27.0	27.0	--

* Reflects Budget Amendment No. 1.

Agency Request/Governor's Recommendation

The FY 1994 budget request of the agency is financed by \$1,615,290 from the State General Fund and \$51,000 from the Special Revenue Program Fund. Expenditures for salaries and wages total \$1,173,259, an increase of \$21,293 or 1.8 percent above the revised FY 1993 estimate. The estimated number of positions financed for FY 1994 is 27.0, 5.5 FTE less than in FY 1993. Four of the reduced FTE positions relate to the closure of the KPERS Special Prosecutor's Office, one is the agricultural liaison position which was added to the agency by the 1992 Legislature, and 0.5 FTE clerical position. The agency does request that the funding for the position be converted to a contractual basis in the budget year. Nonsalary expenses total \$493,031 or \$102,277 less than the agency requested for FY 1993. Special revenue resources of \$51,567 would be available to finance expenditures in excess of those identified in the requested budget.

The Governor recommends expenditures of \$1,663,434 for FY 1994 of which \$1,612,434 is financed from the State General Fund and \$51,000 from the Special Revenue Program Fund. The Governor concurs with the agency's request of financing for 27.0 FTE positions. The Governor recommends \$1,170,403 for salaries and wages, an increase of \$18,437 or 1.6 percent above the FY 1993 recommendation. Additional special revenue sources would be available as in the requested budget. The Governor recommends that a 1.5 percent salary increase to her salary be authorized by appropriation act.

Senate Subcommittee Recommendations

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

1. Concur with Budget Amendment No. 1 which makes a technical adjustment to reduce salaries and wages by \$1,780.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Lieutenant Governor

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 119

Budget Page No. 444

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 99,364	\$ 99,364	\$ --
FTE Positions	3.0	3.0	--

Agency Estimate/Governor's Recommendation

The revised FY 1993 budget estimate is \$4,531 less than the amount authorized by the 1992 Legislature, including the reappropriation. The Governor's concurs with the agency's estimate in FY 1993.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Lieutenant Governor

Bill No. 39

Bill Sec. 7

Analyst: Conroy

Analysis Pg. No. 119

Budget Page No. 444

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations: State General Fund	\$ 127,100	\$ 106,786	\$ 2,000
FTE Positions	3.0	3.0	--

Agency Request/Governor's Recommendation

The FY 1994 budget request totals \$127,100 of which \$85,200 is for the salaries and benefits of the Lieutenant Governor and two staff positions and \$41,900 is for other operating expenditures, primarily for travel and communications. The Governor recommends FY 1994 expenditures of \$106,786, a reduction of \$20,314 below the agency's request.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustment.

1. Add \$2,000 for travel and subsistence for the Lieutenant Governor. The additional travel funds will help ensure that adequate sources are available for the Lieutenant Governor to support the activities of the Kansas Cavalry, the Department of Commerce and Housing, and the Board of Agriculture.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Interstate Cooperation Commission Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 105

Budget Page No. 350

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 209,832	\$ 209,832	\$ --
FTE Positions	0.0	0.0	--

Agency Estimate/Governor's Recommendation

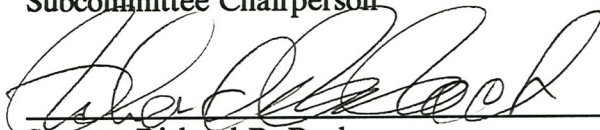
The revised FY 1993 budget estimate for the Interstate Cooperation Commission is \$16,747 less than the amount authorized. The Governor concurs with the agency estimate in FY 1993.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

93-4821

SWAM
February 10, 1993
Attachment 9

SUBCOMMITTEE REPORT

Agency: Interstate Cooperation Commission **Bill No. 39**

Bill Sec. 2

Analyst: Conroy

Analysis Pg. No. 105

Budget Page No. 350

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 221,158	\$ 221,158	\$ --
FTE Positions	0.0	0.0	--

Agency Request/Governor's Recommendation

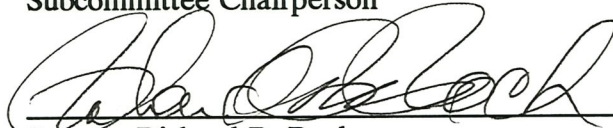
The FY 1994 budget request of the Commission is \$11,326 more than the current year revised estimate. The request includes an additional \$5,800 for membership dues and contributions to national organizations and an increase of \$5,526 for per diem compensation and travel expenses. The Governor concurs with the agency request in FY 1994.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations.



