

Approved: May 12, 1993
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The joint meeting of the House Appropriations and Senate Ways and Means committees was called to order by House Chairperson Rochelle Chronister at 10:15 a.m. on April 22, 1993 in the Old Supreme Court Room 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:

Members of the Kansas Legislative Research Department reviewed the State General Fund profile, demand transfers, revised estimates relating to general state aid for school districts, revised estimates of state general receipts for FY93 and FY94, State General Fund operating expenditures, operating expenditures financed from all funds, legislative adjustments in excess of \$100,000 to the Governor's recommendations for FY93, current status of state employee base salary adjustments, line-item vetoes of appropriation bills, legislative FTE adjustments for FY93 and FY94, Social Services Contingency Fund, FY93 and FY94 expenditures from the State Water Plan Fund, and FY93 and FY94 transfers within the Economic Development Initiatives Fund (Attachments 1 through 9). Staff also distributed copies of a document dated April 21, 1993 titled *Items for Omnibus Consideration* (Attachment 10). Not included in the document were bills that had not gone to conference and agency appeals.

The joint meeting of the House and Senate committees was recessed at 11:30 A.M. The Senate Committee reconvened in Room 123-S at 1:30 P.M.

AFTERNOON SESSION, APRIL 22, 1993

Mr. Richard Ryan, KLRD, appeared before the Committee to highlight those budget amendments made by the Governor which will have the most impact on the State General Fund. He noted the recommended transfer of \$2 million from the Lottery to the SGF, the shifting of \$10.9 million from the SGF to the EDIF for postsecondary aid, the freezing of five demand transfers (for a total of \$10.7 million in the State Highway Fund, the Local Ad Valorem Tax Reduction Fund, the County-City Revenue Sharing Fund, the City-County Highway Fund, and the Water Plan Fund) at the FY93 level (which is 3% below the statutory level), and the recommendation to not fund republication (\$6.6 million) of school budgets in FY93. Concern was expressed that freezing the demand transfer to the State Highway Fund could jeopardize future highway projects.

Mr. Ryan pointed out that the total for general and supplemental school aid in FY93 and FY94 (\$971,495,000) is based on current estimates of full funding including republication (Attachment 1).

The Chairman requested that staff review the Economic Development Initiative Fund. Julian Efird, KLRD, directed the Committees' attention to Attachment 10-9, Kansas Lottery, D. Governor's Budget Amendment No. 2, Item 24--Lottery Estimates. Senator Kerr, chairman of the Lottery subcommittee, stated that the subcommittee had requested conservative estimates from staff in its estimate of lottery sales. Mr. Efird noted that the most recent accounting from the Lottery through April 17, 1993 projects \$109.5 million in sales for FY93 on an annualized basis. He added that Club Keeno was implemented in late October, so there's a period of time in FY94 that additional revenues may be realized. Because the subcommittee felt more comfortable with their estimate, **the Committee concurred with the Senate Subcommittee's estimates of lottery sales.**

The Committee briefly discussed the **Governor's Budget Amendment No. 2, Item 20--Pittsburg**

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

Race Track, noting that the Senate subcommittee's estimates of receipts from parimutuel are less than the Governor's even with her elimination of the receipts from the Pittsburg track (Attachment 10-8).

Ellen Piekalkiewicz, KLRD, told members that the Governor recommended combining the \$5.4 million ending balance in the EDIF (Attachment 9) with her increased estimates from the Lottery to provide \$10.9 million for general aid to school districts.

The Chairman appointed subcommittees (Attachment 11) to recommend cuts in social welfare, general education, and higher education. He told members that the subcommittees would meet following the Committee's review of *Items for Omnibus Consideration*. He requested that staff review Attachment 10, including those sections that would be addressed by the subcommittees, and stated that the Committee would operate on consensus rather than motion unless otherwise noted.

ITEMS FOR OMNIBUS CONSIDERATION (ATTACHMENT 10)

(Staff appeared to review and answer questions on the various agencies as outlined in Attachment 12.)

STATE DEPARTMENT OF EDUCATION

All items in this section were deferred to subcommittee action. Attachment 13, a summary of general and supplemental general state aid to school districts for FY93 and FY94, was distributed.

KANSAS CORPORATION COMMISSION (Attachment 10-3)

- A. **Governor's Budget Amendment No. 2, Item 65--Alternative Fuels Grant Program**
Concur with the Governor.
- B. **Portions of Sec. 5, SB 41 (Veto)**
In answer to questions, staff noted that the Governor had recommended that the contingency fund be reduced by \$196,000 in FY93 (which was agreed to by the Legislature) and had not recommended the \$380,000 aggregate expenditure limitation in FY94. The Committee chose to restore portions of SB 41 deleted by the Governor and concurred with the Governor to establish a new aggregate expenditure limitation of \$11,012,246 for the agency's three major funds.
- C. **FY93 Expenditure Limitation Increase for Hugoton Natural Gas Field Hearings**
Concur with the Commission's request for \$62,964 for additional costs associated with hearings.
- D. **Appeals to the Governor for Electronic Imaging Consultant and 4.0 FTE Additional Positions**
Concur with the Governor to recommend neither the positions nor the consultants.
- E. **HB 2041 (Law)**
No action necessary.
- F. **HB 2461 (Governor)**
Appropriate the fund for FY94 with a "no limit" expenditure limitation.

ATTORNEY GENERAL

- A. **Governor's Budget Amendment No. 2, Item 4--FY93 Supplemental Appropriation for Water Litigation**
Concur with the Governor's recommendation to add \$91,630 from the SGF as a supplemental appropriation in FY93 for water litigation with Colorado.

KANSAS DEPARTMENT OF TRANSPORTATION

- A. **Governor's Budget Amendment No. 2, Item 66--Demand Transfers**
There was lengthy discussion regarding the negative impacts of freezing the demand transfers at the FY93 level. The Chairman deferred action on this item.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM (KPERs)

- A. **Technical Item for FY93 -- Concur**
- B. **Governor's Budget Amendment No 2, Item 31--KPERs Data Processing**
Concur with the Governor's recommendation to provide funding for the agency's computer system and 2 FTE positions, but include a proviso making the equipment subject to review by the Joint Committee on Computers and Telecommunications and the release of funds by the Finance Council.
- C. **Governor's Budget Amendment No 2., Item 32 -- KPERs School**
Previously addressed by legislature.
- D. **Substitute for HB 2211 (Law)**
In answer to a question, staff stated that KPERs estimates 2500 total additional retirants above the normal rate for the calendar year because of enhancements to the retirement system. A letter

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

of appeal from the agency, Attachment 14, was distributed and reviewed. The Committee recommended adding funds to implement Sub. for HB 2211 in the amount of \$18,000 in FY93 for the William M. Mercer Asset Planning, Inc. study (Attachment 14-2) and \$25,000 in FY94 for operating expenses. The Committee further recommended to reduce expenditures for direct placement management fees by \$112,000 and increase agency operations by \$18,300 in FY94 for travel expenses (Attachment 14-2).

KANSAS RACING COMMISSION

- A. **Governor's Budget Amendment No. 2, Item 17--County Fair Horse Racing Benefit Fund**
Concur with the Governor's estimates of expenditures in the amount of \$146,325 in FY93 and \$535,658 in FY94.
- B. **Governor's Budget Amendment No. 2, Item 18--Overtime Funding**
Concur with the Governor.
- C. **Governor's Budget Amendment No. 2, Item 19--State Racing Fund Receipt Estimates**
The Committee recommended adopting the latest parimutuel estimates of the Racing Commission for transfers to the State Gaming Revenues Fund.
- D. **Governor's Budget Amendment No. 2, Item 20--Pittsburg Race Track**
Concur with the deleting of approved FY94 revenues, expenditures, and FTE positions associated with the track. Concur with the Legislature's estimates of receipts to the State Gaming Revenue Fund pending review of information by Senator Kerr's subcommittee as directed by the Chairman.
- E. **Salaries and Wages Expenditures**
Staff noted that the Director of Racing position requested for FY94 is statutorily authorized. The agency requests \$23,000 additional funding for next fiscal year and plans to use savings from an unfilled position to pay the Director's salary. The Committee took no action.
- F. **Computer Upgrade Costs --** No action necessary.

KANSAS LOTTERY

- A. **Governor's Budget Amendment No. 2, Item 21--Computer System Repairing and Servicing --**Concur with the Governor's recommendation.
- B. **Governor's Budget Amendment No. 2, Item 22--Advertising**
Nonconcur with the Governor's recommended increase of \$100,000 in FY93 for advertising.
- C. **Governor's Budget Amendment No. 2, Item 23--Travel and Stationery Adjustments**
The Committee concurred only with the additional \$11,600 in FY93 for stationery.
- D. **Governor's Budget Amendment No. 2, Item 24--Lottery Sales Estimates**
As noted above, the Committee endorsed the Senate subcommittee's estimates of revenue from lottery sales. The Committee concurred with the Governor's recommendation to increase payments by \$97,623 for printing additional lottery tickets in both FY93 and FY94.
- E. **Governor's Budget Amendment No. 2, Item 25--TRANSFER FROM LOTTERY OPERATING FUND**
Staff noted there was some question as to whether the Governor would recommend the transfer in FY93 or FY94. The Committee concurred with the transfer of \$2 million from the Lottery Operating Fund to the State General Fund in FY94.
- F. **Lottery Computer System Purchase**
Authorize the full payment of the computer system in FY93 and make necessary adjustments for the transfer of monies in FY93 and FY94.

KANSAS DEPARTMENT OF COMMERCE AND HOUSING

- A. **SB 73 (Law) --** Add \$38,696 from the EDIF for one special projects position and \$6,000 for other operating expenditures in FY94 for certification of businesses that are eligible to receive tax incentives and credits. Also add \$75,000 from the EDIF to provide grants to eligible businesses as requested by the agency.
- B. **HB 2507 (Veto) --** No action taken.
- C. **Governor's Budget Amendment No. 2, Item 79 --** Staff noted that the actual expenditures would occur in FY94. The Committee concurred with the Governor's recommendation to add \$3 million in FY94 in additional federal expenditures for Community Block Grants.

KANSAS TECHNOLOGY ENTERPRISE CORPORATION

- A. **HB 2536 (Law) --** Concur.
- B. **Governor's Budget Amendment No. 2, Item 8 --** Concur.

BOARD OF COSMETOLOGY

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

- A. Governor's Budget Amendment No. 2, Item 70 -- Concur.

BOARD OF BARBERING

- A. Governor's Budget Amendment No. 2, Item 68 -- Concur.

ADJUTANT GENERAL

- A. HB 2429 (Law) -- Concur with the recommendation to create a fee fund with a \$560,000 expenditure limitation and recommend \$29,800 in FY94 from the new fund for a special projects Administrative Officer.
- B. Governor's Budget Amendment No. 2, Item 13 -- New Federal Program
No action necessary.

STATE TREASURER

- A. Governor's Budget Amendment No. 2, Item 66--FY93 Adjust Local Ad Valorem Tax Reduction Fund -- No action necessary.
- B. Governor's Budget Amendment No. 2, Item 66--FY94 Freeze Demand Transfers
Action deferred.
- C. SB 421 (Law) -- Appropriate the City Bond Finance Fund in FY94 as a "no limit" fund.

REGENTS INSTITUTIONS -- SYSTEMWIDE ISSUES

- A. Governor's Budget Amendment No. 2, Item 71--General Fees Fund Adjustments
Staff reviewed the general fee fund estimates on page 15, noting that the University of Kansas and Kansas State University show a shortfall in the current year, and KU, KSU and Pittsburg State University indicate a shortfall in FY94. In answer to a question, staff stated that the Governor has based her estimates on different assumptions than those of the Board of Regents.
- B. Governor's Budget Amendment No. 2, Item 72--Utility Adjustments
Staff distributed and reviewed a summary of revised estimates for utilities at the academic institutions (Attachment 15). It was noted that the summary shows the amount of the shortfall at each institution, the total of which is approximately \$220,000 more than recommended by the Governor in FY93. Staff called attention to the difference between the Governor's recommendation and the Board's estimates for KU and KSU which constitute most of the variance. This issue was deferred to the subcommittee for consideration.
- C. Systemwide Issue--SB 9 (Law) -- Concur.

BOARD OF REGENTS OFFICE

- A. Governor's Budget Amendment No. 2, Item 74--FY93 Savings in Ethnic Minority Scholarship Program -- Previously addressed.
- B. Governor's Budget Amendment No. 2, Item 75 -- Adjustments to Special Revenue Funds -- Add \$31,678 (SGF) in the Tuition Grant Program in FY94 to fully fund the program.
- C. Governor's line-item veto--FY93 Tuition Grant Program--No action.
- D. SB 267 (Law) -- Appropriate the "no limit" Teacher Scholarship Repayment Fund in FY94.
- E. SB 17 (Law) -- The Committee agreed to appropriate the Advanced Registered Nurse Practitioner Program Fund, but chose not to fund the scholarships.
- F. SB 9 (Law) -- Previously addressed.
- G. SB 7 (Law) -- No action required.
- H. SB 8 (Law) -- Staff noted that SB 8 authorized the tuition grant program at Washburn University but provides no funding. Senator Kerr noted that the Senate Education Committee had indicated that there might not be funding available for the tuition grants at Washburn University during the hearing on SB 8. In answer to a question at that hearing, a representative from WU stated that the university would favor passage of the bill even if funding were not available at this time. The Senate Ways and Means Committee agreed to appropriate the fund but did not add funding for the grants.
- I. HB 2026 (Law) -- Appropriate the following "no limit" funds: the Nursing Student Scholarship Discontinued Attendance Fund, the Nursing Student Scholarship Repayment Fund, and the Optometry Education Repayment Fund. Delete \$45,034 from the SGF in the optometry education account and increase expenditures by this same amount from the Optometry Education Repayment Fund in FY94.

UNIVERSITY OF KANSAS

- A. Governor's Budget Amendment No. 2, Item 76--Allen Fieldhouse
Staff told members that the balances in the Kansas Special Capital Improvement Fund had been recommended for SRS Major Maintenance and for the Historical Society. The Chairman directed the subcommittee to review this issue.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

- B. Governor's Budget Amendment No. 2, Item 77--Dyche Museum Storage Building Previously addressed.
- C. Technical Addition -- Concur.
- D. House Subcommittee Recommendation--Closure of Sunflower Research Landfill Staff noted that the balance left in the Remediation Projects Fund is actually \$100,000 less than anticipated by the Governor, leaving the Sunflower Research Landfill project \$813,083 short. Senator Karr suggested holding this item pending the Governor's action on HB 2087.

UNIVERSITY OF KANSAS MEDICAL CENTER

- A. Governor's Budget Amendment No. 2, Item 73--Advanced Registered Nurse Practitioner Program -- No action necessary.
- B. Governor's Line-Item Veto and Governor's Budget Amendment No. 2, Item 89--FY93 Medical Student Loans -- Senator Vancrum questioned the policy of retroactivity regarding the loans. Staff noted that the loans were made retroactively in order to secure a year of service from the student. The Committee concurred with the Governor's recommendation to increase expenditures by \$334,500 from the Medical Scholarship and Loan Repayment Fund to allow 15 additional new loans in FY93.
- C. SCR 1606 -- No action.

KANSAS STATE UNIVERSITY

- A. TECHNICAL ADJUSTMENT -- Concur.

KANSAS STATE UNIVERSITY--EXTENSION

- A. Governor's Budget Amendment No. 2, Item 78--Restricted Use Capital Improvement Projects -- Previously addressed.

EMPORIA STATE UNIVERSITY

- A. Technical Adjustment --Concur.

FORT HAYS STATE UNIVERSITY

- A. Technical Adjustment --Concur.

A request from Fort Hays State University for authority to add 4.5 FTE positions and appropriation language in their restricted use fund in an effort to address a shortage of primary care in northwest Kansas was reviewed by staff (Attachment 16). The Chairman noted that this information would be available for the subcommittee to review.

PITTSBURG STATE UNIVERSITY

- A. Technical Adjustment -- Concur.

The meeting was recessed at 5:00 P.M. on April 22 and reconvened April 23, 1993. Again, all members were present.

MORNING SESSION, APRIL 23, 1993

The Chairman requested that staff review the line-item veto of \$713,083 in SB 87. Pat Mah, KLRD, told members that the Governor indicated in her veto message that it is irresponsible to ignore contamination problems (the Landfill at KU) on state owned properties (Attachment 17).

The Committee continued with the review of *Items for Omnibus Consideration*, Attachment 10.

SCHOOL FOR THE BLIND

- A. Joint Committee on State Building Construction--Irwin Building Renovation In answer to questions, it was stated that the Department of Education has not indicated progress on the long range plan for capital improvements. It was noted that because the Legislature had placed a proviso on the capital improvements, it would be necessary to renovate the Irwin Building which would accommodate the administration and a cafeteria. The Committee concurred with the recommended expenditures of \$70,000 from the SIBF in FY94 for the basic remodeling of the Irwin Building.

Staff presented a request that the \$150,000 allocated to Accessible Arts, Inc. be distributed in three equal payments of \$50,000 to ease cash flow (Attachment 18). The Committee concurred

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

with the request.

BOARD OF INDIGENTS' DEFENSE SERVICES

- A. SB 170 (Governor) -- Nonconcur.
- B. SB 348 (Law) -- Nonconcur.
- C. SB 354 (Law) -- Nonconcur.
- D. 1992 SB 479 (Law) -- Concur with the \$75,000 from the SGF in FY94 to finance the first year start-up costs for the retroactivity portion of the bill.

The Committee discussed at length the impact of Sentencing Guidelines on the number of cases and the corresponding increase in costs to the Board of Indigents' Defense. Senator Moran voiced his opinion that particularly in SB 170, the costs should not increase because the law was not changed. Although members did not disagree that the number of cases going to trial might increase, there was no confidence in the estimated costs. Members noted that if FY94 costs increased, the agency could request a supplemental.

JUDICIAL BRANCH

- A. Substitute for SB 2211 (Law) -- Concur with the addition of \$104,748 from the SGF in FY94.
- B. Governor's Budget Amendment No. 2, Item 27--Post Conviction Non-Prison Sanctions -- A representative from the Judicial Branch explained that Sec. 300 of Sentencing Guidelines has 2 components. The first is that all field services shall be consolidated by January 1, 1994. A request for 49 FTE positions from the Chief Justice (Attachment 19) was made to handle the additional workload imposed by Sentencing Guidelines. If consolidation of probation, parole, and community corrections does not occur, the responsibility will remain with the court system, thus necessitating the additional 49 FTEs, according to the representative. It was noted that provisions for additional FTEs had been line-item vetoed by the Governor last year. The second component of Sec. 300 is that all post conviction felony expenses shall be borne by the state. Staff advised that the \$375,000 was appropriated to the Department of Corrections to pay for jail time for post conviction expenses. However, DOC requested that the appropriation be shifted to the Judicial Branch because the felons are under the jurisdiction of the court system. The Governor subsequently recommended that the appropriation be shifted to the Judicial Branch. The representative of the Judicial Branch stated that the court system has no mechanism in place to reimburse counties for jail expenses.

Committee recommendations: concur with the shift of \$375,000 from the Department of Corrections to the Judicial Branch in FY94 and make the Judicial Branch responsible for covering the costs of reimbursing counties for county jail expenses related to felony nonprison sentences for offenders sentenced to county jails for a maximum of 30 days. Recommend a proviso that would require the administrative judge of each judicial district to certify postconviction nonprison sanction costs, and that the reimbursement rate be set by the rules of the state supreme court. (This recommendation is made in the Department of Corrections also.) It was moved by Senator Rock and seconded by Senator Kerr that 25 FTE positions and salaries from the SGF be recommended to accommodate the workload associated with the passage of Sentencing Guidelines. The motion carried on a voice vote.

LEGISLATURE

- A. Substitute for HB 2011 (Governor) -- Concur. It was noted that there were sufficient balances in the LCC to cover this request.

A request from the office of Legislative Services for an Office Supervisor was reviewed (Attachment 20). Senator Karr noted that the LCC had not acted on the request. The Committee concurred with the request to upgrade an existing employee upon LCC approval, but did not appropriate additional funds.

ALL AGENCIES

- A. Governor's Budget Amendment No. 2, Item 8--Assessment for Annual Leave Payments Upon Retirement -- Concur.

The Committee recommended that language be included in the Omnibus Reconciliation Bill to comply with statutory requirements regarding the Cash Operating Reserve Fund.

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 -- Concur, based on revised estimates of receipts.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

- B. **Governor's Budget Amendment No. 2, Item 40--Restore Topeka Screening Unit to Full Capacity -- Concur.** Staff noted that SRS is redesigning services to qualify for Medicaid Funds. Senator Salisbury stated that continuation of the screening units at current capacity was indicated because regional detention centers will not be on line as soon as anticipated and because screening units currently hold juveniles who have no other place to go.
- C. **Governor's Budget Amendment 2, Item 41--Adjustment in Federal Match Rate for Vocational Rehabilitation -- Concur.** Staff told members that the recommendation would allow for the abolishment of the two-tier system and would provide for a 21.3% state match rate which would maintain the current service level of the grants.
- D. **Governor's Budget Amendment 2, Item 42--Expansion of KIB Laser Cartridge Project -- Concur.**
- E. **Governor's Budget Amendment 2, Item 43--No Limit Authority on KVRC Fee Fund -- Concur.**
- F. **Governor's Budget Amendment 2, Item 44--Increase in Federal Supported Employment Services Grant -- Concur.**
- G. **Governor's Budget Amendment 2, Item 45--Adjustments to Youth Services Foster Care Caseload -- Concur** with the Governor and add a proviso requesting that the Secretary of SRS consider restoration of the foster care programs at Winfield State Hospital and Training Center and at Parsons State Hospital in a similar fashion as available at the Kansas Neurological Institute.
- H. **Governor's Budget Amendment 2, Item 46--Adjustments to Youth Services Adoption Support Caseloads -- Concur** with GBA.
- I. **Governor's Budget Amendment 2, Item 47--Technical Corrections to Appropriations Bill to Reflect Governor's Recommendations -- Concur.**
- J. **Governor's Budget Amendment 2, Item 48--Funding Realignment and Increase in Child Care Development Block Grant -- Concur.**
- K. **Governor's Budget Amendment 2, Item 49--Community Mental Retardation Savings -- No action necessary.**
- L. **Governor's Budget Amendment 2, Item 50--Federal MMIS Mandates -- Concur.**
- M. **Governor's Budget Amendment 2, Item 51--VA Policy Change -- No action necessary.**
- N. **Governor's Budget Amendment 2, Item 52--Income Eligible Child Care Savings -- No action necessary.**
- O. **Governor's Budget Amendment 2, Item 53--Cash Assistance Caseloads -- No action necessary.**
- P. **Governor's Budget Amendment 2, Item 54--Regular Medical Assistance Caseload -- No action necessary.**
- Q. **Governor's Budget Amendment 2, Item 55--Adult Care Homes Caseload -- Concur.** It was noted that the Governor had adjusted the agency's budget to address the caseload rather than the rate increase. The Governor's recommendation was \$300,000 above the Legislature's.
- R. **Governor's Budget Amendment 2, Item 56--Shift MMIS Expenditures -- Concur.**
- S. **Governor's Budget Amendment 2, Item 57--GA--KanWork Correction -- Concur.**
- 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 -- Concur.**
- U. **Governor's Budget Amendment 2, Item 59--Substance Abuse Treatment Capacity Expansion--Federal Grant --Concur.**
- V. **Governor's Budget Amendment 2, Item 60--Community Youth Block Grant -- Concur.**
- W. **SB 119 (Governor) -- Concur** with the recommended shift of \$468,633 from the SGF in FY94 from regular medical assistance to state operations and authorize 8 special projects positions and OOE to plan for and implement the managed care projects.
- X. **Technical Adjustments -- Concur.**

The Chairman requested the status of the moratorium on nursing home beds. Staff explained that **HB 2047** contains permissive language which authorizes the Secretary of SRS to contract for nursing facility services for Medicaid patients and allows her (but does not mandate her) to limit the number of Medicaid beds to the number as of January 1, 1993 plus 75, excluding the nursing facility beds. Concern was expressed that the bill might impact all nursing care facilities including those that currently have contractual obligations. The Chairman indicated that this issue would be revisited later.

REAL ESTATE COMMISSION: REAL ESTATE APPRAISAL BOARD

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

- A. **SB 269 (Governor)** -- Staff noted that SB 269, which would have created an independent agency, had been vetoed. A document outlining the costs of implementation of SB 269 and the revised costs associated with the veto of the bill was distributed (Attachment 21). The Committee concurred with the \$45,335 increased expenditure limitation (Attachment 21-2).

COMMISSION ON GOVERNMENTAL STANDARDS

- A. **Alternate Funding Sources for Operating Costs** -- Senator Rock moved and Senator Karr seconded to authorize and restore funding for one special projects person for a total of two in FY94 and to appropriate in a separate line item \$6,266 from the SGF to provide specifically for the purchase of two microcomputers and two laser printers. The motion carried on a show of hands.

STATE BANK COMMISSIONER (page 34 of Attachment 10)

- A. **SB 58 (Law)** -- Appropriate in FY94 the fee fund to the State Bank Commissioner (which was originally established for the Savings and Loan Department) with "0" expenditure limitation.
- B. **Governor's Budget Amendment No. 2, Item 7--Reclassification of Financial Examiners** -- There was lengthy discussion regarding the Governor's recommendation to make an exception to Policy 27 for Financial Examiners and to reclassify them by executive order. The Committee concurred with the GBA to provide \$134,015 for a step-to-step reclassification of this agency's State Financial Examiner positions but nonconcurred with the turnover savings.

The Committee recessed from 12:00 noon until 1:30 P.M.

DEPARTMENT OF HEALTH AND ENVIRONMENT (PAGE 31 OF ATTACHMENT 10)

- A. **New Initiative for Women's Health Program** -- Nonconcur
- B. **Technical Adjustment** -- Concur.
- C. **HB 2008 (Law)** -- Appropriate in FY94 a no limit District Coroners Fund. Members questioned the amount requested by the Department to provide notification of the new surcharge imposed on death certificates and recommended that any administrative costs come from the new fund.
- D. **HB 2538 (Conference)** -- No recommendation.
- E. **Governor's Budget Amendment No 2, Item 80--Increase Expenditure Authority** Concur. The Committee agreed with Senator Kerr's suggestion to include a proviso urging the Department to use all of its approved funds for the Infant Toddler program to provide for direct rather than indirect services to the children.
- F. **Governor's Budget Amendment No. 2, Item 81--Executive Directive No 93-195** -- No action. Staff noted that funding for the Office of Primary and Secondary Disabilities is not included in the legislature's version of the budget, but the agency has the authority to spend the federal monies without legislative authorization.
- G. **Governor's Budget Amendment No 2, Item 82--Federal Maternal and Child Health Block Grant** -- No action necessary on increasing the expenditure limitation. Concur with the shift of financing in FY94 for operating expenditures of \$222,560 from the SGF to the Maternal Child Health Block Grant Fund.
- H. **Governor's Budget Amendment No 2, Item 85--Federal Grant Funds to Repay Loans of Qualified Medical Providers** -- Concur with the appropriation of a "no limit" fund in FY93 and FY94 for the new grant monies and add a proviso stipulating that all match requirements for federal dollars come from local sources.
- I. **Governor's Budget Amendment No 2, Item 84--HB 2429 (Law)** -- Concur.
- J. **Governor's Budget Amendment No 2, Item 85--State Water Plan Fund** -- The Committee did not agree with the Governor's recommendation because of concerns about what would happen to the money if it were transferred.
- K. **Governor's Budget Amendment No. 2, Item 86--Technical Corrections** -- Concur.
- L. **Governor's Budget Amendment No 2, Item 87--Federal Highway Safety Fund** Concur with the shift from FY94 to FY93 of an additional \$3,000 in operating expenditures from the Federal Highway Safety Fund.

It was noted that the Department would experience an \$800,000 shortfall in their budget because of assumptions made by the Department and the Governor regarding the Clean Air Act. The Committee agreed to appropriate in FY94 the Air Quality Feed Fund with a \$0 expenditure limitation and to transfer \$800,000 in FY94 from that new fund to the Department's Sponsored Project Overhead Fund to prevent the shortfall in the agency's

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

budget. In answer to Senator Vancrum, it was stated that fees would be collected in the \$0 limit fund.

DEPARTMENT OF ADMINISTRATION

- A. Governor's Budget Amendment No. 2, Item 9--Executive Aircraft Engine Overhaul -- Concur.
- B. Governor's Budget Amendment No. 2, Item 10--SB 54 (Law) -- Concur.
- C. Governor's Budget Amendment No. 2, Item 11--Architectural Services Recovery Fund -- Concur. In answer to questions, staff noted that the Legislature approved numerous capital improvements projects last year creating a need for the services of a structural engineer. The Department elected to use special projects persons or contractual service arrangements to provide these services to avoid adding FTE positions.
- D. Governor's Budget Amendment No. 2, Item 12--Snow Removal -- Concur.
- E. Joint Committee on State Building Construction--Energy Conservation Project - - Concur.
- F. Joint Committee on Computers and Telecommunications (JCCT) and Conference Committee on SB 41--Personnel/Payroll System -- It was stated that the Secretary of Administration anticipates participation from Kansas State University, Kansas University and the University of Kansas Medical Center in developing and sharing in the costs of a personnel/payroll system. Secretary Seltsam indicated that an RFI would be accomplished with current staff and without additional expenditures. In answer to the House subcommittee's question, "What would you do with \$500,000?", the Secretary submitted Attachment 22, noting that it outlined minimal testing expenses of hardware and software that she would anticipate spending the later half of FY94 following the RFI. She added that she would prefer to not be bound by this document because it was assimilated quickly. Members agreed that an investment in a request for information this year would put the Legislature in a better decision-making position next year. In answer to a question, Secretary Seltsam stated that \$136,000 would fund 30 work stations and software, but she estimated needing only half of that for testing purposes. The Committee recommended adding \$153,000 from the SGF and using the \$100,000 balance in the Accounting Services Recovery Fund to finance a portion of the first year costs (RFI, 15 work stations and software) of a new personnel/payroll system in FY94.
- G. Sub. HB 2354 (Governor) -- No action.
- H. SB 307 (Conference) -- No action.
- I. Sub. HB 2538 (Conference) -- No action.

Staff noted that the Secretary had requested the deletion of the provision allowing expenditures from the Budget Stabilization Fund for court judgment and requested a provision allowing expenditures from that fund for any shortfalls in education. The Chairman stated that the fund is subject to attack by the military retirees' judgment as it now stands, although he did not concur with the recommendation that the fund be used to finance education shortfalls. The Committee agreed to appropriate the Budget Stabilization Fund as a \$0 limit fund in FY94, but added a proviso stating that no expenditures shall be made from the fund except upon approval of the Legislature and Governor.

KANSAS COMMISSION ON VETERANS AFFAIRS

Technical Adjustment--FTE Limitation -- Concur.

MENTAL HEALTH HOSPITALS

- A. Governor's Budget Amendment No. 2, Item 61--Topeka State Hospital Patient Benefit Fund --Concur.
- B. Governor's Budget Amendment No. 2, Item 62--Topeka State Hospital Pharmacy Items -- No action necessary.
- C. Governor's Budget Amendment No. 2, Item 58--Topeka State Hospital Rental Property and Rehabilitation Fund -- Concur.
- D. School Contract Issues
 - 1. Teacher Salary Increases -- Staff noted that the Governor had recommended funding teacher salaries at the FY93 level. The Committee concurred with adding a total of \$97,140 to provide a 2.5% across the board teacher salary increase in FY94.
 - 2. Categorical Aid -- Concur with adding a total of \$78,735 from the SGF to adjust for the difference between the categorical aid rate estimated by the agency and the funding appropriated for categorical aid by the 1993 Legislature. (See chart on page 38 of Attachment 10).
- E. Technical Adjustment --Transfers from the SRS Social Service Contingency

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

Fund -- Concur.

Staff told members that the Secretary of Social and Rehabilitation Services is authorized to make transfers between two institutions to meet the needs of certain situations. Because of surveys and over-census at Topeka State Hospital, the Secretary has transferred 6 FTE positions from Osawatomie State Hospital to Topeka State Hospital. The Committee concurred with the shifting of \$120,000 SGF and 6.0 FTE positions approved for Osawatomie State Hospital in FY94 to Topeka State Hospital.

STATE MENTAL RETARDATION HOSPITALS--SYSTEMWIDE ISSUES

- A. **Categorical Aid** -- Concur with additions from the SGF to provide for the school contracts to be fully funded.
- B. **Teacher Salary Increases** -- Concur with providing funding (totaling an additional \$25,512 from the SGF) for a 2.5% across the board salary increase for teachers in FY94.

WINFIELD STATE HOSPITAL AND TRAINING CENTER

- A. **Governor's Budget Amendment No. 2, Item 63--Reduction in Trainee and Temporary Positions** -- There was lengthy discussion regarding the number of trainee positions at Winfield State Hospital. Staff noted that when the House heard the agency's budget, there were 71 persons in trainee positions. It was stated that the trend toward a high number of trainees may have been influenced by problems with certification. The Committee agreed to reduce by 16 the number of trainee positions and the funding associated with those positions.
- 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** -- Concur.

The Committee concurred with a technical adjustment reviewed by staff to delete 2 FTE positions and \$87,665 SGF in FY94 to reflect the Governor's Executive Directive of March 30, 1993, which transferred 2 FTE positions from the hospital to SRS/MHRS Central Office in FY93.

KANSAS HIGHWAY PATROL

- A. **Governor's Budget Amendment No. 2, Item 15--Vehicle Replacement** --Concur with the Governor's recommendation to lapse monies from the SGF in FY94 for the replacement of patrol vehicles and to replace it with a no-limit expenditure limitation on the agency's Motor Vehicle Fund. Concur also with the Governor's recommendation to add \$150,000 SGF in FY94 to make up for shortfalls in the agency's General Fees Fund.
- B. **Governor's Budget Amendment No. 2, Item 16--Motor Carrier Inspection Troop** -- Concur.

KANSAS BUREAU OF INVESTIGATION

- A. **HB 2355 (Governor)** -- Senator Brady expressed concern about the costs associated with the implementation of bills and expressed his opinion that the agency was using HB 2355 as an opportunity to update equipment. The Committee agreed to add \$104,000 SGF in FY94 to provide support expenses of \$16,000 and additional analytical equipment in the amount of \$88,000 to allow the agency to deal with the anticipated increase in its workload as a result of the passage of HB 2355.

BOARD OF VETERINARY EXAMINERS

- A. **1993 HB 2107 (Law)** -- Concur.

PUBLIC BROADCASTING COMMISSION

- A. **SB 350 (Governor)** -- Concur.

KANSAS STATE FAIR (Page 49 of Attachment 10)

- A. **Senate Subcommittee on Capital Improvements (HB 2122 Recommendation** -- Robert Gottschalk, General Manager of the Kansas State Fair, distributed and reviewed a proposal to renovate the 4-H encampment building at the fairgrounds (Attachment 23). He stated that he believes the State Fair Board can provide the match for Phase I of the project. It was stated that because of the State Fire Marshal's ruling that the building is a fire hazard, the building should either be renovated or razed. In answer to Senator Karr, Mr. Gottschalk stated that the Fire Marshal deemed the building structurally sound. The Committee agreed to

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

provide \$500,000 from the EDIF in FY94 for Phase I renovations to the 4-H Encampment Building and encouraged the use of \$170,000 from foundation funds. If necessary, the Committee authorizes the Pooled Money Investment Board to loan an amount not to exceed \$170,000 to the State Fair Board in FY94 subject to State Finance Council approval.

STATE BOARD OF AGRICULTURE (page 48 of Attachment 10)

- A. Governor's Budget Amendment NO. 2, Item 5--FACTS Program -- Concur.
- B. Governor's Budget Amendment No. 2, Item 6--*Insects in Kansas* Publication Fee Fund -- Concur.
- C. HB 2070 (Law) - Appropriate a no limit Water Transfer Hearing Fund in FY94.

Staff noted that as a result of the passage of HB 2144, the agency estimates additional expenses of \$736 to comply with responsibilities in the modification of the Kansas Meat and Poultry Inspection Act. The Committee took no action.

KANSAS INSURANCE DEPARTMENT

- A. Substitute for HB 2354 (Governor) -- A letter of appeal from the agency for additional FTE positions was distributed to members (Attachment 24). The Committee did not recommend any additional FTE positions, but agreed to include language to make the return transfer of \$4 million to the SGF as soon as possible in FY94 and FY95.

DENTAL BOARD

- A. Governor's Budget Amendment No. 2, Item 37--Increase in FY93 Legal Fees -- Concur.
- B. Governor's Budget Amendment No. 2, Item 38--Inspection of Dental Offices for HIV Prevention -- Concur.

DEPARTMENT OF CORRECTIONS (Page 42 of Attachment 10)

- A. Governor's Budget Amendment No. 2, Item 27--Post-Conviction Non-Prison Sanctions -- Previously addressed in the Judicial Branch.
- B. Governor's Budget Amendment No. 2, Item 28--Local Jail Costs -- Concur.
- C. Governor's Budget Amendment No. 2, Item 29--Community Corrections Grants Savings -- Concur.

STATE COMMUNITY CORRECTIONS BOARD

- A. HB 2145 (Law) -- No action necessary.

LARNED CORRECTIONAL MENTAL HEALTH FACILITY

- A. Governor's Budget Amendment No. 2, Item 30--Salary Savings -- Concur.

TOPEKA CORRECTIONAL FACILITY

- A. Governor's Budget Amendment No. 2, Item 33--Salaries Technical Correction - - Concur.

STATE HISTORICAL SOCIETY

- A. Stormwater Utility Tax -- A summary of the Stormwater Utility Tax on all state agencies and an explanation of that tax were distributed (Attachment 25). It was noted that only the Historical Society had requested reimbursement for the tax in the Omnibus bill. Members believed that all agencies should be treated consistently in consideration of this issue. The Committee did not concur with the inclusion of \$6,684 from the SGF for payment of the Stormwater Utility Tax in FY94 on the Society's two buildings.

WILDLIFE AND PARKS

- A. SB 137 (Law) -- Concur.
- B. Technical Adjustment -- Concur.
- C. Governor's Budget Amendment No. 2, Item 1--Emergency Repair to Dam at Montgomery State Fishing Lake -- Concur.
- D. Governor's Budget Amendment No. 2, Item 2--Land Acquisition Cheyenne Bottoms Wildlife Area -- Members questioned the need for acquisition of additional acres of land for flood control. A representative from Wildlife and Parks stated that the agency was trying to acquire 100 year elevation flood to take care of flood damage now and in the future. Staff noted that if the agency expends \$290,000, they will receive reimbursement of 75%. The Committee did not concur with the Governor's recommendation.
- E. Governor's Budget Amendment No. 2, Item 3--Community Assistance Lake

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

Program -- Concur.

The Chairman stated that he had received a request from Kansas Wildscape for \$50,000 from the EDIF and requested an explanation of the program. Mr. Kerth, Department of Wildlife and Parks, stated that Wildscape is a non-profit corporation that assists with raising funds for programs associated with wildlife management and programs. He stated that the initial seed money totaled \$100,000, which has not yet been repaid. The Committee did not concur with the request from Kansas Wildscape.

Staff told members that the Rails to Trails Project had applied for Intermodal Surface Transportation Efficiency Act funds, for which a 20% match is required within 2 years. Staff noted that this item will be submitted in the FY95 budget request. The Committee agreed to create a no limit fund in FY94 to enable the agency to receive ISTEA funds for a Rails to Trails Project.

YOUTH CENTER AT TOPEKA

- A. **Technical Adjustment -- Concur.**
- B. **Teacher Salary Adjustments --** Add monies from the SGF to provide for a 2.5% teacher salary increase in FY94.