Senator Jerry Moran
Subcommittee Chairperson



Senator Richard R. Rock

93-4822

SUBCOMMITTEE REPORT

Agency: Attorney General

Bill No. --

Bill Sec. --

Analyst: Rampey

Analysis Pg. No. 121

Budget Page No. 86

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 4,150,551	\$ 4,126,962	\$ --
Aid to Local Units	1,077,155	1,077,155	--
Other Assistance	3,559,300	3,559,300	--
Total	<u>\$ 8,787,006</u>	<u>\$ 8,763,417</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 3,273,605	\$ 3,264,181	\$ --
FTE Positions	67.0	67.0	--

Agency Estimate/Governor's Recommendation

The Attorney General estimates FY 1993 expenditures of \$8,787,006, of which \$3,273,605 is from the State General Fund (SGF). Included in the SGF amount is a request for a supplemental appropriation of \$249,444 for continued water litigation against the State of Colorado. The requested supplemental appropriation would allow an expenditure in FY 1993 for water litigation of \$572,240.

In addition, an expenditure limitation increase of \$14,838 (from \$209,068 to \$223,906) is sought on the operating expenses portion of the Crime Victims Compensation Fund in order to include the crime victims compensation division in a computer information system upgrade that was undertaken in FY 1992 and will be completed in the current year.

The Governor recommends expenditures of \$8,763,417 in FY 1993, a reduction of \$23,589 in expenditures for state operations, of which \$9,424 is from the SGF. The Governor approves the request for a supplemental appropriation of \$249,444 for water litigation and approves the expenditure limitation increase of \$14,838 on the Crime Victims Compensation Fund.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations, with the following exceptions and comments:

1. The Subcommittee thinks the Attorney General's request to fully fund the water litigation against Colorado should be approved and supports the Governor's recommended supplemental appropriation of \$249,444. However, recent

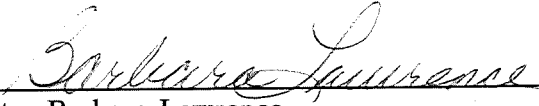
SWAM

February 10, 1993

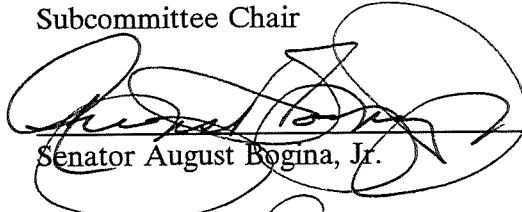
Attachment 10

information made available to the Subcommittee indicates that an additional \$91,630 is needed to meet expenses in FY 1993. The Subcommittee believes it is also the Governor's intention that water litigation expenses be funded. Therefore, it asks her to consider the new estimates (which were not available at the time the Governor's budget was prepared) and submit a Governor's Budget Amendment revising the budget to include the additional \$91,630.

2. The Subcommittee recommends that the Attorney General pay the travel expenses of the members of the Child Death Review Board who are not state employees from available resources, including appropriate special revenue funds. Travel expenses for four private members are estimated to be \$1,600.



Senator Barbara Lawrence
Subcommittee Chair



Senator August Bogina, Jr.



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Attorney General

Bill No. 39

Bill Sec. 8

Analyst: Rampey

Analysis Pg. No. 121

Budget Page No. 86

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 4,101,821	\$ 3,711,947	\$ --
Aid to Local Units	1,094,905	1,094,905	--
Other Assistance	4,093,900	3,737,500	--
Total	<u>\$ 9,290,626</u>	<u>\$ 8,544,352</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 3,152,975	\$ 2,832,312	\$ --
FTE Positions	68.0	67.0	--

Agency Request/Governor's Recommendation

The Attorney General requests expenditures of \$9,290,626, of which \$3,152,975 would be from the State General Fund. The amount requested for water litigation in FY 1994 is \$422,000. As this report is being written, the trial has ended and expenditures for the rest of FY 1993 are expected to consist of attorney and expert fees associated with responding to findings and conclusions as the special master begins his work leading to his recommendation to the United States Supreme Court. The special master is expected to make his recommendation early in FY 1994 and then expenditures will be associated with preparing arguments before the Supreme Court. The Court's decision probably will not be reached until FY 1995.