YOUTH CENTER AT BELOIT

- A. **Teacher Salary Adjustments --** Add monies from the SGF to provide for a 2.5% teacher salary increase in FY94.
- B. **Double Coverage --** It was noted that this agency was not dissatisfied last year with 50% double coverage because the center was able to use double coverage during early evening hours when most problems arose. The Committee did not concur with the House subcommittee's recommendation to add SGF dollars and 5.5 FTE positions to increase double coverage from an average of 50% to 80%.

YOUTH CENTER AT ATCHISON

- A. **Teacher Salary Adjustments --** Add SGF dollars to provide for a 2.5% teacher salary increase in FY94.
- B. **Double Coverage -- Nonconcur.**

DEPARTMENT OF REVENUE

- A. **Governor's Budget Amendment No. 2, Item 35 -- Concur.**
- B. **HB 2005 (Law) -- Nonconcur.**
- C. **SB 73 (Law) -- Concur.**
- D. **SB 159 (Law) -- Nonconcur.**
- E. **SB 130 (Law) -- Concur.**
- F. **HB 2355 (Governor) --** The Committee agreed to add monies from the Vehicle Operating Fund and one attorney position in FY94 to handle additional appeals resulting from the lowering of the threshold for intoxication from .10 to .08 (HB 2355).

DEPARTMENT OF HUMAN RESOURCES

- A. **Advisory Committee on African American Affairs --** The Committee discussed at length the advisability of establishing this advisory committee. Some members believed the committee was advisable to address problems associated with racial bias. Others believed that a preliminary study should be accomplished before implementation of a committee that has no clearly defined goals and whose services might overlap those provided through community agencies. It was suggested that 2 FTE positions be recommended to support the Committee. That recommendation failed on a show of hands. Senator Morris moved, Senator Petty seconded, that the Committee recommend a study of minority needs and barriers to employment and that the study be funded with \$25,000 from the Penalty and Interest Fund in FY94. The motion carried on a voice vote.
- B. **SB 145 (Governor) -- Concur.**
- C. **Senate Substitute for Substitute for HB 2354 (Governor) -- Not addressed.**
- D. **Governor's Budget Amendment No. 2, Item 36 -- No action necessary.**

KANSAS WATER OFFICE

- A. **Governor's Budget Amendment No. 2, Item 66 -- No action.**
- B. **HB 2443 (Law) -- Concur.**

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

It was moved by Senator Moran and seconded by Senator Lawrence that the minutes of March 26, 29, 30 and 31 and April 1, 6, 7 as read and the minutes of April 5 as corrected be approved. The motion carried on a voice vote.

The Chairman announced that the Senate Ways and Means Committee would reconvene on Monday, April 26 at 10:00 A.M., after which the subcommittees would meet to make recommendations on budget reconciliations. The meeting was recessed at 6:15 P.M.

MORNING SESSION, APRIL 26, 1993

The meeting was reconvened at 10:20 A.M. with staff members of the Kansas Legislative Research Department providing a review of the Governor's vetoes and veto messages (Attachment 26). The following decisions were made on these respective bills:

- HB 2047** (Attachment 26-14)
Assigned to the SRS subcommittee for review. The Chairman noted that the original SRS subcommittee believed there was merit in the revolving fund and training for local providers which was vetoed. Staff stated that in her veto message, the Governor has "directed the Secretary of SRS not to begin a new program to provide medical and therapeutic services not covered by Medicaid to clients placed in the community."
- SB 57** (Attachment 26-7)
Assigned to the SRS subcommittee for review.
- SB 87** (Attachment 26-10)
Assigned to the SRS subcommittee for review.
- HB 2087** (Refer to Attachment 26-20)
Sec. 33 (a) -- Staff noted that the overall expenditure limitation would also be adjusted to reflect a net reduction but would maintain the \$1.4 million authorization for computer acquisition.
Sec. 33 (b) -- The Governor line item vetoed the expenditure limitation reduction in FY93 of \$900,000 in the Lottery computer system and software account of the Lottery Operating Fund, thus allowing for the purchase of the computer system in FY93 and saving \$77,000 in finance charges. Because the Governor's veto accomplishes the intent of the Committee, the Committee agreed to delete its action from the Omnibus bill.

Sec. 11 (a) -- Referred to the General Education Subcommittee.
- SB 41** (Attachment 26-4)
Members agreed to recommend the amount (\$196,000) for the emergency salary contingency pool which was provided in FY92. However, this action was rescinded because of prior action to concur with the Governor.
- HB 2062** (Attachment 26-19)
The Committee agreed to attempt an override of the Governor's veto of the Chauncey Shepard claim if the House were successful in an override attempt.
- HB 2122** (Attachment 26-22)
Sec. 2 (a) -- In answer to questions, staff noted that the Governor's veto would leave enough money to only build the shell of the base building. It was stated that the total cost for the base building and bay II is \$11.7 million, \$8.9 million of which has been appropriated to date. Senator Salisbury said that she believed the purpose of funding the base building and bay II was to allow for the entire contract to be let at the same time. The Committee agreed that building just the base building would not accomplish the original purpose, and agreed to attempt an override of the Governor's veto. If the override attempt fails, the Committee agreed to delete all existing appropriations for the new center for historical research. The Chairman noted that he would review the Committee's decision with House members.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

Sec. 12 (d) -- Senator Kerr indicated that he would discuss the details of the Cosmosphere with the Governor, and that he believed the Governor would then concur with the \$750,000 for the Cosmosphere. Senator Kerr moved, Senator Lawrence seconded that \$750,000 from the EDIF for the Tourism Matching Grant program to be granted to the Kansas Cosmosphere be included in the Omnibus appropriations bill. The motion carried on a voice vote.

Staff distributed and reviewed a summary of legislative adjustments to the Economic Development Initiatives Fund (Attachment 27). This summary illustrates that the Senate Committee has recommended additional EDIF expenditures of \$489,675 from the legislative approved amounts. The Senate Committee did not increase estimates from the Lottery and Racing which results in \$5.4 million less in receipts over fiscal years 1993 and 1994. The House Committee concurred with the Governor's estimates of receipts and, in Committee action, has recommended expenditures totaling \$6.4 million, leaving a balance of \$6. million. The Senate has recommended expenditures of \$489,675 and has an ending balance of \$4.9 million. Staff noted that the House and Senate figures do not reflect the Governor's vetoes, but the \$1.7 million ending balance in the Governor's column do take into account the vetoes. Senator Kerr, chairman of the Lottery subcommittee, stated that the subcommittee would meet with legislative staff and Lottery officials to review estimates of anticipated receipts from the Lottery and parimutuel.

Senator Moran reviewed a memorandum from KLRD (Attachment 28) summarizing the request of the Commerce Department to add one FTE position as a representative in California to help conduct research on Kansas communities for interested California companies. Senator Moran testified regarding one business which had chosen to relocate in Hays and about the positive financial impact anticipated from that move. Senator Moran moved, Senator Morris seconded, that \$50,000 be included in the Omnibus bill from the EDIF for the state's California trade office in FY94. The motion carried on a voice vote.

Alan Conroy, Chief Fiscal Analyst, KLRD, distributed and reviewed Attachment 29. He explained that the document reflects the Senate Committee action through April 23, 1993 on the State General Fund and all funds. For FY93, Senate Committee action on April 22 and 23 reduced SGF expenditures by \$2.5 million and increased expenditures in all funds by \$4.7 million. Senate Committee action also reduced SGF expenditures in FY94 by \$2.5 million and increased expenditures from all funds by \$23 million. Mr. Conroy noted that the Senate position is currently \$9.7 million above the necessary amount for 7% ending balances.

The Chairman announced that he would like to address the pay plan and demand transfers in the afternoon, then would direct subcommittees to meet, and finally would reassemble the afternoon of April 27 to finalize the bill. Members asked staff to provide for the afternoon session documents regarding costs of COLA and TIAA/CREF increases, the total cost of general government, the amount per year deferred from the Highway projects, system enhancement projects that are over budget, the increase in KPERS costs over a five year period, estimated projected savings in KPERS as a result of retirements, and actual salary increases based upon KPERS costs as developed by Dr. Mackin. The meeting was recessed at 12:10 P.M.

AFTERNOON SESSION, APRIL 26, 1993

Attachment 30, a summary of changes made in demand transfers to produce SGF savings since 1983, was distributed.

Mike Lackey, Department of Transportation, appeared before the Committee and reviewed Attachment 31. The document illustrates transfers and differences in projections from KDOT funds since FY90 exceeded the Department's projections by \$18.5 million. In answer to Senator Kerr's concern, Mr. Lackey stated that two system enhancement projects have gone over budget and he is concerned about providing the system enhancements within the amount projected. He stated that the projects could be scaled down but would still fulfill the intent of the contracts. Any savings or unused revenues in the base budget of the Department could be transferred by the Secretary to fulfill the original enhancement projects. In answer to the Chairman, Mr. Lackey stated that the \$20 million overrun on the Oakland Expressway could be paid for by a number of ways including bond sales and federal aid.

Secretary Michael Johnston, KDOT, appeared to respond to questions about the Department's ability to sell bonds at a favorable rate in order to benefit the state. Sec. Johnston summarized several instances in which the Department had taken advantage of favorable interest rates and stated that KDOT is paying debt service at a

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

rate lower than anticipated in 1989. He added that, in the aggregate, it represents a substantial amount of savings, but the savings only accrue year to year. He said that the balance of the securities authorized in 1989 still have to be sold, so the bottom line is not yet known. In answer to a question, Secretary Johnston stated that he could not answer how a freeze in the demand transfer to the Department would impact specific projects, but the reduction would impact the overall operation of the Department.

Staff distributed Attachment 32. The final column reflects a 3% reduction in the demand transfers which would total \$5.1 million. Also provided to Committee members was Attachment 33, spreadsheets based on the Segal Company's actuarial estimates and actual increases in average salaries of state employees for the 2 year period, 1990 - 1991.

Alan Conroy distributed and reviewed Attachment 34, a summary of the current status of base salary adjustments and the costs associated with various other adjustments that could be made to base salaries. In answer to a question, Mr. Conroy state that the cost of implementing Phase IV in FY95 would be \$3.8 million excluding annualization.

Attachment 35 was distributed in response to a question regarding the employer contribution rate for KPERS.

It was moved by Senator Morris and seconded by Senator Salisbury that implementation of Phase IV of the pay plan be included in the Omnibus bill. Senator Brady offered a substitute motion which was seconded by Senator Petty to provide a .5% COLA increase for all state employees except unclassified Regents. It was his opinion that a .5% COLA increase would provide a modest increase for all employees, and it was his understanding that the Regents had indicated that they would rather sacrifice the base salary increases than experience across the board budget cuts. The motion failed on a show of hands. The primary motion carried on a voice vote.

It was moved by Senator Vancrum and seconded by Senator Kerr to reduce the anticipated demand transfers by 3%. Senator Kerr stated that he was fearful of the Governor's recommendation because it freezes the demand transfers at a dollar level and does not account for percentage growth built into projections. The motion carried on a voice vote.

Attachment 36 was distributed to members. The Chairman explained that with the items in parentheses held harmless, a 1% reduction of the balance of general fund expenditures would save \$7,577,082. However, subtracting the demand transfers from that balance would result in savings to the SGF of \$5,865,562.

It was moved by Senator Kerr and seconded by Senator Vancrum that the general fund expenditures subject to reduction as outlined on Attachment 36 be reduced by 1.5%. Senator Kerr indicated that he believed it would be difficult to reduce expenditures in each of the three subcommittees by \$6 million which was the targeted amount. Members decided to also exempt Corrections officers and Public Safety officials from the 1.5% reduction, and requested that staff determine the money associated with that adjustment. (The revised document was later distributed and is included as Attachment 45.) Members noted that legislative intent is that the reductions for the various agencies be made in overhead and administration. The motion carried on a voice vote.

Attachment 37, a document outlining potential SGF reductions, was distributed.

Senator Moran expressed concern that retirement benefits had been enhanced for all state employees except faculty members of Regents' institutions. He stated that \$1.235 million from the SGF would fund .5% increase in the state's contribution for TIAA/CREF. The Chairman expressed his opinion that TIAA/CREF benefits are better than KPERS benefits already.

The meeting was recessed in order to subcommittees to meet at 3:45 P.M.

AFTERNOON SESSION, APRIL 27, 1993

Senator Kerr reported that he and Senator Petty had met with research staff and others regarding estimates of Lottery sales and had revised their projections of sales to \$106.7 million in FY93 and \$119 million (as estimated by the Governor) in FY94. The FY94 estimate was predicated on not having the operations of riverboats in Missouri and upon not having Indian gaming. Senator Kerr noted that a total of \$500,000 was added to the amount that would be transferred in FY93 and FY94 from parimutuel. In answer to a question, he said that the ending balance of \$9.3 million in FY94 (Attachment 38) does not include any modifications of expenditures made by the general education subcommittee.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

GENERAL EDUCATION SUBCOMMITTEE REPORT

Senator Kerr reviewed Attachment 39, the general education subcommittee's recommendations. He noted that adoption of the subcommittee's recommendations would reduce expenditures from the SGF by \$3.4 million.

Senator Kerr also reported that the subcommittee recommended reducing the FY94 estimate for KPERS school employer payment to reflect a 3.1% contribution rate instead of 3.3%. This change would generate \$3.5 million savings in FY94. He stated that the 3.1% rate for FY94 and FY95 has been approved by the KPERS Board and certified by the actuary, but the rate revision will require a statutory change.

Senator Kerr noted that adoption of the subcommittee's recommendations including the change in the KPERS school employer contribution rate would reduce SGF expenditures by \$6.9 million. It was moved by Senator Kerr and seconded by Senator Moran that the subcommittee report and the 3.1% school employer contribution rate for KPERS be adopted. The motion carried on a voice vote.

HIGHER EDUCATION SUBCOMMITTEE REPORT

Senator Vancrum presented the higher education subcommittee report (Attachment 40). In discussing item 5 (KSU-Salina), a summary of the FY94 adjustments to the base budgets of the institutions was distributed and reviewed (Attachment 41).

Senator Brady voiced his opposition to inserting policy issues (items 6, 7 and 8) in the Omnibus bill. Chairman Bogina noted that individual departments of the University Hospital are virtually bankrupt. He believed that recommendation 6 would allow the Hospital to work with other hospitals and doctors in an attempt to solve financial problems. Marlin Rein, Associate University Director, KUMC, stated that recommendation 6 implements a resolution approved by the Board of Regents at their last meeting. A copy of the reporting requirement that would be included in the proviso authorizing expenditures from the Hospital Revenue Fund was distributed (Attachment 42).

Senator Karr questioned whether the 1.5% base budget reduction for Washburn University was equivalent to the reductions made in OOE at the Regents' institutions. It was determined that the Regents' institutions' base budget was reduced by .4%. Therefore, it was moved by Senator Morris and seconded by Senator Salisbury that the base budget of Washburn University be reduced by .4% instead of by 1.5% Senator Kerr told members that he would prefer to give relief to WU by overriding the Governor's veto of the \$60,000 for the cooperative program between WU and the Kaw Area Technical School. The motion failed on a show of hands.

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

Senator Salisbury moved, Senator Vancrum seconded, that an attempt to override the Governor's veto of the \$60,000 from the EDIF for the cooperative program between WU and the Kaw Area Technical School be supported by members of the Committee. The motion carried on a voice vote.

SRS SUBCOMMITTEE REPORT

Senator Salisbury told members that the SRS subcommittee provides two options for reducing SGF expenditures which are outlined in Attachment 43. In discussing the recommended shift of special purpose clients to Medicaid, Senator Salisbury stated that these clients are Home & Community Based Service (HCBS). In order to shift the Medicaid eligible clients to HCBS, the Secretary would have to expand the current waiver because currently all HCBS slots are filled. Because the Secretary intends to extend the waiver, the subcommittee recommends funding for 6 months. If the expanded waiver does not materialize, it is the subcommittee's intent to fully fund the program.

Members discussed whether total elimination of the MediKan program was less subject to court action than statutory changes in eligibility requirements.

In response to a request from Senator Brady, Senator Salisbury reviewed the mandatory and optional medical services. Senator Vancrum voiced his objection to providing additions to the dental program.

By consensus, members concurred with the recommendation to eliminate MR/DD Medical/Therapeutic program (\$500,000) and to shift special purpose clients to Medicaid (\$500,000).

By a show of hands, the Committee concurred with the elimination of the MediKan program for adults

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

(\$8,925,000).

Senator Brady moved, Senator Petty seconded, that the Committee not recommend the elimination of the MR/DD Medical/Therapeutic program. It was noted that the Governor had directed the Secretary of SRS to not spend the appropriation to implement the new program. Secretary Whiteman told members that those persons moving from institutions to community setting would more likely qualify for Medicaid than MediKan. The motion failed on a voice vote.

It was moved by Senator Vancrum and seconded by Senator Kerr that the Medicaid reduction be restored by \$2.9 million (to eliminate the additions to the dental plan). In answer to questions, Secretary Whiteman noted that a further reduction of \$800, 000 from SRS would limit flexibility to provide services. Senator Salisbury interjected that, regardless of Committee action, the Secretary retains the authority to determine which services are covered.

Senator Morris offered a substitute motion which was seconded by Senator Rock to restore the Medicaid reduction by \$3.7 million. The motion carried on a voice vote.

Senator Salisbury moved, Senator Morris seconded, that a proviso regarding the expenditures on behalf of the Drug Utilization Review Committee as contained in Attachment 44 be included in the Omnibus bill. Senator Brady again objected to adding policy issues to appropriations bills because the issues had not gone through the public hearing process. It was noted that this issue was recommended by the conference committee. The motion carried on a voice vote.

DEPARTMENT OF HEALTH AND ENVIRONMENT

Because previous action taken by the Committee to transfer monies from the remediation at KU resulted in a negative balances in the State Water Plan Fund, Senator Vancrum moved and Senator Salisbury seconded that the Committee reduce by \$335,854 in FY94 the Governor's recommended transfer of Water Plan monies from the Kansas Water Office to the Department of Health and Environment. The motion carried on a voice vote.

It was moved by Senator Vancrum and seconded by Senator Karr that language to add \$4,917,276 in FY94 expenditures from the Department's Water Plan Special Revenue Fund be restored in the Omnibus bill, with the exception of the proviso prohibiting use of State Water Plan monies for remediation cleanup at Lansing Correctional Facility and Sunflower Landfill at KU. The motion carried on a voice vote.

The Chairman stated that KDHE has reported spending only \$10,190 of the \$100,000 approved for an immunization incentive for FY93. It was moved by Senator Vancrum and seconded by Senator Karr that aid-to-local unit expenditures of \$89,810 from the Maternal and Child Health Services Block Grant Fund be shifted from FY93 to FY94. The motion carried on a voice vote.

Because the Department has no plans to fill a chief counsel position, Senator Vancrum moved and Senator Kerr seconded that the General Counsel position (1.0 FTE unclassified position and \$68,417 from the SGF) be deleted. The motion carried on a voice vote.

The Committee made the following adjustments:

Chairman Bogina told members that the person who performs the use value analyses for farmland within the Division of Property Valuation is retiring. It has been proposed that KSU and the Land Grant College be used to continue this service. It was moved by Senator Vancrum and seconded by Senator Morris that \$35,432 (SGF) and 1.0 FTE position be deleted from the Division of Property Valuation and that \$86,734 (SGF) and 1.0 FTE unclassified position be included in the appropriation for KSU for Land Use Value Appraisal work. The motion carried on a voice vote.

Because of the Governor's veto of SB 350, Senator Karr moved, Senator Salisbury seconded that the appropriation be made compatible with current law. It was stated that an adjustment could be made on the floor if the veto of the bill were overridden. The motion carried on a voice vote.

Staff reviewed a request from the Department of Revenue for \$117,000 to allow the Division of Property Valuation to use geographic information system technology to meet the mandates of Judge Bullock. No action was taken.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 10:15 a.m. on April 22, 1993.

It was moved by Senator Kerr and seconded by Senator Karr that \$270,000 from the EDIF be included for preliminary planning and site preparation in FY94 for a travel and information center to be located in Olathe. The motion carried on a voice vote.

Senator Moran moved, Senator Morris seconded that the 1.5% budget cut be applied against only that portion of the Judicial Branch budget that is not designated for judges' salaries, resulting in a reduction of \$639,000 from the agency's budget rather than \$914,000.) The motion carried on a voice vote.

Senator Salisbury moved, Senator Vancrum seconded that the KanWork client services (totaling \$2 million) be shifted from the SGF to EDIF. The motion carried on a voice vote. It was noted that, with this action, there would be an ending balance in the EDIF of approximately \$500,000.

Senator Petty moved, Senator Vancrum seconded, that \$800,000 be shifted from the Correctional Institutions Building Fund to the SGF. The motion carried on a voice vote.

It was moved by Senator Brady and seconded by Senator Petty that \$350,000 be shifted from KTEC to General Research in the Centers of Excellence in FY93. The motion carried on a voice vote.

Senator Salisbury moved, Senator Lawrence seconded, that the Omnibus Appropriations bill be drafted and introduced. The motion carried on a voice vote.

It was moved by Senator Salisbury and seconded by Senator Vancrum that the Omnibus bill be recommended favorable for passage. The motion carried on a roll call vote.

Senator Moran moved, Senator Vancrum seconded, the introduction of two technical bills as requested by the revisors' office, 3 RS 1337 and 3 RS 1336. The motion carried on a voice vote.

Senator Brady moved, Senator Vancrum seconded, that the minutes of April 2, 1993 be approved as read. The motion carried on a voice vote.

The Chairman adjourned the meeting at 5:25 P.M.

The Legislative Research Department provided information and tabulations that reflect the final decisions made by the Senate Ways and Means Committee which are included as Attachment 46.

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.

SWAM
April 22, 1993
Attachment 1

- 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

SDF	School District Finance Fund
SDC	School District Capital Improvements Fund
SHF	State Highway Fund
LAV	Local Ad Valorem Tax Reduction Fund
CCR	County-City Revenue Sharing Fund
CCH	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 ^(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	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

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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 SDFP	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 SDFP	(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)

	<u>Original</u> <u>Gov. Rec.</u>	<u>Revised</u> <u>Gov. Rec.</u>	<u>Difference</u>	<u>Current</u> <u>Estimate*</u>	<u>April 7</u> <u>Approved</u> <u>Approp.</u>	<u>Difference:</u> <u>Est. & Rev.</u> <u>Gov. Rec.</u>	<u>Difference:</u> <u>Estimate &</u> <u>Approp.</u>
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
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

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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	(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

SWAM
April 22, 1993
Attachment 2

	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

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

	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%

	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
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
KSU - 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
Norton 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
Topeka 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%

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.
1,205,539	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.	

SWAM
April 22, 1993
Attachment 3

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	Kansas Public Employees Retirement System	Local school employers' contributions.
1,630,900	Department of Corrections	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	Youth Center at Beloit	Reopened cottage recommended by the Governor to be closed in FY 1994.
155,703	Commission on Veterans Affairs/Soldiers' Home	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	Kansas Healthy Kids Corporation	Additional operating expenditures.
109,290	Attorney General - K.B.I.	Reduction in turnover from 3.8 percent to 2.6 percent; new position for DNA laboratory.
(142,131)	Department of Human Resources	Advisory Committee on African-American Affairs.
(168,540)	Board of Regents	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.

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		<u>\$ 26,105,590</u>	<u>\$ 44,201,590</u>

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.

93-6253/jrm

SWAM
April 22, 1993
Attachment 5

Legislative FTE Adjustments for FY 1993 and FY 1994

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	

SWAM
April 22, 1993
Attachment 6

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

SWAM
April 22, 1993
Attachment 8

**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

FY 1993 AND FY 1994 TRANSFERS

Program	FY 1993 Legislative Approved	FY 1994 Legislative Approved	FY 1994 GBA Adjustments
AGRICULTURE BOARD H.B. 2086 Market Promotion and Development	\$275,004	\$324,996	
ARTS COMMISSION H.B. 2064 Arts Programming Grants	786,938	1,035,000	
BOARD OF REGENTS S.B. 43 Council on Economic Education Washburn/Technical School Program	\$40,000 --	\$40,000 60,000	
COMMERCE H.B. 2087, H.B. 2122 Salaries and Wages Other Operating Expenditures Strategic Planning Grants KIT/KIR Programs Sm. Business Development Centers Certified Development Company Trade Show Promotion Tourism Grants KS Basic Enterprise Loan Program Resource Network KQIN Russian Cultural Exchange and Festival Travel Information Center	\$638,742 3,804,093 445,000 2,550,000 325,000 475,000 220,894 610,000 -- 5,000 -- 75,000 --	\$1,252,777 3,702,356 445,000 2,250,000 325,000 475,000 275,172 1,040,000 1,000,000 5,000 65,000 -- 880,000	
DEPT. OF EDUCATION H.B. 2049 Innovative Grants Assitance Capital Outlay for AVTS Postsecondary Aid for AVTS Matching Grants for AVTS Heritage Cultural Center Foundation for Agriculture	\$1,500,000 1,000,000 500,000 500,000 25,000 25,000	-- 1,000,000 2,500,000 500,000 25,000 25,000	10,900,000
HISTORICAL SOCIETY H.B. 2087 H.B. 2122 Other Operating Expenditures Capital Improvements Center for Historical Research	\$212,000 80,000 --	\$30,000 -- 689,858	
KANSAS INC. S.B. 38, H.B. 2063 EPSCoR Grant Special Studies	\$1,500,000 128,374	\$1,500,000 105,995	
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 Commercialization Operations Industrial Ag. Operations Centers of Excellence Applied Research Grants Industrial Liaison Offices Training Equipment Grants Business Innovation Grants Data Base Development Ad Astra -- Seed Capital Return on Public Investment Intellectual Tech. Enterprise Corp. Special Projects KS Value Added Processing Center Mid-Am. Manufacturing Tech. Center	\$691,786 250,000 200,000 3,715,000 1,009,613 300,000 150,000 25,000 35,000 -- 50,000 50,000 221,250 622,705 1,000,000	\$749,736 500,000 250,000 4,485,663 1,259,613 300,000 150,000 25,000 15,000 1,500,000 50,000 50,000 248,000 633,887 1,000,000	(\$55,039)
STATE LIBRARY H.B. 2064 Literacy Grants Grants to Libraries	\$283,700 --	\$283,700 \$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	\$150,000	
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	--	--	
TOTAL	\$29,464,399	\$39,413,554	\$10,844,961

Resource Estimate -- EDIF FY 1993

	Legislative Approved	GBA	Difference
Beginning Balance	\$6,916,741	\$6,916,741	\$0
Lottery Transfers	28,080,000	29,249,910	1,169,910
Racing Transfers	5,085,900	5,313,286	227,386
Other	250,000	250,000	0
Total Available	40,332,641	41,729,937	1,397,296
Less: Transfers	29,464,399	29,464,399	0
ENDING BALANCE	\$10,868,242	\$12,265,538	\$1,397,296

FY 1994

	Legislative Approved	GBA	Difference
Beginning Balance	\$10,868,242	\$12,265,538	\$1,397,296
Lottery Transfers	28,944,000	32,184,000	3,240,000
Racing Transfers	4,428,788	5,203,851	775,063
Other	645,793	645,793	0
Total Available	44,886,823	50,299,182	5,412,359
Less: Transfers	39,413,554	50,258,515	10,844,961
ENDING BALANCE	\$5,473,269	\$40,667	(\$5,432,602)

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 from the EDIF. (There is no change in the total recommended.) \$13,400,000

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

SWAM
April 22, 1993
Attachment 10

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	500	2,300
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>		

10-14

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 (KPERs) 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 \$52,959; 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.

<u>Hospital</u>	<u>Teaching Units</u>	<u>Total</u>
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.

<u>Hospital</u>	<u>Total</u>
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.

<u>Percentage Increase</u>	<u>KNI</u>	<u>Parsons</u>	<u>Winfield</u>	<u>TOTAL</u>
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	\$ --

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	\$ 137,489

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.

REVISED

OMNIBUS SUBCOMMITTEES

SOCIAL WELFARE

Senator Salisbury, Chairperson
Senator Morris
Senator Petty
Senator Brady
Senator Bogina

GENERAL EDUCATION

Senator Kerr, Chairman
Senator Moran
Senator Karr
Senator Bogina

HIGHER EDUCATION

Senator Vancrum, Chairman
Senator Lawrence
Senator Rock
Senator Bogina

SWAM
April 22, 1993
Attachment 11

ANALYST OMNIBUS LIST BY AGENCY AND ORDER OF MEMO

CAROLYN RAMPEY (p.1-6)

Department of Education
KCC
Attorney General

JULIAN EFIRD (p.6-10)

Transportation Department
KPERS
Racing Commission
Kansas Lottery

ELLEN PIEKALKIEWICZ (p.10-12)

Commerce and Housing
KTEC
Cosmetology Bd.
Barbering Bd.
Adjutant General

DIANE DUFFY (p.13-22)

State Treasurer
Board of Regents
Research Universities

SCOTT B. ROTHE (p.22-25)

Regional Universities
School for the Blind
Bd. of Indigents' Defense
Judicial Branch

ALAN CONROY (p.25)

Legislative Branch
All Agencies (GBA)

LAURA HOWARD (p.26-31)

SRS
Real Estate Commission

PAT MAH (p.31-34)

Comm. on Gov't Conduct
Health & Environment
Bank Commissioner

KATHY PORTER (p.35-39)

Department of Administration
Veteran Affairs/Soldiers
Larned State Hospital
Osawatomie State Hospital
Rainbow Mental Health Facility
Topeka State Hospital

TIM COLTON (p.39-42)

Winfield State Hospital
KNI
Parsons State Hospital
Highway Patrol
KBI
Veterinary Examiners Bd.
Public Broadcasting Commission

RUSSELL MILLS (p.42,43)

Department of Corrections
State Community Corrections Bd.
Larned Correctional MH Facility
Topeka Correctional Facility

DEBRA DUNCAN (p.43-45)

Historical Society
Wildlife & Parks
Youth Center at Topeka
Youth Center at Beloit
Youth Center at Atchison

PAUL WEST (p.45-48)

Department of Revenue
Department of Human Resources
Kansas Water Office

LEAH ROBINSON (p.49,50)

Board of Agriculture
State Fair
Department of Insurance
Dental Board

SWAM
April 22, 1993
Attachment 12

GENERAL AND SUPPLEMENTAL GENERAL STATE AIDS TO SCHOOL DISTRICTS

SWAM
April 22, 1993
Attachment 13

	Approved FY 1993	Revised FY 1993	Approved FY 1994	Revised FY 1994	Difference Approved and Revised FY 1994
General State Aid					
USD Budgets	\$ 1,839,086,000	\$ 1,839,086,000	\$ 1,897,370,000	\$ 1,899,770,000	\$ 2,400,000 ^(b)
Local Resources	879,213,000	879,213,000	571,496,000	571,776,000	280,000
Aid Required	959,873,000	959,873,000	1,325,874,000	1,327,994,000	2,120,000
SGF Appropriation	581,473,000	776,468,000 ^(a)	937,474,000	1,314,594,000	377,120,000 ^(c)
SGF Demand Transfer	365,000,000	170,005,000	375,000,000	--	(375,000,000)
Local Effort Recapture	13,400,000	13,400,000	13,400,000	13,400,000	--
Lapse	\$ 9,569,870 *	\$ 9,569,870 *	\$ --	\$ --	--
Supplemental General Aid					
USD Budgets	\$ 98,797,000	\$ 98,796,000	\$ 142,303,000	\$ 142,483,000	\$ 180,000
Local Resources	73,775,000	73,774,000	102,458,000	102,588,000	130,000
Aid Required	25,022,000	25,022,000	39,845,000	39,895,000	50,000
SGF Appropriation	25,022,000	25,022,000	39,845,000	39,895,000	50,000
Lapse	\$ 1,629,790	\$ 1,629,790	\$ --	\$ --	--

* A proviso in H.B. 2087 provides that, from this amount, the State Finance Council may approve expenditures in FY 1993 to make up any shortfall in the estimates of revenues from school district resources, the SGF demand transfer, and local effort recapture, combined (\$1,257,613,000). This proviso needs to be reconsidered if H.B. 2505 becomes law.

- a) Comprised of the approved appropriation of \$581,473,000 and a supplemental appropriation of \$194,995,000 to make up for the elimination of the June demand transfer assuming H.B. 2505 is signed by the Governor. *The Governor recommends a supplemental appropriation of only \$188,354,000, in keeping with her policy of not recommending additional funding for the republication of school district budgets (\$6,641,000).*
- b) Increase in budgets due to declining enrollment provision.
- c) Comprised of \$375.0 million to replace the demand transfer and \$2.4 million for declining enrollment provision, offset by an increase of \$280,000 in local resources.



APR 20 1993

Kansas Public Employees Retirement System

CORRECTED

April 20, 1993

Senator August "Gus" Bogina, Jr., P.E., Chairman
Senate Ways and Means Committee
Room 120-S, Statehouse
Topeka, Kansas 66612

Dear Senator Bogina:

As you begin your efforts to conclude the 1993 Legislative Session, the Retirement System respectfully requests Senate Ways and Means Committee consideration of several items. The majority of these items relate to 1993 Substitute for House Bill No. 2211, the Omnibus Retirement Bill. Additionally, the Retirement System's Board of Trustees has taken action to begin managing a portion of the System's assets on an in-house basis. Finally, the Retirement System has submitted a request for a Governor's Budget Amendment to allow the implementation of the recommendations in the recent *Data Processing Needs and Alternatives Report*.

The Omnibus Retirement Bill

Substitute for House Bill No. 2211, the Omnibus Retirement Bill, is easily the most comprehensive retirement legislation enacted since the inception of the Retirement System. The legislation's benefit enhancement provisions will immediately impact over 41,000 retired members and will provide countless Kansas public servants with the opportunity to retire at an earlier date. In order to effectively and efficiently implement the benefit provisions of the Omnibus Retirement Bill, the Retirement System requests additional appropriations authority of \$28,549 in the current fiscal year and \$94,083 in Fiscal Year 1994.

The Fiscal Year 1993 request includes \$15,000 required for the Division of Information Systems and Computing to develop the programs necessary to implement the post retirement and pop-up provisions of the legislation.

Additionally, the KPERS Board of Trustees at their meeting of April 9 approved a staff recommendation to bring our passive alternative investments in-house which will also have an impact on the agency's budget in FY 1994. This action of the KPERS Board is in line with the provisions of 1992 Senate Bill 526. An additional \$8,589 is requested to employ six temporary Office Assistant III personnel to assist in the calculation of benefits and the processing of retirement applications for the expected influx of members retiring under the bill's provisions. Other current year costs associated with the requested temporary staffing include phone charges of \$512, office equipment rental expenditures of \$3,410, and \$1,038 to rent temporary space.

Fiscal Year 1994 costs are estimated at \$94,083. These costs include \$60,284 for the continued employment of the Office Assistant III temporary personnel, \$504 for telephone service, \$4,070 for office equipment rental and \$6,225 to rent temporary space. Other anticipated Fiscal Year 1994 expenditures include \$6,000 for postage in order that those retired members, receiving benefits by electronic funds transfer, might receive a written confirmation of their new benefit amount; and \$17,000 to produce and distribute updates to the Retirement System's *Policy and Procedure Manual*. The *Manual* is an essential tool, used extensively by over 1,250 Designated Agents around the State. It will have to be totally rewritten due to the extensive changes contained in the Omnibus Retirement Bill.

SWAM

April 22, 1993

Attachment 14

In response to the passage of 1993 Substitute for House Bill No. 2211, the Retirement System's Board of Trustees took action at its April 9, 1993 meeting to commission a new Asset/Liability Study to determine the most efficient allocation of the System's assets. This action was necessary given the sweeping changes on both the benefit and funding sides of the retirement equation as well as the changes in the limitations on the alternative and real estate investment portfolios. The estimated current year cost of the study, to be performed by William M. Mercer Asset Planning, Inc., will total \$48,000; offset in part by \$30,000 in budgeted manager search expenses that will not take place in Fiscal Year 1993. Accordingly, the Retirement System respectfully requests that the current year expenditure limitation for such services be increased by \$18,000.

The post retirement benefit increases of 1993 Substitute for House Bill No. 2211 raise one additional policy issue for your consideration. Traditionally, such increases were only applicable to those System members who retired on or before a certain date; such increases were not extended to those members receiving insured disability benefits (KPERS and Tier II KP&F disabled members). However, the *ad hoc* increases provided to retired members over the past three years have included those receiving insured disability benefits. Please be advised that the scope of the post retirement benefit increases provided by 1993 Substitute for House Bill No. 2211 does not include those members receiving an insured disability benefit. Dr. John Mackin with the Segal Company, the Retirement System's consulting actuary makes the following observations on this issue: (1) The basic benefit formula for KPERS disability recipients has been increased by 11.1 percent (from 60 percent of current annual rate to 66.7 percent of current annual rate) since October, 1987; (2) The basic concept of providing a significant post retirement increase to current retired members was to offset the increase in the participating service rate from 1.4 percent to 1.75 percent for KPERS and from 2 percent to 2.5 percent for KP&F members; and, (3) A significant increase could discourage disability recipients from applying for social security and could discourage some disability recipients from returning to work.

In-House Management of Passive Direct Placement Investments

The KPERS Board of Trustees, at their April 9, 1993 meeting, took action to place the passive direct placement investments under in-house staff management. This change, prompted by the provisions of 1992 Senate Bill No. 526, will be effective July 1, 1993. The Fiscal Year 1994 effect of this change will be an additional \$112,000 reduction in the current direct placement manager fee expenditure limitation (representing a total \$400,000 reduction in such fees from current year levels) and an \$18,300 increase in administrative expenses--estimated additional travel of \$17,800, including attendance at 17 separate partnership and trade meetings, together with \$500 for publications associated with the venture capital field.

Data Processing

Finally, you will recall the Legislature delayed any action on the Retirement System's request for major changes in its data processing environment as detailed in the Grant Thornton-prepared *Data Processing Needs and Alternatives Report*, pending review of the proposal by the Joint Committee on Computers and Telecommunications. Please be advised that the Retirement System

Senator August "Gus" Bogina, Jr., P.E.
April 20, 1993
Page 3

has requested a Governor's Budget Amendment for this proposal, totalling \$84,094 in the current fiscal year and \$290,261 in Fiscal Year 1994.

Should you, members of the Senate Ways and Means Committee, or the Committee's staff require any additional information or have any questions concerning the Retirement System, please let me know. As always, I remain available at your convenience.

Your consideration of these matters is much appreciated.

Sincerely,



Meredith Williams
Executive Secretary

cc: Julian Efird

INSTITUTIONS' FY 1993 REVISED UTILITIES ESTIMATES
 COMPARED WITH GOVERNOR'S RECOMMENDATIONS
 APRIL 22, 1993
 (GENERAL USE EXPENDITURES)

	(1)	(2)	(3)	(4)	(5)
				INSTITUTION'S FY 1993 REVISED ESTIMATE AS OF 4/22/93	GOVERNOR'S RECOMMENDATION OVER (UNDER) REVISED ESTIMATE (COL. 3-4)
	FY 1991 ACTUAL EXPENDITURES	FY 1992 ACTUAL EXPENDITURES	FY 1993 GOVERNOR'S RECOMMENDATION*		
KU	\$5,362,764	\$5,449,359	\$5,428,564	\$5,572,282	(\$143,718)
KUMC	4,954,617	5,040,010	4,955,672	5,003,054	(47,382)
KSU - MAIN	5,397,675	4,634,403	4,699,489	4,700,715	(1,226)**
KSU - ESARP	N/A	668,068	688,634	689,473	(839)**
KSUVMC	727,411	777,018	769,248	796,666	(27,418)
KSUSCT	171,463	163,115	169,834	180,097	(10,263)
WSU	2,975,434	3,086,468	3,287,462	3,344,569	(57,107)
ESU	687,470	748,726	700,340	841,987	(141,647)
PSU	1,030,415	1,047,557	1,021,274	1,021,274	0
FHSU	857,437	831,516	876,217	934,334	(58,117)***
TOTAL	\$22,164,686	\$22,446,240	\$22,596,734	\$23,084,451	(\$487,717)

* Governor's recommendation equals the FY 1993 appropriation for all institutions.