The Attorney General requests one new position in FY 1994, a Special Agent I at a salary of \$21,065 (plus benefits) in the crime victims compensation division.

The Governor recommends expenditures of \$8,544,352 in FY 1994, a reduction of \$746,274 from the Attorney General's request. Of the reduction, \$320,663 is from the SGF. The Governor recommends \$250,000 for water litigation, not \$422,000 as requested. The Governor does not recommend the addition of a new position in the crime victims compensation division.

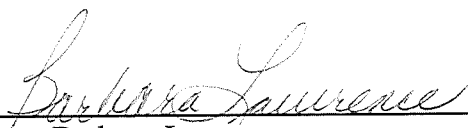
Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations, with the following exceptions and comments:

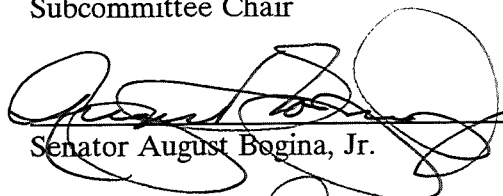
1. The Subcommittee notes that the Governor's recommendation of \$250,000 for water litigation is \$172,000 less than the \$422,000 that was requested. Because

it is not possible to know with certainty what expenditures will be necessary in FY 1994, the Subcommittee concurs with the Governor at this time and plans to review the progress of the litigation during the 1994 Session. If the FY 1994 appropriation proves to be inadequate, both the Governor and the Legislature can consider additional funding. It is the Subcommittee's opinion that the state should fully fund its expenses connected with the litigation.

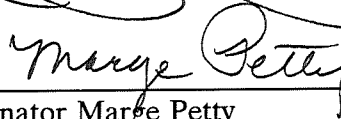
2. The Subcommittee recommends that \$2,492 for employee health insurance that was inadvertently left out of the budget and \$5,700 for additional travel expenses for the criminal division be paid from available resources, including appropriate special revenue funds.



Senator Barbara Lawrence
Subcommittee Chair



Senator August Bogina, Jr.



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Secretary of State

Bill No. 62

Bill Sec. 4

Analyst: Mah

Analysis Pg. No. 134

Budget Page No. 514

Expenditure Summary	Agency Est. FY 93	Gov. Rec. FY 93	Subcommittee Adjustments
State Operations:			
State General Fund	\$ 1,642,806	\$ 1,639,669	\$ --
Uniform Commercial Code			
Fee Fund	702,788	702,788	--
Other Special Funds	661,116	661,116	--
TOTAL	<u>\$ 3,006,710</u>	<u>\$ 3,003,573</u>	<u>\$ --</u>
FTE Positions	61.0	61.0	--

Agency Estimate/Governor's Recommendation


The agency's current year estimate totals \$3,006,710 for all operating expenditures, which is \$147,217 more than the authorized budget of \$2,859,493. Total estimated financing from the State General Fund is \$1,642,806 and includes a supplemental appropriation of \$45,800 to cover printing costs of the *1992 Session Laws of Kansas*, which exceeded anticipated costs by \$47,397. The agency also requests the supplemental to pay for training of staff (\$3,137). Staff would be trained to use the geography update portion of software on the Legislature's redistricting computer system to meet statutory responsibilities for reviewing and approving precinct boundary changes and for maintaining a file of current election precinct maps. Other funding changes from the authorized budget increase expenditures from the agency's various fee funds, all of which have a "no limit" placed on expenditures from them. Major operating expenditures consist of \$1,789,048 for salaries and wages, \$206,123 for communications, \$561,926 for printing (includes \$128,700 for publishing two resolutions passed by the 1992 Legislature to amend the *Kansas Constitution*), and \$116,979 for capital outlay. The agency plans to begin a two-year contract for purchasing two microfilm reader printers in January of the current year (\$12,300) and to make the final contract payment on an AS 400 that was purchased in January, 1991 (\$101,679).

The Governor's current year recommendation totals \$3,003,573 for all operating expenditures, a reduction of \$3,137 from the agency's revised estimate. Included in the recommendation is a State General Fund supplemental appropriation of \$42,663 to provide for the higher than anticipated costs of printing the *1992 Session Laws of Kansas*. The Governor does not recommend the \$3,137 requested by the agency as a supplemental appropriation to provide for training of staff with regard to using computer software to update maps on the Legislature's redistricting computer system. The Governor concurs with all of the other estimated expenditures by the agency.


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February 10, 1993
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Senate Subcommittee Recommendations


The Senate Subcommittee concurs with the Governor's recommendations.



Senator Barbara Lawrence
Subcommittee Chairperson



Senator August Bogina, Jr.



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Secretary of State

Bill No. 39

Bill Sec. 9

Analyst: Mah

Analysis Pg. No. 134

Budget Page No. 514

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,471,740	\$ 1,439,210	\$ 24,600
Uniform Commercial Code			
Fee Fund	732,883	734,485	--
Other Special Funds	685,007	685,007	--
TOTAL	<u>\$ 2,889,630</u>	<u>\$ 2,858,702</u>	<u>\$ 24,600</u>
FTE Positions	61.0	61.0	--

Agency Request/Governor's Recommendation

The agency requests a total of \$1,471,740 or 50.9 percent of expenditures from the State General Fund for FY 1994. The two other major sources of funding for the agency's budget are the Uniform Commercial Code Fee Fund (25.4 percent of expenditures) and the Information and Copy Service Fee Fund (14.1 percent of expenditures). A total of \$2,889,630 is requested for all operating expenditures. Higher salary and wage expenditures are requested in FY 1994 to provide for salary increases for staff (unclassified merit pool of 2.6 percent) and to pay for increasing fringe benefit costs. An increase in capital outlay expenditures also is requested to provide \$24,600 for the continued payment of a two-year contract for purchasing two microfilm reader printers and \$140,000 for the purchase of computer software to begin a process of replacement of the current computer software program for the agency's Uniform Commercial Code program. The new software would allow the agency to move toward its long range plan for an optical imaging system.

The Governor's FY 1994 recommendation totals \$2,858,702 for operating expenditures, a reduction of \$30,928 from the agency's request. The recommendation deletes the requested \$24,600 for continued payment on a two-year purchasing contract for two microfilm reader printers. In addition, office supply expenditures are reduced by \$10,858. Included in the recommendation is an increase of \$4,530 for salaries and wages. The increase provides for full-year costs in FY 1994 for the 1.0 percent cost-of-living increase that was approved by the 1992 Legislature. The cost-of-living increase began in the middle of the current year. The Governor also recommends an unclassified merit pool of 2.5 percent and concurs with all other expenditures requested by the agency, including \$140,000 to purchase computer software that will allow the agency to move toward its goal of an optical imaging system.

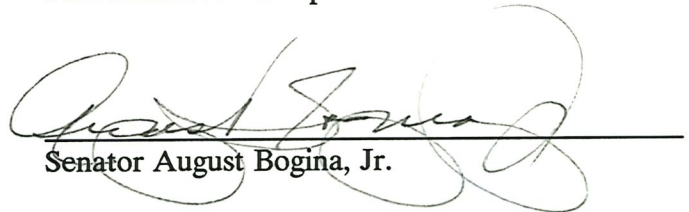
Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations with the following adjustment and comments:

1. Add \$24,600 from the State General Fund to provide for continued payment on a contract for purchasing two microfilm reader printers. The Governor reduced expenditures for this item from the State General Fund rather than the Information and Copy Service Fee Fund as was proposed by the agency. The Subcommittee's recommendation will allow the agency to shift financing of operating expenditures within its budget so that money from the Information and Copy Service Fee Fund is available to continue paying for the microfilm reader printers.
2. The Subcommittee was told by an official from the Secretary of State's Office that additional funding may be requested in the future in order to provide for training of county election officials. This issue was raised by the official because of a January, 1993 Legislative Post Audit report called "Reviewing Counties' Procedures for Handling Absentee Ballots and for Updating Registration Lists." The official said that Legislative Post Audit found that there was a lack of compliance to state law by county election officials. This Subcommittee encourages the House Appropriations Committee and the committees for election procedures in each house to review the Report. The Subcommittee also asks that these committees make recommendations to respond to concerns raised by the Report, including identifying the obligations of counties and the role of the Secretary of State (supervisor or consultant) with regard to these local election officials.
3. The Subcommittee recommends that the Secretary of State's Office continue to look to financing its operating expenses by charging fees for services provided. The Subcommittee also recommends that the Office evaluate all current fee charges in order to ensure complete recovery of costs for services rendered.