** Institution is not requesting supplemental for this amount.

*** Includes \$25,451 of one-time costs due to water leak. (FY 1994 - (\$32,666))

N/A - A separate budget for Extension Systems and Agriculture Reserach Programs (ESARP) was not established until FY 1992; therefore, FY 1991 utilities expenditures for ESARP are included with the Main Campus.

SWAM
 April 22, 1993
 Attachment 15

Fort Hays State University

Office of the President

600 Park Street

Hays, Kansas 67601-4099

April 7, 1993

COPY

Senator August Bogina, Jr.
Chair, Senate Ways and Means Committee
State Capitol, 120-S
Topeka, Kansas 66612-1565

Representative Rochelle Chronister
Chair, House Appropriations Committee
State Capitol, 514-S
Topeka, Kansas 66612-1565

Dear Chairs:

Two events have recently occurred which require that Fort Hays State University seek an increase in restricted fund spending and Unclassified FTE authorization. These two events are: 1) state and private foundation support for the expansion of the University's Nursing Master's Degree Program and Nurse Practitioner Program; and 2) the loss of primary care service to the residents of northwest Kansas.

The Graduate Nursing Program has recently benefitted from a significant grant from the Kansas Health Foundation for the cooperative development of the Nurse Practitioner Program with the University of Kansas Medical School and Wichita State University. The Legislature and Governor have also been supportive of this program through appropriations for Fiscal Year 1994. As part of this program, the University's School of Health and Life Sciences is seeking clinical opportunities for both traditional masters level nursing students and nurse practitioner students.

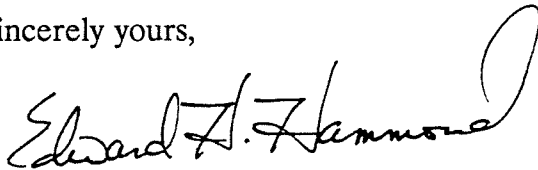
Northwest Kansas and particularly the Hays area have been hit by a shortage of primary providers. Hays' only stand-alone pediatric clinic closed last year. A private nurse practitioner clinic which filled part of the void has also closed. The Hays Medical Center has taken a multiple step approach in addressing this primary care need. One priority component is to establish a nurse practitioner clinic in conjunction with the FHSU Department of Nursing to provide a source of primary care.

The proposed clinical partnership will be self-funded. It will provide students hands-on experiences while bringing a vitally needed level of care to the Hays community. The Hays Medical Center will house and equip the facility as well as fund malpractice protection for the faculty and student participants.

Fort Hays State University seeks authority from the Legislature and the Governor to add 4.5 full-time equivalent positions and to have language inserted in the University's restricted fees fund appropriation language allowing expenditures to be made pursuant to the contract for operation of the HMC/FHSU Department of Nursing Family Care Clinic. The funding for the clinic will be provided through a contract with Hays Medical Center.

We believe that this clinical partnership will benefit the students involved by boosting the academic quality of their experience, allow the faculty involved to hone their skills, and to serve a regional hospital and the people of the region at no cost to the State of Kansas. We appreciate your support.

Sincerely yours,



Edward H. Hammond
President

pc: Gloria Timmer, Division of Budget
Scott Rothe, Legislative Research
Norman Furse, Revisor of Statutes

Attachment

Contract ~~ed~~ signed
start may 17

FORT HAYS STATE UNIVERSITY

NURSE PRACTITIONER PROGRAM

Positions Required for Hays Medical Center
Nurse Practitioner Clinic:

Positions:	FTE		Amount
Director of The Primary Care Clinic	1.0	\$	61,000
Staff Nurse Practitioner	1.0		52,465
Nurse Practitioner	.5		24,400
Nurse Practitioner (Consulting)			6,344
Nurse Practitioner Preceptors	1.0		50,000
Staff Nurse	1.0		36,600
Faculty Nurses (6)			21,960
Graduate Assistant (BSN)			10,000
	-----		-----
Total Salaries and Wages	4.50		262,769
Other Operating Expenditures			10,000
	-----		-----
Program Total	4.50	\$	272,769
	=====		=====

Note: All amounts include fringe costs and will be funded by
the Hays Medical Center.

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 23, 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 9:00 a.m., April 23, 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.
- **S.B. 87 -- Health and Environment** -- Line-item veto of \$713,083 in FY 1994 from the State Water Plan Fund for contamination remediation projects.
- 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.

93-6253/jrm

SWAM
April 23, 1993
Attachment 17



April 19, 1993

August Bogina
Senator
300 SW 10th Ave., Rm. 120-S
Topeka, KS 66612-1504

Jo Ann Pottorff
Representative
300 SW 10th Ave., Rm. 183-W
Topeka, KS 66612-1504

Dear Senator Bogina and Representative Pottorff,

We are most grateful for your continued support of Accessible Arts, Inc. in the budget of the Kansas School for the Blind. To ensure that the allocation of \$150,000 for FY94 which you supported can continue to benefit those whom we serve and that Accessible Arts can continue operations, we are in need of your assistance. In reviewing the language used in HB2064 Sec. 4, Subsection (c), it is apparent that the \$150,000 to be allocated to Accessible Arts, Inc. will not be available until "... March 15, 1994, or as soon thereafter as moneys are available" We are requesting your assistance to determine how monies can instead be distributed in three (3) equal payments of \$50,000 each on July 15, 1993, November 15, 1993, and March 15, 1994. This action would ensure the continued operations of Accessible Arts, Inc. in FY94.

Our contract for services with the Kansas School for the Blind will commence July 1, 1993 and end June 30, 1994. As a small not-for-profit organization Accessible Arts, Inc. is not in a position to continue its basic operations or engage in such a contract with funding not being available until March 15, 1994 or later. While we do receive private contributions and federal monies for special projects, there are no other on-going dedicated sources of core funding for salaries, fringe, and other operating expenses other than the \$150,000 allocated by the legislature. To continue services to children with disabilities, their teachers, therapists, and families state-wide, and Accessible Arts, Inc. as an organization, depends on whether funds are received soon after July 1, 1993.

Thank you again for your continued belief in the work that we are doing and for your consideration of this important request.

Most sincerely,

William C. Freeman
William C. Freeman
Executive Director

C. Stephen Metzler
C. Stephen Metzler
Treasurer

Harry E. Athan
Harry E. Athan
President

WCF/td

cc: Scott Rothe, Legislative Research Analyst
Ellen Plekalkiewicz, Legislative Research Analyst
Don Pickering, Acting Superintendent, Kansas School for the Blind
D. Scott Brown, Attorney, Boddington & Brown, Chtd.

Accessible Arts, Inc. • 1100 State Avenue • Kansas City, Kansas 66102
(913) 281-1133 [Voice] • (913) 281-1515 [TDD] • (913) 281-3104 [FAX]
a not-for-profit organization expanding human potential

SWAM
April 23, 1993
Attachment 18



Supreme Court of Kansas

RICHARD W. HOLMES
Chief Justice

Kansas Judicial Center
Topeka, Kansas 66612-1507

(913) 296-4898

April 19, 1993

Representative Michael O'Neal
Statehouse - 426-S
Topeka, Kansas

Dear Mike:

We have requested funding for 49 additional positions, principally court services officers, to deal with the impact of sentencing guidelines scheduled to become effective July 1. This is a matter of utmost urgency and concern to the courts. Our existing staff is inadequate to deal with these new statutes and I know that we will experience significant operational problems with sentencing guidelines if these positions are not fully funded.

As you know, K.S.A. 21-4602(3) has required that all probationers from district court be supervised. Supervision is still required under L. 1992, ch. 239, §236(c) and L. 1992, ch. 298, §91(3), effective July 1, 1993. As one of the principal objectives of the sentencing guidelines is to put fewer criminals in prison and more on probation the number of probationers will increase dramatically. If we do not have the personnel to supervise probationers the courts will have no alternative but to deny probation and sentence more, rather than less, felons to prison. This will not only defeat the objectives of the sentencing guidelines but also increase the costs of criminal sanctions.

When you prepare the omnibus appropriation bill, I ask your support for inclusion of these positions in the bill. If these positions are not funded, the sentencing guidelines will do more harm than good.

As of the current date, it is not clear that the legislature has agreed on consolidation of probation, parole, and community corrections functions and our request presupposes that the probation function will remain with the court system, at least for a period of time. If this is to be the case, then our needs are both critical and immediate. Thank you.

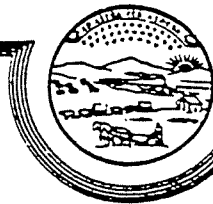
Sincerely,

A handwritten signature of Richard W. Holmes in dark ink, written over a horizontal line.

Chief Justice Richard W. Holmes

RWH/slg

SWAM
April 23, 1993
Attachment 19

EMIL LUTZ
Director**CONFIDENTIAL**

Memorandum

TO: LCC

FROM: Emil Lutz *EL*

DATE: March 22, 1993

SUBJECT: Establishment of Office Supervisor/Administrator for LAS

JEFF —

Visit with Emil

about this. ① Is it necessary

at this time in the session to

amend legis budget ② need

his help to justify. B

This is to recommend and request the position of Office Supervisor for the office of Legislative Services.

At present, the Director is the only management person in the office complex/grouping to supervise all of the non-management LAS employees. The duties and responsibilities and priorities of the Director frequently require either my being at a different location out of the office or working on a project that would not permit me to observe and correct a work flow distribution and/or problem.

An Office Supervisor as first line supervisor would be in a position to observe and correct any inequities in work loads. They would also be in a position to assure that the atmosphere and performance of LAS were continually and constantly handled in a professional manner.

This position can be established without the need for adding to the work force or requiring additional floor space. By rearranging several work locations, using existing office equipment and upgrading an existing employee, the position can be established at an increased cost of approximately \$8,000.00 per year.

I would like to make this effective with the beginning of FY94. This would enable us to complete any necessary adjustments prior to the start of legislative session preparation which begins in September.

Should you have any questions, I would be happy to visit with you and/or your staff at any time.

SWAM
April 23, 1993
Attachment 20

REAL ESTATE COMMISSION

S.B. 269 Fiscal Impact

PASSAGE OF BILL:

APPRAISER FEE FUND

Salaries \$16,724

Assumes adding a director, and deleting funding for 0.3 FTE Administrative Officer funding by Appraiser Fee Fund

Shifts temporary salaries funding for complaint investigation to contractual services

Assumes total funding for 2.0 FTE, the director, and a clerical position

OOE \$13,462

Includes shift of temporary salaries to contractual services, and includes funding for phone, rents and associated OOE

Capital Outlay \$7,972

TOTAL \$38,158

REAL ESTATE FEE FUND

Salaries \$29,686

Adds salaries (1.3 FTE) currently charged to appraisal functions back to real estate commission

OOE \$1,806

Adds OOE currently charged to appraisal fee fund

TOTAL \$31,492

GRAND TOTAL \$69,650

SWAM
April 23, 1993
Attachment 21

VETO OF S.B. 269:

APPRAISER FEE FUND:

Salaries \$16,724

Same as without veto, except assumes hiring of an administrative officer rather than a director at a lower salary level, and assuming continuing to charge \$4,000 in FY 1994 of Administrative Officer position to Appraisal Fee Fund for training of new administrative officer position

OOE \$13,462

Includes shift of temporary salaries to contractual services, and funding for phone, rents and associated OOE

Capital Outlay \$7,241

TOTAL \$37,427

REAL ESTATE FEE FUND:

Salaries \$7,908

Assumes charging back salary of 0.3 FTE Administrative Officer to Real Estate Commission except for \$4,000 for training, etc.

GRAND TOTAL \$45,335

STATE OF KANSAS



DEPARTMENT OF ADMINISTRATION

State Capitol
Room 263-E
Topeka 66612-1572
(913) 296-3011

SUSAN SELTSAM, *Secretary*

JOAN FINNEY, *Governor*

TO: Representative James Lowther, Chairman
Representative George Dean
Representative Delbert Gross
Representative David Heineman

FROM: Susan Seltsam, Secretary *SS*
Department of Administration

DATE: April 22, 1993

An expected time line for the next phase of the Payroll/Personnel Project would be as follows:

RFI - Issued mid to late May
Closing Date - mid to late July
Evaluation Period - 30/60 days

Prepare RFP and Issue - mid-September
Close bids - mid-October
Negotiate and Award Contract - December, 1993

The following is an estimate of proposed expenditures in the last 6 months of FY 1994.

	Internal & External Staff	H/W	S/W	Total
Project Organization	60,000			60,000
Conceptual Design	110,000	50,000	265,000	425,000
Business Process				
Evaluation	15,000			15,000
	<u>185,000</u>	<u>50,000</u>	<u>265,000</u>	<u>500,000</u>

SWAM
April 23, 1993
Attachment 22

ROBERT A. GOTTSCHALK
General Manager
ELMER K. DENNING
Assistant General Manager

2000 North Poplar • Hutchinson, Kansas 67502-5598 • (316) 669-3600



September 10-19, 1993

THE FAIR BOARD

ROSS BEACH
President
Hays 67601

GEORGE DEAN
Vice President
Wichita 67217

JAY ARMSTRONG
Treasurer
Muscotah 66058

F.E. BLISS
Longton 67352

SAM BROWNBACK
Topeka 66612

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ALVIN L. EPLER
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ALTIS FERREE
Yates Center 66783

EVELYN HARPER
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ARTHUR HOWELL, JR.
Lincoln 67455

VICTOR KRAINBILL
Bern 66408

THAYNE LARSON
Scandia 66966

BOB MOORE
Iuka 67066

RALPH RINDT
Herington 67449

LOIS SCHLICKAU
Haven 67543

ANNE MARIE WORLEY
Atwood 67730

April 20, 1993

Senator Gus Bogina, Chairman
Senate Ways and Means Committee
Room 120-S
State Capitol Building
Topeka, KS 66612

SUBJECT: FINANCE PLAN FOR THE KANSAS STATE FAIR
ENCAMPMENT REMODELING PROJECT

Dear Senator:

Enclosed is the Encampment Building Remodeling Plan as requested by the Senate Ways and Means Committee and so stated in H.B. 2122. You will recall that the Encampment Building was the second priority in the Fair's Five Year Plan designed in 1982, and surveyed for cost estimates by the State Architect at that time. The total project current cost estimate is approximately \$2,000,000 (two million dollars). The cost has been reevaluated each year by the State Architect.

We have enclosed the State Architectural Program, and the Feasibility Study which was completed at the direction of the Kansas State Fair, in the interest of new and expanded utilization of the facility.

Phase I addresses the Fire Safety Inspection report of building deficiencies made by the State Fire Marshal immediately prior to the 1992 State Fair. The State Fire Marshal's letter of March 16 assures that the Encampment Building may be used for housing during the 1993 State Fair with the installation of a Smoke/Fire Alarm System and the necessary emergency lighting. Twelve emergency lights have been installed and bids are being secured for the Alarm System.

Funding for Phase I was included in this agency's Request for Governor's Budget Amendment.

SWAM
April 23, 1993
Attachment 23

April 20, 1993

The Kansas State Fair Board and Staff members will be available for any necessary information. Your consideration of this most important project will be greatly appreciated.

Sincerely,



Robert A. Gottschalk
General Manager

jb

pc: State Fair President, Ross Beach
Members of State Fair Encampment Building Committee
Members Senate Ways and Members Committee
Members House Appropriations Committee
Members Joint Committee on State Building Construction
House and Senate Legislative leadership
George Wingert, Liaison to the Governor
Local area legislators

Enc: Architectural Program
Encampment Building Feasibility Study

KANSAS STATE FAIR
Proposals for Financing Encampment Renovation

PHASE 1 CONSTRUCTION – FISCAL YEAR 1994

Replace smoke detection/alarm systems
Emergency lighting
Replace kitchen hood
Install fire rated doors and replace exit door
Correct electrical service that is currently routed through
boys' shower room
Dorm wall partitions replaced, install ceiling, sprinkler
systems, replace lighting, heating, ventilation, windows
and frames, and plumbing fixtures
Reroof all except shingled portion of building
Project fees and Contingency

FUNDING SOURCE FOR PHASE I – FISCAL YEAR 1994

State General Revenue Funds	\$500,000
Kansas State Fair (options listed below)	<u>\$170,000</u>
Phase I Project Cost	\$670,000

KANSAS STATE FAIR FUNDING PROPOSALS

Kansas State Fair Capital Improvements Fund

In FY93, FY94, and in future budgets, the Kansas State Fair plans to increase the level of its Fee Funds contributions to the State Fair Capital Improvement Fund. This additional money will be dedicated to the Encampment Renovation. In addition, FY 1993 and 1994 budgeted Capital Improvement projects will be scaled down or eliminated and the funds earmarked for the Encampment Renovation.

Kansas State Fair Foundation

Note: Any accumulated foundation funds would be used to reduce the funds from the Kansas State Fair Capital Improvement Fund. A Kansas State Fair Foundation is in preliminary formulation stage. Completion date anticipated in late FY1994. The Hutchinson Community Foundation is an alternative until the State Fair can complete the formation of its own foundation.

PMIB Loan (Pooled Money Investment Board)

Current interest rate 3.29%. Term of loan to be set by agency. According to PMIB, agency would need legislative authority to borrow this money. This option would be used in the event the above options are not feasible.

KANSAS STATE FAIR
Proposals for Financing Encampment Renovation

PHASE 2 CONSTRUCTION – FISCAL YEAR 1995

Remodel auditorium and exhibit hall
Replace window units
Electrical and plumbing upgrade
New boiler
Project fees and Contingency

FUNDING SOURCES FOR PHASE II – FISCAL YEAR 1995

State General Revenue Funds	\$500,000
Other Sources and Options:	\$200,000
Kansas State Fair Foundation	
Kansas State Fair Capital Improvement Fund	
Pooled Money Investment Board loan	
Phase II Project Cost	\$700,000

PHASE 3 CONSTRUCTION – FISCAL YEAR 1996

Remodel kitchen
Replace window units
Electrical and plumbing upgrade
Exterior remodeling
Project Fees and Contingency

FUNDING SOURCES FOR PHASE III – FISCAL YEAR 1996

State General Revenue Funds	\$500,000
Other Sources and Options:	\$200,000
Kansas State Fair Foundation	
Kansas State Fair Capital Improvement Fund	
Pooled Money Investment Board loan	
Phase III Project Cost	\$700,000



STATE OF KANSAS

KANSAS INSURANCE DEPARTMENT

420 S.W. 9th
Topeka 66612-1678 913-296-3071

1-800-432-2484
Consumer Assistance
Division calls only

RON TODD
Commissioner

April 16, 1993

The Honorable August Bogina, Chairman
Senate Ways and Means Committee
State Capitol, Room 120-S
Topeka, KS 66612

Insurance Department Request- Omnibus Bill

Dear Senator Bogina:

Senate Substitute for Substitute for House Bill No. 2354 as enacted by the 1993 Legislature contains provisions requiring the Commissioner of Insurance and the Director of Workers Compensation to prescribe the format and content of certain workers compensation educational material to be distributed by insurance companies and group-funded pools with every workers compensation insurance policy issued and renewed in the state. In addition, this bill requires insurance companies, self-insurers, agents associations, vocational rehabilitation facilities, health care providers and other related groups involved in the administration or payment of services provided in connection with workers compensation claims to cooperate with the Commissioner of Insurance and Director of Workers Compensation in the preparation and presentation of seminars, audio-visual materials and other instructional information designed to promote workplace safety, improve the overall understanding and integrity of the workers compensation system and reduce workers compensation costs.