Senator Barbara Lawrence
Subcommittee Chairperson



Senator August Bogina, Jr.



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: State Treasurer

Bill No. --

Bill Sec. --

Analyst: Duffy

Analysis Pg. No. 151

Budget Page No. 582

Expenditure Summary	Agency Est. FY 93	Governor's Rec. FY 93	Senate Sub. Adj.
All Funds:			
State Operations	\$ 2,753,038	\$ 2,753,038	\$ --
Aid to Local Units	83,054,458	83,054,458	42,000
Debt Service	294,759	294,759	--
TOTAL	<u>\$ 86,102,255</u>	<u>\$ 86,102,255</u>	<u>\$ 42,000</u>
State General Fund:			
State Operations	\$ 2,489,532	\$ 2,489,532	\$ --
Aid to Local Units	69,584,458	69,584,458	42,000
TOTAL	<u>\$ 72,073,990</u>	<u>\$ 72,073,990</u>	<u>\$ 42,000</u>
FTE Positions	59.5	59.5	--

Agency Estimate/Governor's Recommendation

Estimated FY 1993 expenditures for state operations of \$2,753,038 reflect two significant additions to the State Treasurer's budget resulting from the passage of legislation during the 1992 Session. First, 1992 S.B. 480 which, among other provisions, established a state-managed investment pool for local units of government, changed significantly the state moneys law pertaining to operating accounts and investment of idle funds; and made the State Treasurer responsible for seeking improvements in cash management in state agencies. To administer the provisions of this legislation, the Legislature approved a total of \$315,937, of which \$225,947 is from the State General Fund, and 5.0 FTE positions. Secondly, legislation transferred the budget of the Pooled Money Investment Board with a budget of \$228,325 (all of which is from the State General Fund) from the Department of Administration to the State Treasurer.

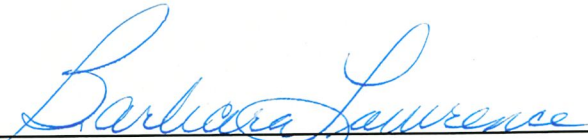
The Governor concurs with the agency's revised estimate for state operations for FY 1993.

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February 10, 1993
Attachment 12

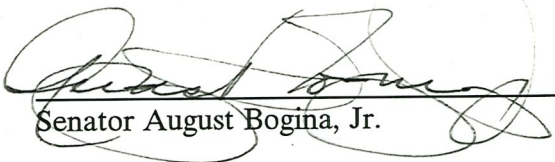
Senate Subcommittee Recommendation

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

1. Based on actual FY 1993 distributions to local units, adjust the Local Ad Valorem Tax Reduction Fund (LAVTRF) to reflect increased expenditures of \$42,000.



Senator Barbara Lawrence
Subcommittee Chair



Senator August Bogina, Jr.



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: State Treasurer

Bill No. 39

Bill Sec. 10

Analyst: Duffy

Analysis Pg. No. 151

Budget Page No. 582

Expenditure Summary	Agency Req. FY 94	Governor's Rec. FY 94*	Senate Sub. Rec. FY 94
All Funds:			
State Operations	\$ 3,365,834	\$ 3,172,669	\$ 20,500
Aid to Local Units	87,794,000	87,794,000	67,000
Debt Service	236,598	236,598	--
TOTAL	<u>\$ 91,396,432</u>	<u>\$ 91,203,267</u>	<u>\$ 87,500</u>
State General Fund:			
State Operations	\$ 3,126,534	\$ 2,788,542	\$ --
Aid to Local Units	74,054,000	74,054,000	67,000
TOTAL	<u>\$ 77,180,534</u>	<u>\$ 76,842,542</u>	<u>\$ 67,000</u>
FTE Positions	59.5	59.5	--

* Includes \$2,393 from the State General Fund for fringe benefits to correct the Governor's recommendation to accurately reflect the Governor's intent.