In the event these two provisions become law, they will have a significant effect on the Insurance Department. Specifically, we will have to work extensively with the Director's office and various other organizations in collecting data, developing written educational material and preparing and presenting seminars, tapes, slide shows and any other instructional information that may prove useful in educating Kansas employers and employees on workers compensation and workplace safety. Consequently, should Senate Substitute for Substitute for House Bill No. 2354 or any other workers compensation reform legislation containing these two provisions be signed into law, we will need an additional full-time permanent Policy Examiner II position to perform these additional duties. The estimated cost for this position in FY 1994 is \$39,001 which would be funded from our Insurance Department Service Regulation Fund. I would like to note that earlier we asked the Governor to include in her budget amendments funding for a temporary policy examiner to implement these two provisions. However, when considering the fact that even after going through the initial effort of gathering and developing the educational and instructional information to be made available we will continue to be involved in updating such information and making presentations, I simply do not think we can absorb this additional workload without one new permanent position.

In addition to the above request, I would also like to ask that you reconsider adding one more new position to our FY 1994 budget. For FY 1994, the Insurance Department requested a total of 10 new positions. Contained in our request was a new insurance company examiner position and nine new positions to review policy form and rate filings. These latter nine positions include seven policy examiner positions and two Office Assistant II positions. You may recall that based on your Committee's recommendation, the Senate approved the insurance company examiner position and seven of the nine positions requested to review filings.

SWAM
April 23, 1993
Attachment 24

April 21, 1993
Page 2

Although Kansas statutes generally require the Insurance Department to approve policy forms and rates before insurance companies begin using them the law also provides that if we do not disapprove a filing within 30 days it is deemed approved and the company can start using the form or charging the rate. Even though we were able to perform a thorough review on nearly 82,600 form and rate filings last year, an additional 20,500 were deemed because we did not have sufficient staff to review them. We believe this problem will only worsen with the recent adoption of K.A.R. 40-3-47 which allows property and casualty companies to file loss cost rates. With the change to loss cost rates, instead of filing a "final" or "total" rate on behalf of its member companies, a rating organization only files that portion of the rate needed to cover claims and loss adjustment expenses. Each member company must then file the remaining expense modifier portion of the rate sufficient to cover its commissions, overhead, taxes and profit. Rather than receiving one filing from a rating bureau for a certain line of insurance, we will now receive individual rates from every company. Due to the increased number of filings expected, we anticipate having to deem over 24,000 form and rate filings next year.

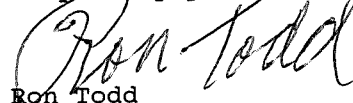
During FY 1992, each of our policy examiners involved in reviewing policy forms and rates was able to review an average of 3,590 filings. To compute our request for seven new policy examiners, we simply divided 3,590 into 24,000 or the number of filings we anticipate having to deem next year.

Because the House deleted two of the positions that the Senate approved, our funding bill, Senate Bill No. 39, went to conference committee where the Senate ultimately agreed with the changes made by the House. Although the five new positions approved by the legislature to review policy forms and rates will certainly allow us to review a greater number of filings, based on the number of filings received last year we will still be required to deem approximately 3,000 to 4,000 filings per year. Therefore, I would like to request your committee to approve one additional policy examiner to be funded from our Insurance Department Service Regulation Fund at an estimated annual cost of \$33,209. While I still believe we need two additional policy examiners in order to take care of this backlog plus the additional filings we anticipate will be made due to the adoption of K.A.R. 40-3-47, we can always wait to make sure the increase actually materializes then request the other position at that time. With this additional position, we will be able to ensure that Kansans benefit from the most favorable insurance contracts and premium charges possible.

In closing, I wish to remind you that effective July 1, 1992, the Insurance Department became a fee fund agency. As such, the approval of our request would have no effect on the state general fund.

Thank you for your consideration of this request. We plan to be in attendance when your committee considers this year's Omnibus Bill and will be glad to answer any questions you might have.

Very truly yours,



Ron Todd
Commissioner of Insurance

RT:rkn
omnl
cc: Leah Robinson
Legislative Research Department

STORMWATER UTILITY

Kansas Legislative Research

Agency	Monthly SWU rate	Annual SWU rate	SGF	Other Funds
Youth Center at Topeka	796	9,552	9,552	0
Historical Society	557	6,684	6,684	0
Department of Health & Enviroment	4	48	0	48
Board of Agriculture	60	720	720	0
Insurance Department	17	204	0	204
Board of Healing Arts	18	216	0	216
Securities Commissioner	14	168	0	168
Topeka Correctional Facility	1,289	15,468	15,468	0
Kansas Neurological Institute	1,300	15,600	6,396	9,204
Topeka State Hospital	2,348	28,176	28,176	0
Kansas Bureau of Investigation	137	1,644	1,644	0
Dept. of Human Resources (area offices)	237	2,844	0	2,844
Kansas Lottery	24	288	0	288
Adjutant General	1,580	18,960	18,935	25
SRS (area office)	70	840	480	360
Highway Patrol	8	96	96	0
Department of Education	42	504	252	252
Department of Administration:				
Statehouse	345	4,140	4,140	0
Judicial Center	511	6,130	6,130	0
Docking Bldg.	120	1,441	0	1,441
Landon Bldg.	56	674	0	674
Cedar Crest	2	24	24	0
Grounds shop	12	141	141	0
4 parking lots	489	5,871	0	5,871
Motor pool	30	365	0	365
Arch. services	24	293	293	0
Printing plant	231	2,777	0	2,777
Total DOA:	1,820	21,856	10,728	11,128
GRAND TOTAL:	10,321	123,868	99,131	24,737

SW4m
 April 23, 1993
 Attachment 25

STORMWATER UTILITY TAX

According to a letter from the City of Topeka, the Stormwater Utility Tax, which was effective as of January 1, 1993, is funded by a charge, based on the amount of impervious area (rooftops, concrete, asphalt and gravel areas) on each parcel. The charge is billed monthly as a line item on the water bill. The Stormwater Utility charge replaces the property tax mil levy that was used in the past to fund the maintenance of drainage facilities within the City of Topeka and will also fund stormwater activities required by new federal regulations. The stormwater charge is applied to all properties with impervious area, including those exempt from property taxes. The charge will vary from month to month, depending on the number of days in the month. For tax purposes, the average number of days per month is 30.4 days.

As depicted in the attached table, \$21,856 will be paid for the stormwater utility tax by the Department of Administration on behalf of state agencies. The Department will not adjust FY 1994 space rental rates for the Landon and Docking State Office Buildings. However, the stormwater utility charge will be included in calculating the FY 1995 rental rates.

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 26, 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 23, 1993)

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

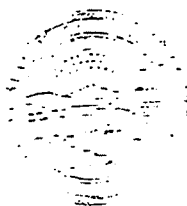
- S.B. 38 -- Emergency Supplemental, Section 4 -- The vetoed section increased expenditures by \$334,500 from the Medical Scholarship and Loan Repayment Fund to increase the number of student loans at the University of Kansas Medical Center.
- S.B. 41 -- Kansas Corporation Commission, Section 5 -- Line-item 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. 43 -- Regents, Section 12 -- Line-item veto of \$60,000 from the EDIF in FY 1994 for a cooperative program between Washburn University and the Kaw Area Technical School.
- S.B. 57 -- Health and Environment, Section 5 -- Line-item veto of \$4,917,276 in FY 1994 expenditures from the Water Plan Special Revenue Fund for contamination remediation.
- 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.
- S.B. 87 -- Health and Environment -- Line-item veto of \$713,083 in FY 1994 from the State Water Plan Fund for contamination remediation projects.
- 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. 2047 -- SRS, Section 2 -- Line-item vetoes of the mental retardation developmental disability provider revolving fund; the July 1, 1993 transfer of

SWAM
April 26, 1993
Attachment 26

\$26,725,500 from the social service contingency fund to the social welfare fund; the July 1, 1993 transfer of \$500,000 from the social service contingency fund to the mental retardation developmental disability provider revolving fund; the Larned State Hospital Fee Fund (\$1,517,857); the July 1, 1994 transfer of \$109,910 from the social service contingency fund to the Larned State Hospital Fee Fund; the Larned State Hospital position limitation of 938.1 positions; the Topeka State Hospital Fee Fund (\$4,346,827); and the July 1, 1994 transfer of \$665,996 from the social service contingency fund to the Topeka State Hospital Fee Fund.

- 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.
- H.B. 2087 -- House Supplemental, Sections 11 and 33 -- Line-item vetoes of \$2,162,004 from the State General Fund in community college state aid in FY 1993; and line-item vetoes of expenditure limitation reductions in FY 1993 of \$2,154,689 in the Lottery Operating Fund and of \$900,000 in the Lottery computer system and software account of the Lottery Operating Fund.
- H.B. 2122 -- Capital Improvements, Section 2-- Line-item veto of \$1,200,000 in FY 1993 from the Kansas Special Capital Improvements Fund to construct and equip the Center for Historical Research; veto of \$880,000 in FY 1994 from the EDIF for a travel information center in Olathe; and veto of \$750,000 in FY 1994 from the EDIF for the Kansas Cosmosphere.

STATE OF KANSAS



OFFICE OF THE GOVERNOR

JOAN FINNEY, Governor
State Capitol, 2nd Floor
Topeka, KS 66612-1590

913-296-3232
1-800-432-2487
TDD# 1-800-992-0152
FAX# (913) 296-7973

Message to the Senate of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return Senate Bill 38 with my signature approving the bill, except for the items enumerated below.

Section 4 that reads as follows has been line-item vetoed:

University of Kansas Medical Center

(a) The expenditure limitation established by section 55(f) of chapter 327 of the 1992 Session Laws of Kansas on the medical scholarship and loan repayment fund is hereby increased from \$4,650,600 to \$4,828,657: *Provided, however, That all expenditures from the medical scholarship and loan repayment fund for fiscal year 1993 pursuant to any loan agreement entered into under the medical student loan act after the effective date of this act and prior to June 30, 1993, for the 1992-93 academic year, shall provide amounts to the medical student so that the loan agreement is given retroactive effect and the medical student entering into the loan agreement receives payments for all tuition for the entire 1992-93 academic year and a stipend for living expenses for each month enrolled in the university of Kansas school of medicine during the 1992-93 academic year, all in accordance with the loan agreement, as though the loan agreement had been entered into at the beginning of the 1992-93 academic year.*

As a matter of principle, I find it necessary to veto this increase in the number of medical student loans. The item does not meet the standard sense of urgency which defines an emergency appropriation.

Joan Finney, Governor

Dated:

STATE OF KANSAS



OFFICE OF THE GOVERNOR

JOAN FINNEY, Governor
State Capitol, 2nd Floor
Topeka, KS 66612-1590

913-296-3232
1-800-432-2487
TDD# 1-800-992-0152
FAX# (913) 296-7973

Message to the Senate of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return Senate Bill 41 with my signature approving the bill, except for the items enumerated below.

Sec. 5
Public service regulation fund..... No limit

Provided, That all transfers of money from this fund to the utility regulatory fee fund of the citizens' utility ratepayer board shall be in addition to any limitation imposed on this fund: Provided further, That expenditures from the public service regulation fund, the motor carrier license fees fund and the conservation fee fund shall not exceed, in the aggregate, \$11,392,246.

Motor carrier license fees fund..... No limit

Provided, That expenditures from the public service regulation fund, the motor carrier license fees fund and the conservation fee fund shall not exceed, in the aggregate, \$11,392,246.

Conservation fee fund..... No limit

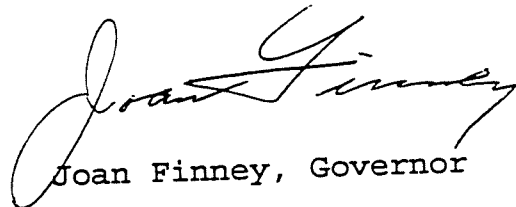
Provided, That any expenditure made from this fund for plugging abandoned wells, cleanup of pollution from oil and gas activities and testing of wells shall be in addition to any expenditure limitation imposed on this fund: Provided further, That expenditures from the public service regulation fund, the motor carrier license fees fund and the conservation fee fund shall not exceed, in the aggregate, \$11,392,246."

I find it necessary to veto the above expenditure limitations because of the \$380,000 authorized by the Legislature for an emergency salary contingency pool. The purpose of the fund would be to enable the Corporation Commission to hire temporary or special projects employees to respond to any unexpected rate filing or other unforeseen event. While I generally favor allowing state agencies the flexibility to accomplish their missions, the need for this provision has not been established. I commend the Legislature for approving an aggregate limitation on the three major funds of

the Corporation Commission to provide enhanced flexibility to the agency, but I do not believe the additional allocation for unidentified and undefined emergencies is necessary.

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. In my judgment, the people of Kansas are best served when the Legislature and the Governor exercise their authority to review decisions made and actions taken by state agencies. In this case, allowing an agency to spend up to \$380,000 in one year on situations it considers emergencies is tantamount to abdicating that responsibility to provide oversight.

I further believe that the funds that finance the operations of this agency, which primarily come from assessments on utility ratepayers and fees collected from motor carriers and oil and gas producers, should be allocated wisely and conservatively, just as if they were from the State General Fund. I am hopeful that the Legislature will revise the aggregate expenditure limitation stated in the three provisos to \$11,012,246.


Joan Finney, Governor

Dated: *April 15, 1993*

STATE OF KANSAS



OFFICE OF THE GOVERNOR

JOAN FINNEY, Governor
State Capitol, 2nd Floor
Topeka, KS 66612-1590

913-296-3232
1-800-432-2487
TDD# 1-800-992-0152
FAX# (913) 296-7973

Message to the Senate of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return Senate Bill 43 with my signature approving the bill, except for the items enumerated below.

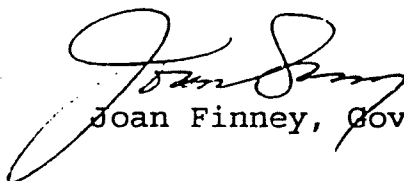
That portion of Section 12(b) that reads as follows has been line-item vetoed:

"EDIF--Washburn university and Kaw area technical school joint program fund \$60,000"

Section 12(d) which reads as follows has been line-item vetoed:

"(d) On July 15, 1993, or as soon thereafter as moneys are available therefor, the director of accounts and reports shall transfer \$60,000 from the Kansas economic development endowment account of the state economic development initiatives fund of the department of commerce and housing to the EDIF--Washburn university and Kaw area technical school joint program fund."

This item would be a new expenditure from the Economic Development Initiatives Fund for a cooperative program between Washburn University and the Kaw Area Technical School, which would offer certain Associate of Applied Sciences degree programs. The addition of this expenditure conflicts with my priorities for the use of EDIF funds. In addition, the Legislature has approved a State General Fund operating grant for Washburn University of \$6,413,705, which is an increase of 5.0 percent over the FY 1993 approved amount. The amount approved by the Legislature exceeds my recommendation for a 4.0 percent increase to the Washburn University grant by \$61,514.


Joan Finney, Governor

Dated: *Apr 23, 1993*

STATE OF KANSAS



OFFICE OF THE GOVERNOR

JOAN FINNEY, Governor
State Capitol, 2nd Floor
Topeka, KS 66612-1590

913-296-3232
1-800-432-2487
TDD# 1-800-992-0152
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Message to the Senate of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return Senate Bill 57 with my signature approving the bill, except for the item enumerated below.

That portion of Section 5(b) that reads as follows has been line-item vetoed:

"Water plan special revenue fund.....\$3,079,787

Provided, That expenditures may be made from this fund for the following purposes, subject to the expenditure limitations prescribed therefor:

Contamination remediation..... \$1,481,276

Provided, That no expenditures shall be made from this account for contamination remediation at sites where the state is the primary responsible party.

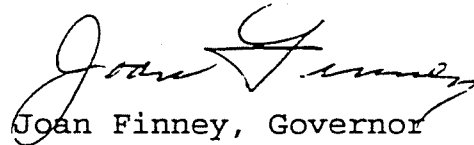
Local environmental aid..... 1,553,628

Non-point source pollution..... 44,883

Provided further, That in addition to the other purposes for which expenditures may be made by the above agency from this fund for the fiscal year ending June 30, 1994, expenditures may be made by the above agency for fiscal year 1994 from the unencumbered balance as of June 30, 1993, in each account of this fund from which expenditures were authorized to be made for prior fiscal years: *Provided, however*, That expenditures from any such account of amounts in such unencumbered balance shall be in addition to any expenditure limitation imposed on total expenditures from the water plan special revenue fund for fiscal year 1994."

Because of a restriction placed on site selection for contamination remediation projects financed from the State Water Plan Fund, I find it necessary to veto the Department's entire appropriation from the fund. This proviso would prevent use of the State Water Plan Fund to finance the remediation of serious contamination problems which threaten the state's water supplies.

It is irresponsible to ignore the threatening conditions at state-owned sites and jeopardize the water quality of the surrounding areas. I emphasize that it is only the proviso with which I take exception and encourage the Legislature to reinstate the appropriations as previously approved.


Joan Finney, Governor

Dated: *April 23, 1993*

STATE OF KANSAS



OFFICE OF THE GOVERNOR

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Message to the Senate of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return Senate Bill 62 with my signature approving the bill, except for the item enumerated below.

Section 15(a) has been line-item vetoed in its entirety.

The lapse of \$27,411 in the current fiscal year for the Tuition Grant Program in the Board of Regents was based on anticipated savings. The latest information provided by the Board of Regents indicates that this savings will not be realized.

A handwritten signature in cursive script that reads "Joan Finney".
Joan Finney, Governor

Dated: *April 19, 1993*

STATE OF KANSAS



OFFICE OF THE GOVERNOR

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Message to the Senate of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return Senate Bill 87 with my signature approving the bill, except for the item enumerated below.

Section 20 that reads as follows has been line-item vetoed:

"Sec. 20

Department of Health and Environment

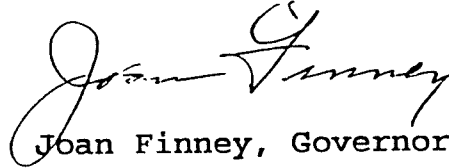
(a) On July 1, 1993, the expenditure limitation established by section 5(b) of 1993 Senate Bill No. 57 on the expenditures from the water plan special revenue fund is hereby increased from \$3,079,787 to \$3,792,870.

(b) On July 1, 1993, the expenditure limitation established by section 5(b) of 1993 Senate Bill No. 57 on the contamination remediation account of the water plan special revenue fund is hereby increased from \$1,481,276 to \$2,194,359.

(c) On July 1, 1993, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$713,083 from the state water plan fund of the Kansas water office to the water plan special revenue fund of the department of health and environment."

In Senate Bill 57, the Legislature prohibited use of the State Water Plan Fund for remediation projects at state-owned facilities. This appropriation which I now veto would be subject to the same restriction. Rather than provide funding to remediate a serious contamination problem at the University of Kansas' Sunflower Landfill, the Legislature has chosen to leave the needs at state-

owned facilities unaddressed. It is irresponsible to ignore the serious contamination problems at state-owned facilities which threaten the water quality of the surrounding areas. Therefore, I find it necessary to veto this section which would increase contamination remediation expenditures in the Department of Health and Environment well beyond the level the Kansas Water Authority and I recommend. I encourage the Legislature to adopt my recommendations and fully fund the remediation work needed both at the Sunflower Landfill and the Lansing Correctional Facility.


Joan Finney, Governor

Dated: *August 22, 1993*

STATE OF KANSAS



OFFICE OF THE GOVERNOR

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Message to the House of Representatives of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return House Bill 2046 with my signature approving the bill, except for the item enumerated below.

Section 5 that reads as follows has been line-item vetoed:

"Sec. 5.