Agency Request/Governor's Recommendation

State Operations. The agency's requested budget for state operations of \$3,365,834 for FY 1994 is \$612,796 higher than the FY 1993 estimate. The most significant requested change to the budget is reflected in the Treasurer's request to make a direct payment of an estimated \$500,000 (SGF) to the state's designated operating account bank for bank services on a fee for service basis.

The Governor recommends a budget for state operations of \$3,170,276 which is \$417,238 higher than the FY 1993 budget; and includes a line-item appropriation from the State General Fund of \$500,000 for the payment of bank fees.

Local Aid. Under the current distribution formulas and assuming no change in the distribution formula, payments from the LAVTRF and CCRSF are reflected in the following table.

DEMAND TRANSFERS FROM SGF TO LAVTRF AND CCRSF
(in thousands)

Transfer To	Actual FY 1991 ^(a)	Actual FY 1992 ^(b)	Actual FY 1993 ^(c)	Estimate FY 1994
LAVTRF	\$ 37,164	\$ 38,576	\$ 39,324	\$ 42,082
CCRSF	28,351	29,166	30,218	31,905

a) Transfers were reduced (in dollars) by 1.75 percent per 1990 S.B. 799.

b) Transfers were reduced (in dollars) by 1.0 percent, pursuant to the Governor's recommendation to the State Finance Council on August 23, 1991.

c) Reflects a 3 percent reduction per 1992 Sub. H.B. 3215.

NOTE: The FY 1994 CCRSF figure is actual and the LAVTRF figure is based upon the consensus estimate of sales and compensating use taxes as spread by month by the Kansas Legislative Research Department.

The Governor's budget includes the estimates made on the basis of the November, 1992 consensus estimates -- \$39,366,000 for the LAVTRF in FY 1993 and \$42,082,000 in FY 1994; and \$31,972,000 for the CCRSF in FY 1994.

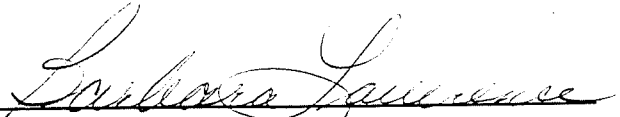
Senate Subcommittee Recommendations

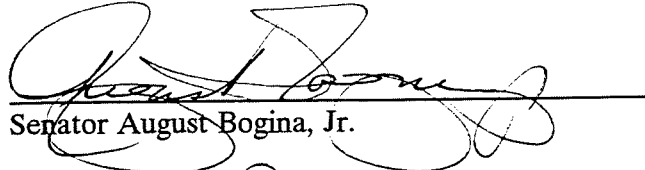
The Senate Subcommittee concurs with the Governor's recommendation with the following adjustments:

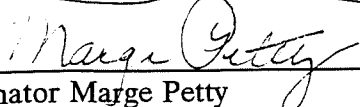
1. Add \$10,500 from the State General Fund for professional services related to performing market valuations on securities held for collateral. Current law requires that all securities be valued on a regular basis. The Treasurer requested the additional funding in order to permit the municipal bond portion of the collateral pool to be priced on a quarterly basis.
2. Add \$10,000 from the State General Fund for travel and training expenses. The Governor's FY 1994 recommendation of \$23,487 is \$3,558 less than the amount recommended for FY 1993. The Subcommittee recommends restoration of funding to bring travel to the FY 1993 level and an additional \$6,442 for travel and training expenses associated with the new Municipal Investment Pool and the expanded investment authority authorized by the 1992 Legislature.
3. Increase expenditures from the Services Reimbursement Fund by \$20,500 and decrease expenditures from the State General Fund by this same amount. The 1992 Legislature created the Services Reimbursement Fund and transferred funds from KDOT's Highway Bond Debt Service Fund to the Services Reimbursement Fund to finance costs of the State Treasurer's office associated with the investment of bond proceeds from the Comprehensive Highway Program. The Subcommittee learned that the State Treasurer's office is heavily involved with

investing and managing these funds and believes that the increased transfer is warranted. The Governor inadvertently omitted the transfer language in the appropriation bill; therefore, the Subcommittee recommends inserting the language and increasing the transfer by \$20,500 for a total transfer of \$113,327.

4. The Subcommittee concurs with the Budget Director's request to add \$2,393 from the State General Fund for group health insurance which was inadvertently omitted from the Governor's recommendation.
5. Based on actual sales and use tax receipts for calendar year 1992, increase expenditures by \$67,000 from the City and County Revenue Sharing Fund.
6. Strike three lines from the appropriation bill (1993 S.B. 39) relating to the defeasance of several bond issues at the University of Kansas which are no longer necessary because the bond issues were retired.
7. The State Treasurer requested and the Governor recommended including \$500,000 from the State General Fund in a separate line-item in the State Treasurer's appropriation to compensate the state's operating account bank on a direct fee for service basis. Previously, compensating balances were used as the method for reimbursing the operating account bank for services rendered. The Subcommittee commends the State Treasurer for including this item in her budget and believes that the State will benefit by investing its own funds and paying fees for the bank services it utilizes.
8. Introduce legislation to replace the existing Disposition of Unclaimed Property Act (K.S.A. 58-3901 *et seq.*) which is based upon a 1966 uniform code with a new Act which would be based upon the most recent uniform code.


Senator Barbara Lawrence
Subcommittee Chair


Senator August Bogina, Jr.


Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Insurance Department

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. 142

Budget Page No. 332

<u>Expenditure Summary</u>	<u>Agency Est. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 13,296,213	\$ 13,212,973	\$ --
Local Aid	3,741,801	3,741,801	--
Other Assistance	60,117,018	60,117,018	--
Capital Improvements	72,000	72,000	--
TOTAL	<u>\$ 77,227,032</u>	<u>\$ 77,143,792</u>	<u>\$ --</u>
FTE Positions	164.2	164.2	--

Agency Estimate/Governor's Recommendation

The agency estimates FY 1993 expenditures of \$77,227,032, a net increase of \$8,062,755 over the amount approved. Most of the increase is from higher than anticipated payments from the Workers' Compensation Fund and the Health Care Stabilization Fund. FY 1993 is the first year of the agency's fee fund status. The majority of the agency's operating budget is financed through the Insurance Department Service Regulation Fund, created by 1992 House Bill No. 3169. The agency no longer receives a State General Fund appropriation for the insurance company regulation program. State operations expenditures are estimated at \$13,296,213.

The Governor recommends expenditures of \$77,143,792 in FY 1993, including \$13,212,973 for state operations. The Governor's recommendation is a reduction of \$83,240 (all in state operations) from the agency estimate.


Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor.

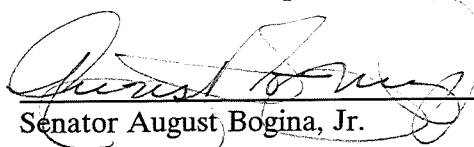
The status of the Insurance Department Service Regulation Fund, based on the recommendations of the Subcommittee, is as follows:

SWAM
February 10, 1993
Attachment 13

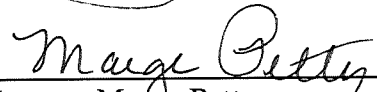
Resource Estimate	Actual FY 92	Agency Est. FY 93
Beginning Balance	\$ --	\$ 2,256,585
Net Receipts	2,256,585	5,145,791
Total Funds Available	<u>\$ 2,256,585</u>	<u>\$ 7,402,376</u>
Less: Expenditures	--	5,137,065
Ending Balance	<u><u>\$ 2,256,585</u></u>	<u><u>\$ 2,265,311</u></u>



Senator Barbara Lawrence
Subcommittee Chairperson



Senator August Bogina, Jr.



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Insurance Department

Bill No. 39

Bill Sec. 11

Analyst: Robinson

Analysis Pg. No. 142

Budget Page No. 332

<u>Expenditure Summary</u>	<u>Agency Req. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 15,006,775	\$ 14,718,395	\$ 144,099
Local Aid	3,777,086	3,777,086	--
Other Assistance	61,025,265	61,025,265	--
Capital Improvements	99,585	99,825	--
TOTAL	\$ 79,908,711	\$ 79,620,571	\$ 144,099
FTE Positions	174.2	168.2	4.0

Agency Request/Governor's Recommendation

For FY 1994, the agency requests expenditures of \$79,908,711, an increase of \$2,681,679 from the revised FY 1993 estimate. The agency requests funding for 174.2 FTE positions, an increase of 10.0 FTE above those currently authorized. State operations expenditures of \$15,006,775 are requested for FY 1994.