Savings and Loan Department

(a) There is appropriated for the above agency from the following special revenue fund all moneys now or hereafter lawfully credited to and available in such fund, except that expenditures other than refunds authorized by law shall not exceed the following:


Savings and loan fee fund..... \$107,175"

The following portion of Section 22 has been line-item vetoed:

"Savings and Loan Department..... 2.0"

I find it necessary to veto the entire appropriation for the Savings and Loan Department for FY 1994. I have signed into law Senate Bill 58, which abolishes the Savings and Loan Department on June 18, 1993, and transfers all powers and duties of the Savings and Loan Commissioner to the State Bank Commissioner. Almost all, if not all, savings and loan associations in the state have converted to a federal charter; therefore, funding at this level is not necessary for the regulation of the few remaining state

chartered savings and loan associations. If necessary, appropriate funding to allow the State Bank Commissioner to regulate the few remaining state chartered associations that may exist in FY 1994 can be considered during the Omnibus Session.


Joan Finney, Governor

Dated:

April 9, 1993

STATE OF KANSAS



OFFICE OF THE GOVERNOR

JOAN FINNEY, Governor
State Capitol, 2nd Floor
Topeka, KS 66612-1590

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Message to the House of Representatives of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return House Bill 2047 with my signature approving the bill, except for the items enumerated below.

The portion of Section 2(b) that reads as follows has been line-item vetoed:

"Mental retardation developmental disability provider revolving fund..... No limit

Provided, That expenditures may be made from this fund for payments to medicaid providers for the mentally retarded and developmentally disabled as advances of amounts payable under the title XIX program and other programs administered by the department of social and rehabilitation services, to alleviate cash-flow problems experienced by such providers: *Provided, however, That all expenditures from this fund shall be reimbursed by moneys credited to this fund through the social services clearing fund from the funds to which such payments are chargeable: Provided further, That approval for participation in the program shall be in accordance with rules and regulations adopted by the secretary of social and rehabilitation services."*

Section 2(e) that reads as follows has been line-item vetoed:

"(e) On July 1, 1993, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$26,725,500 from the social service contingency fund to the social welfare fund."

Section 2(f) that reads as follows has been line-item vetoed:

"(f) On July 1, 1993, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$500,000 from the social service contingency fund to the mental retardation developmental disability provider revolving fund."

I am committed to meeting the needs of the developmentally disabled and mentally retarded citizens of Kansas. My FY 1994 budget recommendations for community mental retardation services contain new expenditures totaling \$8.0 million and provide funding to place 159 additional clients in community settings and take them off of the waiting list. My recommendations also enhance or maintain all existing programs.

In addition to my recommendations, the Legislature added \$3.7 million in new funding to expand mental retardation programs in the community. I believe that some of these additions would help to provide services to our mentally disabled citizens to enable them to live in safe and secure community settings. Therefore, I am signing into law funding to provide expanded quality assurance for community programs, expanded family subsidies and funding to place an additional 125 clients.

Although I agree with the Legislature's intentions to facilitate the placement of clients into the community, the merits of adding new programs must be weighed against the responsibility to maintain existing programs within the state's current resources. Although I am not vetoing the mental health and retardation services aid and assistance line-item, I am directing the Secretary of Social and Rehabilitation Services not to begin a new program to provide medical and therapeutic services not covered by Medicaid to clients placed in the community.

I also veto the transfer of \$26,725,500 from the Social Service Contingency Fund to the Social Welfare Fund to restore the amount to my original \$25.0 million recommendation. The veto would eliminate \$625,500 in additions for one-time mental retardation placements costs, \$1.0 million for community mental health center staff training and \$100,000 for a pilot project to reduce beds in a nursing facility for mental health. Although these programs have their merits, the Social Service Contingency Fund needs to be reserved to address future budget concerns. Again, to help conserve the balances of the Social Service Contingency Fund, I veto the transfer of \$500,000 to the Mental Retardation Developmental Disability Provider Revolving Fund. I strongly urge the Legislature to provide, as I recommended, \$25.0 million from the Social Services Contingency Fund in the Omnibus Bill.

The portion of Section 4(b) that reads as follows has been line-item vetoed:

"Larned state hospital fee fund..... \$1,517,857"

Section 4(f) that reads as follows has been line-item vetoed:

"(f) On July 1, 1994, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$109,910 from the social service contingency fund of the department of social and rehabilitation services to the Larned state hospital fee fund."

The portion of Section 11(a) that reads as follows has been line-item vetoed:

"Larned State Hospital938.1"

I veto the \$109,910 transfer from the Social Service Contingency Fund to the Larned State Hospital Fee Fund and the addition of 10.0 FTE positions to the agency, which would have allowed it to certify its new adult treatment center. With the expansion of mental health reform into the Larned catchment area in FY 1995, the hospital will be downsizing its client populations with corresponding reductions in staffing. Although additional certification for the hospital may have merits, new programs should not be added to the hospital while it is in the process of downsizing. I recommend that the agency use downsizing to meet staffing requirements for certification by shifting available personnel and resources, and that 928.1 FTE positions be included in the Omnibus Bill for the hospital.

The portion of Section 8(b) that reads as follows has been line-item vetoed:

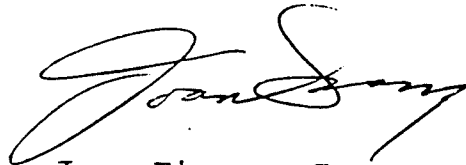
"Topeka state hospital fee fund..... \$4,346,827"

Section 8(f) that reads as follows has been line-item vetoed:

"(f) On July 1, 1994, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$665,996 from the social service contingency fund of the department of social and rehabilitation services to the Topeka state hospital fee fund."

The Legislature added a total of \$1,335,097 and 11.0 FTE positions to Topeka State Hospital over my original recommendation to help the agency meet the staffing requirements necessary for it to retain its certification. I am signing into law \$669,101 of these enhancements to provide the agency with additional direct care and security staffing, to lower shrinkage requirements and to fund pharmaceuticals to meet certification requirements and assist in facilitating the release of clients into the community as part of mental health reform.

These enhancements would provide 11.0 additional direct care FTE positions and enable the agency to fill approximately 7.0 FTE vacant positions through reduced shrinkage. At the same time, the agency will be downsizing its client population by closing an adult ward in FY 1994 in compliance with mental health reform. The additional positions and shrinkage will be adequate for the agency to retain its certification while it reduces its census in FY 1994. Because of these enhancements, I veto \$590,561 from the Social Service Clearing Fund transfer which would have provided the hospital with additional temporary staffing. In addition, I have amended my budget in FY 1993 to provide the agency with \$75,435 from the Topeka State Hospital Fee Fund to enable it to purchase the single unit dose pharmacy equipment necessary to retain its certification requirements, thereby eliminating the need for this item to be funded in FY 1994 from the Social Services Contingency Fund.



Joan Finney, Governor

Dated:

STATE OF KANSAS



OFFICE OF THE GOVERNOR

JOAN FINNEY, Governor
State Capitol, 2nd Floor
Topeka, KS 66612-1590

April 19, 1993

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Message to the House of Representatives of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return House Bill 2062, approving the bill except for the items enumerated below:


Section 5(d), Section 18 and Section 26 are vetoed in their entirety.

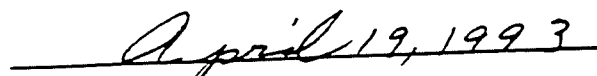
Regarding Section 5(d), the claim of Chauncey Shepard of McCune in the amount of \$38,000: The Department of Wildlife and Parks is required by federal mandate to protect the Neosho Madtom. This claim arose as a result of the Department's work to protect the species. The U.S. Fish and Wildlife Service has advised the Kansas Department of Wildlife and Parks that it could be held legally liable if some action it had permitted were to result in death, harm or harassment to Neosho Madtoms.

Regarding Section 18, the claim of La Forge and Budd Construction Co., Inc., of Parsons, in the amount of \$4,847.70: the general contractor (through its mechanical subcontractor) breached its contract with the state and as a result, the state received three new boilers with 10 percent of their tube wall eaten away. The State attempted to assess a fair amount of damages as a result of the breach of contract.

Regarding Section 26, the claim by Orrin J. Fowles of Clay Center in the amount of \$117,037: Mr. Fowles, in 1992, filed a suit in the District Court of Shawnee County, Kansas, Division 9, under Case No. 91 CV 955, claiming the money should be paid. The Lottery's contention was that the plaintiff had failed to state a claim because he had failed to comply with Lottery rules and regulations and the Kansas Lottery Act. The court found a similar case in New Jersey and had ruled that the State was not liable with the court emphasizing the fact that the legislative body had restricted, by statute, payment of Lottery prizes to "holders of winning tickets" who present their winning tickets with a completed claim form. The local courts ruled that this had not occurred and therefore they sustained the Lottery's motion for summary judgment and severed the Lottery from this particular case.

Again, I state that the precedent that would be set in this matter would open the doors to anyone in the State claiming that they had not been paid because they had lost their ticket.


Joan Finney, Governor


Date

STATE OF KANSAS



OFFICE OF THE GOVERNOR

JOAN FINNEY, Governor
State Capitol, 2nd Floor
Topeka, KS 66612-1590

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Message to the House of Representatives of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return House Bill 2087 with my signature approving the bill, except for the items enumerated below.

Section 11(a) which reads as follows has been line-item vetoed:

"(a) There is appropriated for the above agency from the state general fund the following:

Community college credit hour state aid.....	\$1,386,123
Community college out-district state aid entitlement...	<u>775,881</u>
Total.....	\$2,162,004

This section increases State General Fund expenditures by \$2.2 million above my recommendations for community colleges. My recommendation reflects the amount approved by the 1992 Legislature for both regular and out-district credit hour aid. The total approved amount for community colleges in FY 1993 is an increase of 6.6 percent above the FY 1992 actual expenditures. In a time of limited State General Fund resources, the recommended amount appears adequate.


Sections 33(a) and (b) that read as follows have been line-item vetoed:

"(a) The expenditure limitation established by the state finance council on the lottery operating fund is hereby decreased from \$10,501,538 to \$8,346,849.

(b) The expenditure limitation established by section 5(a) of chapter 327 of the 1992 Session Laws of Kansas and for which expenditures were approved by the state finance council on the lottery computer system and software account of the lottery operating fund is hereby decreased from \$1,400,000 to \$500,000."

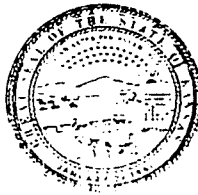
These sections would decrease the expenditure limitation on the Lottery Operating Fund in concurrence with my original budget recommendations for the Kansas Lottery. In my original

recommendation, it was assumed that the Lottery would finance the purchase of a \$1.4 million computer system over three years. However, because of the overwhelming success of Club Keno, the Lottery now plans to pay for the entire computer system in the current fiscal year, saving an estimated \$77,000 in finance charges. To provide the agency with the flexibility to do this, I veto these two sections.


Joan Finney, Governor

Dated: *April 23, 1993*

STATE OF KANSAS



OFFICE OF THE GOVERNOR

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Message to the House of Representatives of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return House Bill 2122 with my signature approving the bill, except for the items enumerated below.

Section 2(a) that reads as follows has been line-item vetoed:

"(a) There is appropriated for the above agency from the Kansas special capital improvements fund for the fiscal year ending June 30, 1993, for the capital improvement project specified as follows:

Construct and equip center for historical research....\$1,200,000"

During the 1991 Session of the Legislature, project cost estimates for the Center for Historical Research were \$7.9 million. It appears the magnitude of the project has significantly increased at a time when resources are scarce from all funding sources. Therefore, I am approving an amount in this appropriation bill which would fund the project at a level similar to that approved by the Legislature in the past.

Section 12 that reads as follows has been line-item vetoed:

"Sec. 12

DEPARTMENT OF COMMERCE AND HOUSING

(a) In addition to the purposes for which expenditures may be made from the Kansas economic development endowment account of the state economic development initiatives fund for the fiscal year ending June 30, 1994, moneys may be expended by the above agency from the Kansas economic development endowment account of the state

economic development initiatives fund during the fiscal year 1994 for the following, subject to the expenditure limitations prescribed therefor:

Olathe travel information center..... \$880,000

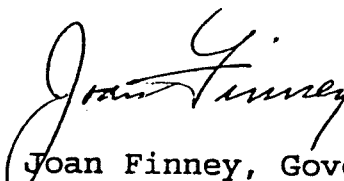
Provided, That no expenditures for construction shall be made until the department of commerce and housing receives clear title to the land on which the travel information center is to be constructed; and that the final construction plans have been reviewed by the joint committee on state building construction: Provided further, That no expenditures shall be made from this subaccount for construction of a driveway.

(b) The expenditure limitation established by section 6(b) of 1993 House Bill No. 2063 on the state economic development initiatives fund is hereby increased from \$9,085,305 to \$10,715,305.

(c) The expenditure limitation established by section 6(b) of 1993 House Bill No. 2063 on the Kansas economic development endowment account of the state economic development initiatives fund is hereby increased from \$9,085,305 to \$10,715,305.

(d) The expenditure limitation established by section 6(b) of 1993 House Bill No. 2063 on the tourist attraction development grants subaccount of the Kansas economic development endowment account of the state economic development initiatives fund is hereby increased from \$250,000 to \$1,000,000: *Provided, That \$750,000 of the total amount is for a grant to the Kansas cosmosphere to match private sector grants of the same or larger size."*

Because the state cannot afford large program expansions at this time, I veto this section which would authorize expenditures from the Economic Development Initiatives Fund of \$880,000 to build a travel information center in Olathe and \$750,000 to be granted to the Kansas Cosmosphere. I find it especially difficult to accept the appropriation of state money for the physical expansion of a privately-owned facility when the needs of state-owned facilities remain unmet.


Joan Finney, Governor

Dated: *April 23, 1993*

ECONOMIC DEVELOPMENT INITIATIVES FUND **FY 1993 AND FY 1994 TRANSFERS**

Program	FY 1993 Legislative Approved	FY 1994 Legislative Approved	FY 1994 GBA and Veto Adjustments	FY 1994 House Omnibus Adj.	FY 1994 Senate Omnibus Adj.
AGRICULTURE BOARD H.B. 2086 Market Promotion and Development	\$275,004	\$324,996			
ARTS COMMISSION H.B. 2064 Arts Programming Grants	766,938	1,035,000			
BOARD OF REGENTS S.B. 43 Council on Economic Education	\$40,000	\$40,000			
Washburn/Technical School Program	--	60,000	(60,000)		
Study of KUMC	--	--	--	50,000	
COMMERCE H.B. 2087, H.B. 2122 Salaries and Wages	\$638,742	\$1,252,777	--	1,038,696 *	38,696
Other Operating Expenditures	3,804,093	3,702,356	--	6,000	6,000
Strategic Planning Grants	445,000	445,000			
KIT/KIR Programs	2,550,000	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	1,040,000	(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	(880,000)		
KS Economic Initiative Opportunity Fund	--	--	--	2,000,000	
KS Partnership Fund	--	--	--	1,000,000	
High Performance Incentive Grants	--	--	--	75,000	
DEPT. OF CORRECTIONS Debt Servicing	--	--	--	1,714,000 **	
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	10,900,000		
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	\$212,000	\$30,000			
Capital Improvements	60,000	--			
Center for Historical Research	--	689,858	--		
KANSAS INC. S.B. 38, H.B. 2063 EPSCoR Grant	\$1,500,000	\$1,500,000			
Special Studies	128,374	105,995			
KANSAS STATE FAIR H.B. 2086 Operating Expenditures	\$100,000	\$100,000			
Encampment Building	--	--	--	500,000	500,000
Forest Survey	--	\$190,000			
KTEC H.B. 2063 General Operations	\$691,786	\$749,736	(\$55,039)	(\$55,039)	(\$55,039)
Commercialization Operations	250,000	500,000			
Industrial Ag. Operations	200,000	250,000			
Centers of Excellence	3,715,000	4,485,663			
Applied Research Grants	1,009,613	1,259,613			
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	633,867			
Mid-Am. Manufacturing Tech. Center	1,000,000	1,000,000			
KUMC State Share of Integrated Computer System	--	--	--	350,000	
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. 2084 Equipment Matching Grants	--	\$424,573			
BLIND H.B. 2064 Accessible Arts, Inc.	\$19,300	\$150,000			
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			
TOTAL	\$29,464,399	\$39,413,554	\$9,154,961	\$6,678,657	\$489,657

* \$1.0 million shift from SGF to EDIF

** \$1.7 million shift from SGF to EDIF

Resource Estimate -- EDIF						
FY 1993						
	Legislative Approved	GBA and Vetoes	Difference	House Approved	Senate Approved	
Beginning Balance	\$6,916,741	\$6,916,741	\$0	\$6,916,741	\$6,916,741	
Lottery Transfers	28,080,000	29,249,910	1,169,910	29,249,910	28,080,000	
Racing Transfers	5,085,900	5,313,286	227,386	5,313,286	5,085,900	
Other	250,000	250,000	0	250,000	250,000	
Total Available	40,332,641	41,729,937	1,397,296	41,729,937	40,332,641	
Less: Transfers	29,464,399	29,464,399	0	29,464,399	29,464,399	
ENDING BALANCE	\$10,868,242	\$12,265,538	\$1,397,296	\$12,265,538	\$10,868,242	

FY 1994						
	Legislative Approved	GBA and Vetoes	Difference	House Approved	Senate Approved	
Beginning Balance	\$10,868,242	\$12,265,538	\$1,397,296	\$12,265,538	\$10,868,242	
Lottery Transfers	28,944,000	32,184,000	3,240,000	33,984,000	28,944,000	
Racing Transfers	4,428,788	5,203,851	775,063	5,203,851	4,428,788	
Other	645,793	645,793	0	645,793	645,793	
Total Available	44,886,823	50,299,182	5,412,359	52,099,182	44,886,823	
Less: Transfers	39,413,554	48,568,515	9,154,961	46,092,211	39,903,211	
ENDING BALANCE	\$5,473,269	\$1,730,667	(\$3,742,602)	\$6,006,971	\$4,983,612	

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 Jerry Moran
From: Ellen Piekalkiewicz, Senior Fiscal Analyst
Re: California Marketing Office

A Kansas Calvary mission, recently returned from California, made many contacts with California firms interested in the possibility of relocating to Kansas. Members of the Kansas Calvary Mission, upon returning to Kansas, expressed concern that the one individual currently under contract with the Department of Commerce serving as the state's representative in California will not be sufficient to meet personally with every interested company. Currently, the California office has 100 active projects (the Chicago office has 56).

The California office has indicated that an additional position would be helpful to conduct research on Kansas communities for the interested California companies. Having a research person would allow the current staff person to conduct personal meetings with interested companies. The costs associated with the additional position would be as follows:

Office Rent	\$ 12,000
Position	30,000
Other Operating	<u>8,000</u>
Total	<u>\$ 50,000</u>

Approved funding for FY 1993 and FY 1994 for the California office is \$150,000 (EDIF).

Please let me know if I may be of further assistance.