The Governor recommends total FY 1994 expenditures of \$79,620,571, a reduction of \$288,140 from the agency's request. The reduction is entirely in state operations. The Governor's recommendation includes funding for 168.2 FTE positions, an increase of 4.0 FTE positions over those currently approved, and a reduction of 6.0 from the agency request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor, with the following adjustments:

1. Increase the expenditure limitation on the Insurance Department Service Regulation Fund by \$144,099 and increase the position limitation by 4.0 FTE, to a total of 172.2. The recommendation includes \$110,120 in salaries and wages, and \$33,979 in other operating expenditures. The Subcommittee makes no specific recommendation as to the specific position titles but recommends that the agency have the flexibility to add up to 4.0 FTE positions which would be the most necessary to adequately perform Department functions. There is sufficient funding included in the recommendation to allow the Department to add 4.0 Policy Examiner positions to review rate and form filings.

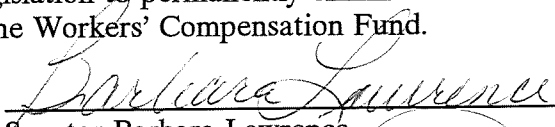
Generally, under Kansas law, insurance companies must file proposed policy forms and rates with the Insurance Department prior to using them. Any form or rate which is not specifically disapproved by the Commissioner within 30 days is "deemed" approved. During FY 1992, the Department approved or disapproved 82,580 policy forms and rates, while 20,532 were deemed approved. Of the forms which were actually reviewed 34,780, or 42 percent, were disapproved. The Department requested a total of 7.0 new Policy Examiner positions and 2.0 clerical positions. The Governor recommends 3.0 new positions, 2.0 Policy Examiner positions, and 1.0 clerical positions.

Funding for the new positions and other operating expenditures, which would allow for the acquisition of additional office space and capital outlay for the positions, is entirely from the Insurance Department Service Regulation Fund. The Subcommittee has determined that the balances in that fund are more than adequate to fund the recommended increases.

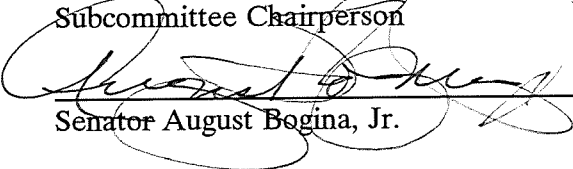
The status of the Insurance Department Service Regulation Fund, based on the recommendations of the Subcommittee, is as follows:

Resource Estimate	Actual FY 92	Estimated FY 93	Estimated FY 1994
Beginning Balance	\$ --	\$ 2,256,585	\$ 2,265,311
Net Receipts	2,256,585	5,145,791	5,685,824
Total Funds Available	\$ 2,256,585	\$ 7,402,376	\$ 7,951,135
Less: Expenditures	--	5,137,065	5,589,481
Ending Balance	\$ 2,256,585	\$ 2,265,311	\$ 2,361,654

2. The Subcommittee notes the Governor's recommendation that the \$4.0 million demand transfer from the State General Fund to the Workers' Compensation Fund not take place. In both FY 1992 and FY 1993, the demand transfer has been made on July 1, and a corresponding transfer has been made from the Workers' Compensation Fund back to the State General Fund on November 1. That action has provided the agency with cash flow needed due to the timing of collection of the assessments. The Department informed the Subcommittee that there were currently adequate moneys in the Workers' Compensation Fund to provide sufficient cash flow between July and November of FY 1994 without the State General Fund demand transfer. For that reason, the Subcommittee recommends the introduction of legislation to permanently eliminate the State General Fund demand transfer to the Workers' Compensation Fund.



Senator Barbara Lawrence
Subcommittee Chairperson




Senator August Bogina, Jr.

Senator Marge Petty

MINORITY REPORT

I disagree with that portion of the report recommending 4.0 new positions for the Department. While these positions are entirely funded from fee funds, it is important to note that these fees are collected from insurers and the costs will ultimately be passed on to consumers. The Governor recommended 3.0 additional FTE positions and I believe that this number is adequate.



Senator Marge Petty