93-6262/ep

SWAM
April 26, 1993
Attachment 2B

SENATE COMMITTEE RECOMMENDATION

SEC	AGENCY	STATE GENERAL FUND	TOTAL ALL FUNDS
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OPERATING EXPENDITURES			
9	ATTORNEY GENERAL	91,630	91,630
12	BOARD OF BARBERING	0	1,565
20	KANSAS CORPORATION COMMISSION	0	62,964
22	BOARD OF COSMETOLOGY	0	1,224
24	DENTAL BOARD	0	9,200
25	DEPARTMENT OF ADMINISTRATION	30,921	85,253
35	DEPARTMENT OF HEALTH AND ENVIRONMENT	0	323,000
39	HIGHWAY PATROL	0	204,331
54	KPERS	0	8,460
55	KPERS - SCHOOL	0	9,540
66	LARNED CORRECTIONAL FACILITY	(60,000)	(60,000)
74	KANSAS LOTTERY	0	1,045,223
80	DEPARTMENT OF CORRECTIONS	(178,473)	(178,473)
86	RACING COMMISSION	0	169,196
100	DEPT OF SOCIAL & REHABILITATION SERVICES	(2,385,916)	2,901,121
TOTAL OPERATING EXPENDITURES		(2,501,838)	4,674,234
TOTAL EXPENDITURES FOR FY93		(2,501,838)	4,674,234

SWAM
April 26, 1993
Attachment 29

SENATE COMMITTEE RECOMMENDATION

SEC	AGENCY	STATE GENERAL FUND	TOTAL ALL FUNDS
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OPERATING EXPENDITURES			
3	ADJUTANT GENERAL	0	29,800
6	BOARD OF AGRICULTURE	46,872	156,239
10	ATTORNEY GENERAL - K.B.I.	104,000	104,000
20	KANSAS CORPORATION COMMISSION	0	11,015,246
24	DENTAL BOARD	0	28,834
25	DEPARTMENT OF ADMINISTRATION	153,000	153,000
32	COMM ON GOVERNMENTAL STANDARDS & CONDUCT	9,736	9,736
35	DEPARTMENT OF HEALTH AND ENVIRONMENT	(310,224)	615,160
39	HIGHWAY PATROL	(1,151,160)	(1,151,160)
41	DEPARTMENT OF HUMAN RESOURCES	0	25,000
42	DEPARTMENT OF COMMERCE AND HOUSING	0	3,119,696
44	YOUTH CENTER AT TOPEKA	41,645	41,645
45	YOUTH CENTER AT BELOIT	21,760	21,760
46	BD OF INDIGENTS DEFENSE SVCS	75,000	75,000
50	YOUTH CENTER AT ATCHISON	21,843	21,843
53	KANSAS NEUROLOGICAL INSTITUTE	85,442	85,442
54	KPERS	0	95,968
55	KPERS - SCHOOL	0	108,219
67	LARNED STATE HOSPITAL	53,481	53,481
74	KANSAS LOTTERY	0	(390,877)
78	OSAWATOMIE STATE HOSPITAL	(81,485)	(81,485)
79	PARSONS STATE HOSPITAL	69,805	69,805

29-2

SENATE COMMITTEE RECOMMENDATION

SEC	AGENCY	STATE GENERAL FUND	TOTAL ALL FUNDS
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80	DEPARTMENT OF CORRECTIONS	(305,000)	(305,000)
85	REAL ESTATE COMMISSION	0	45,335
86	RACING COMMISSION	0	(37,084)
87	RAINBOW MENTAL HEALTH FACILITY	45,382	45,382
90	DEPARTMENT OF REVENUE	41,789	85,404
100	DEPT OF SOCIAL & REHABILITATION SERVICES	(1,618,537)	8,722,335
103	TOPEKA CORRECTIONAL FACILITY	57,029	57,029
105	TOPEKA STATE HOSPITAL	158,497	158,497
108	JUDICIAL BRANCH	1,331,266	1,331,266
112	BOARD OF VETERINARY MEDICAL EXAMINERS	0	8,122
114	DEPARTMENT OF WILDLIFE AND PARKS	0	2,000
116	WINFIELD STATE HOSPITAL	(491,105)	(409,563)
121	ANNUAL LEAVE PAYMENT ASSESSMENT	(881,216)	(1,835,867)
	TOTAL OPERATING EXPENDITURES	(2,522,180)	22,074,208

29-3

SENATE COMMITTEE RECOMMENDATION

SEC	AGENCY	STATE GENERAL FUND	TOTAL ALL FUNDS
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CAPITAL IMPROVEMENTS			
61	KANSAS STATE FAIR	0	500,000
95	KANSAS STATE SCHOOL FOR THE BLIND	0	70,000
100	DEPT OF SOCIAL & REHABILITATION SERVICES	0	319,501
105	TOPEKA STATE HOSPITAL	0	(135,788)
114	DEPARTMENT OF WILDLIFE AND PARKS	0	180,000
TOTAL CAPITAL IMPROVEMENTS		0	933,713
TOTAL EXPENDITURES FOR FY94		(2,522,180)	23,007,921

29-4

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April 26, 1993

CHANGES MADE IN DEMAND TRANSFERS TO PRODUCE SAVINGS IN SGF EXPENDITURES IN ONE OR MORE FISCAL YEARS

1983-1992

1983 Legislature changed the distribution dates from: (1) the LAVTRF from 100 percent on January 15 to 50 percent on January 15 and 50 percent on July 15, and (2) the CCRSF from quarterly payments (September, December, March, and June) to equal payments on July 15 and December 10. These changes did not affect total payments in a calendar year, but did result in lower SGF expenditures in FY 1983. (The Legislature also lapsed \$52.2 million of FY 1983 SGF appropriations.)

1987 Legislature reduced by 3.8 percent transfers made in CYs 1988 and 1989 to the LAVTRF and CCRSF. For the LAVTRF, one transfer in FY 1988, both transfers in FY 1989, and one transfer in FY 1990 were affected by the reduction. For the CCRSF, transfers in FYs 1989 and 1990 were affected. (The Legislature lapsed \$60.1 million of FY 1987 appropriations which typically constituted 3.8 percent of agencies' SGF budgets.)

The 1987 Legislature also made two changes with respect to transfers to the SHF. One, which was permanent, changed the transfers from daily to quarterly and, in effect, provided for only three transfers in FY 1988. Secondly, the sales tax base used for computing the transfers was reduced for two years from the then 4 percent tax rate to a 3 percent rate. These changes affected all three quarterly transfers in FY 1988, all four in FY 1989, and the first one in FY 1990, and were made before the current highway finance program was enacted in 1989.

Another bill enacted in 1987 eliminated the transfer from the SGF of 5 percent of inheritance tax revenue which was paid to counties, resulting in reduced SGF expenditure in FY 1988 and thereafter. (When the inheritance tax law was recodified in 1978, the Department of Revenue (not the counties) was made responsible for collecting the tax and counties were given 5 percent of the revenue attributable to each county. Formerly, counties retained 5 percent of the revenue they collected.)

1990 Legislature reduced by 1.75 percent the transfers in FY 1991 to the SHF, CCHF, WPF, and WCF.

State Finance Council, on 8/23/91, and pursuant to the Governor's recommendation, reduced all transfers by 1.0 percent (except for the WCF) in FY 1992. This included the former SDITF and the

SWAM
April 26, 1993
Attachment 30

SDDF. These reductions were part of an overall cut in SGF expenditures made under a law enacted in 1990.

1992 Legislature reduced by 3.0 percent the transfers in FY 1993 to the SHF, LAVTRF, CCRSF, CCHF, and WPF.

LAVTRF	Local Ad Valorem Tax Reduction Fund ⁽¹⁾
CCRSF	County-City Revenue Sharing Fund ⁽²⁾
SHF	State Highway Fund ⁽³⁾
CCHF	City-County Highway Fund ⁽⁴⁾
WPF	Water Plan Fund ⁽⁵⁾
WCF	Workers Compensation Fund ⁽⁶⁾
SDITF	School District Income Tax Fund ⁽⁷⁾
SDDF	School District Finance Fund ⁽⁸⁾

1. 3.63 percent of sales and use taxes credited to the SGF in CY 1993 and thereafter.
2. 2.823 percent of sales and use taxes credited to the SGF in CY 1993 and thereafter.
3. 7.628 percent of sales taxes credited to the SGF in the preceding quarter, beginning July 1, 1993.
4. Amount equal to the motor carrier property tax credited to the SGF.
5. \$6 million each fiscal year under current law.
6. \$4 million each fiscal year under current law.
7. Repealed in 1992 when the new school finance plan was enacted.
8. With the enactment of 1993 H.B. 2505, this fund now receives the amount "recaptured" from certain school districts and refunds of overpayment to districts.

**TRANSFERS OF KDOT FUNDS SINCE FY 1990
THAT WERE UNANTICIPATED WHEN HB 2014 WAS PASSED**

Description of Transfer	Amount Transferred				Total
	FY 91	FY 92	FY 93(a)	FY 94(a)	FY91-94
Reductions in Sales Tax Transfer: (b)					
1.75% reduction by Legis. action	1,325,000				1,325,000
1% reduction by Finance Council		780,000			780,000
3% reduction by Legis. action			2,360,000		2,360,000
Reverse Transfer to SGF in approp. bill (b)		3,796,300			3,796,300
Transfers to other state agencies:					
Board of Agriculture (c)		119,000	115,500	116,025	350,525
State Treasurer (d)			108,327	92,827	201,154
Total	1,325,000	4,695,300	2,583,827	208,852	8,812,979

**INCREASES IN TRANSFERS TO OTHER AGENCIES
THAT WERE UNANTICIPATED WHEN HB 2014 WAS PASSED**

Description of Transfer	Amount Transferred					Total
	FY 90	FY 91	FY 92	FY 93	FY 94(a)	FY91-94
Original Projections:						
Division of Vehicles	19,649,000	20,631,000	21,663,000	22,746,000	23,883,000	108,572,000
Highway Patrol	4,646,000	4,878,000	5,122,000	5,378,000	5,647,000	25,671,000
Current Actual/Estimate:						
Division of Vehicles	21,241,280	20,772,672	22,491,896	28,402,936	24,400,000	117,308,784
Highway Patrol	5,555,548	5,307,780	4,983,791	5,701,284	5,083,416	26,631,819
Increase/(Decrease)						
Division of Vehicles	1,592,280	141,672	828,896	5,656,936	517,000	8,736,784
Highway Patrol	909,548	429,780	(138,209)	323,284	(563,584)	960,819
Total	2,501,828	571,452	690,687	5,980,220	(46,584)	9,697,603
Grand Total	\$2,501,828	\$1,896,452	\$5,385,987	\$8,564,047	\$162,268	\$18,510,582

(a) Estimated

(b) To meet State General Fund ending balance requirements.

(c) For additional staff to meet increased workload related to hydraulic permit requirements.

(d) For Pooled Money Investment Board services, including investment activities and agency fees. Agency fees were expected when bonding was planned, but it was not known that the State Treasurer would be the agent.

DEMAND TRANSFERS FROM SGF; FY 1991-FY 1994

In Thousands

	Actual FY 1991	Actual FY 1992	FY 1993 (Revised April, 1993 or Actual)	FY 1994 (Estimated Current Law)	Possible Reductions		
					@ 99%	@ 98%	@ 97%
State Highway Fund	\$ 74,371	\$ 78,025	\$ 75,501 ^b	\$ 81,533	\$ 80,718	\$ 79,902	\$ 79,087
Local Ad Valorem Tax Reduction Fund	37,164	38,576	39,324 ^{a,b}	41,714	41,297	40,880	40,463
County-City Revenue Sharing Fund	28,251	29,166	30,218 ^{a,b}	31,905	31,586	31,267	30,948
City-County Highway Fund	9,052	9,768	9,631 ^{a,b}	10,000	9,900	9,800	9,700
Water Plan Fund	5,895	5,940	5,820 ^{a,b}	6,000	5,940	5,880	5,820
TOTAL	\$ 154,733	\$ 161,475	\$ 160,494	\$ 171,152	\$ 169,441	\$ 167,729	\$ 166,018
					(1,711)	(3,423)	(5,134)

a) Actual.

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.


Kansas Legislative Research Department
April 26, 1993

MEMORANDUM

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April 19, 1993

To: Senator August Bogina, Jr.
From: Julian Efird, Principal Analyst 
Re: KPERS Information About Average Salary Increases in 1990 and 1991 for
Active Members of State, School, and Local Groups

Enclosed are the spreadsheets based on the Segal Company's actuarial estimates and actual increases in average salaries for the two-year period, 1990-1991. Meredith Williams had told you that these data were available and you requested copies which Meredith has provided as transmitted herein.

Several general comparisons and observations may be made:

1. School employees as a group have higher average salaries than State and Local employees groups. School employees also constitute the largest single group compared with State and Local employees as groups.
2. In calendar year 1990, the State employee group had the highest percent increase [7.2 percent] in average salaries compared with the School [6.4 percent] and Local [6.2 percent] groups.

Legislative actions for FY 1990 and FY 1991 would have influenced the State employees group average salaries and the percent rate of increase for CY 1990:

In FY 1990, the state pay plan was modified by increasing each monthly step by 3.0 percent and by providing for annual step increases of 2.5 percent (rather than every three years for steps beyond level D).

In FY 1991, a 1.5 percent across the board increase in the state pay plan was approved, plus step movement equivalent to an annual increase of 2.5 percent.

3. In calendar year 1991, the State employee group had the lowest percent increase [4.2 percent] in average salaries compared with the School [4.9 percent] and Local [6.2 percent] groups.

SWAM
April 26, 1993
Attachment 33

Legislative actions for FY 1991 and FY 1992 would have influenced the State employees group average salaries and the percent rate of increase for CY 1991:

In FY 1991, a 1.5 percent across the board increase in the state pay plan was approved, plus step movement equivalent to an annual increase of 2.5 percent.

In FY 1992, 2.5 percent annual step movement was approved for eligible employees on the state pay plan.

Please let me know if you need any additional information.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

1990 SALARY EXPERIENCE FOR EMPLOYEES ACTIVE AS OF JANUARY 1, 1990 AND 1991

	Number of Employees	Average Annual Salary		Percent Increase	Expected Increase
		1/1/90	1/1/91		
STATE					
Under 30	2,815	\$18,419	\$19,866	7.9 %	6.7 %
30 - 39	6,592	21,591	23,161	7.3	6.4
40 - 49	5,978	23,734	25,424	7.1	5.8
50 - 59	4,701	23,766	25,387	6.8	5.4
60 & over	1,483	22,228	23,774	7.0	5.0
Total	21,569	\$22,289	\$23,886	7.2 %	5.9 %
SCHOOL					
Under 30	4,913	\$20,526	\$21,974	7.1 %	6.7 %
30 - 39	14,167	22,962	24,618	7.2	6.4
40 - 49	16,377	25,686	27,317	6.3	5.8
50 - 59	10,358	26,064	27,474	5.4	5.4
60 & over	2,316	22,855	23,951	4.8	5.0
Total	48,131	\$24,302	\$25,849	6.4 %	5.9 %
LOCAL					
Under 30	2,126	\$18,005	\$19,446	8.0 %	6.7 %
30 - 39	5,220	20,670	22,094	6.9	6.4
40 - 49	4,477	21,384	22,654	5.9	5.8
50 - 59	3,936	20,446	21,483	5.1	5.4
60 & over	1,418	18,887	19,832	5.0	5.0
Total	17,177	\$20,328	\$21,585	6.2 %	5.9 %

Source: The Segal Company

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

1991 SALARY EXPERIENCE FOR EMPLOYEES ACTIVE AS OF JANUARY 1, 1991 AND 1992

	Number of Employees	Average Annual Salary		Percent Increase	Expected Increase
		1/1/91	1/1/92		
STATE					
Under 30	2,819	\$19,358	\$20,342	5.1 %	6.7 %
30 - 39	7,005	22,380	23,368	4.4	6.4
40 - 49	6,623	24,836	25,849	4.1	5.8
50 - 59	4,841	24,960	25,866	3.6	5.4
60 & over	1,499	23,498	24,359	3.7	5.0
Total	22,787	\$23,342	\$24,310	4.2 %	5.9 %
SCHOOL					
Under 30	4,889	\$21,179	\$22,511	6.3 %	6.7 %
30 - 39	14,023	23,613	24,943	5.6	6.4
40 - 49	17,335	26,650	27,970	5.0	5.8
50 - 59	10,569	27,291	28,370	4.0	5.4
60 & over	2,363	23,413	24,228	3.5	5.0
Total	49,179	\$25,222	\$26,470	4.9 %	5.9 %
LOCAL					
Under 30	2,121	\$18,648	\$20,119	7.9 %	6.7 %
30 - 39	5,615	21,457	22,936	6.9	6.4
40 - 49	4,885	22,478	23,824	6.0	5.8
50 - 59	4,024	21,335	22,469	5.3	5.4
60 & over	1,466	19,629	20,526	4.6	5.0
Total	18,111	\$21,228	\$22,547	6.2 %	5.9 %

Source: The Segal Company

salaries.wk1

Current Status of FY 1994 State Employee

Base Salary Adjustments

Legislative Action as of April 7, 1993 Employee Group	Percent Increase	FY 1994 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		<u>\$ 26,105,590</u>	<u>\$ 44,201,590</u>

SWAN
April 26, 1993
Attachment 34

Items for Further Consideration:

	0.5% Increase		1.0% Increase		1.5% Increase	
	State General Fund	All Funds	State General Fund	All Funds	State General Fund	All Funds
1. Base Salary Adjustment -- For all classified employees and non-Regents unclassified employees, including legislators, other elected officials, judges, and employees whose salaries are linked to judges' salaries.	\$ 2,733,333	\$ 4,800,000	\$ 5,466,666	\$ 9,600,000	\$ 8,200,000	\$ 14,400,000
2. Regents Unclassified	1,678,152	1,878,738	3,353,070	3,754,242	5,029,879	5,631,637
Subtotal -- Base Salary Adjustment	<u>\$ 4,411,485</u>	<u>\$ 6,678,738</u>	<u>\$ 8,819,736</u>	<u>\$ 13,354,242</u>	<u>\$ 13,229,879</u>	<u>\$ 20,031,637</u>

3. Comprehensive Classifications and Job Rate Study divided into four phases over FY 1994 and FY 1995.

# of Employees	Job Class	Effective Date	Total FY 1994	
			SGF	All Funds
4,448	Health, Scientific, Engineering	June 18, 1993	\$ 3,286,441	\$ 8,590,032
1,509	Information Technology	Dec. 18, 1993		
5,661	Human Resources, Social Sciences	June 18, 1994		
659	Administrators	Dec. 18, 1994		

4. Increase Regents TIAA/CREF employer contribution from the current 8.0 percent.
(to 5% increase) \$ 1,325,000 \$ 1,325,000

amortization period for KPERS' past service liability has the effect of reducing the employer contribution rate, but extending the period of time for repayment.

	<u>Rate Change</u>	<u>Annual Cost</u>
KPERS State/School	(2.0)%	\$ (53,600,000)
KPERS Local	(2.4)	(14,800,000)

8. KPERS – MODIFY AMORTIZATION PAYMENTS. Change from a level annual dollar amortization payment to having amortization payments computed on a level percentage of payroll basis using an assumed annual payroll growth of 4 percent.

	<u>Rate Change</u>	<u>Annual Cost</u>
KPERS State/School	(1.9)%	\$ (50,900,000)
KPERS Local	(1.6)	(9,900,000)

9. KPERS – CHANGE FUNDING METHOD TO PROJECTED UNIT CREDIT. Change the computation of the amortization payments so as to remain level as a percent of payroll. Currently, the payments are computed to remain a level dollar amount per year.

An analogy can be made to whole life insurance where premiums stay level as the insured ages as opposed to term insurance which requires increasing premiums in later years. In addition, amortization payments will be computed on a level percentage of payroll basis using an assumed annual payroll growth of 4 percent.

	<u>Rate Change</u>	<u>Annual Cost</u>
KPERS State/School	(0.6)%	\$ (16,100,000)
KPERS Local	(0.6)	(3,700,000)

10. KPERS – EMPLOYER/EMPLOYEE CONTRIBUTION RATES. Statutorily set the employer contribution rate at 3.3 percent for the State/School rate in FY 1995 (current law) and at 2.2 percent for local units of government in calendar year 1994 (current law is 1.9 percent). Increase the employer rates starting in the next fiscal year and calendar years by 0.1 percent each year until the rates are equal to the actuarial determined rate certified by the KPERS Board. It is estimated that this will occur in about 1998. Each 0.1 percent of additional employer contributions currently has a value of \$2.7 million for the State/School rate (of which \$2.3 million would be from the State General Fund) and \$0.6 million for local units of government.

SWAM
April 26, 1993
Attachment 35

	<u>State/School</u>		<u>Local</u>
FY 1994	3.3%	CY 1993	1.9%
FY 1995	3.3	CY 1994	2.2
FY 1996	3.4	CY 1995	2.3
FY 1997	3.5	CY 1996	2.4
FY 1998	3.6	CY 1997	2.5
		CY 1998	2.6

11. KPERS – MEMBERSHIP ELIGIBILITY FOR SCHOOL EMPLOYEES. On and after July 1, 1993, an eligible school employee would be one whose employment is not seasonal or temporary and whose employment requires at least 630 hours of work per year or 3.5 hours of work per day for at least 180 days. The change would also extend coverage to employees who are concurrently employed by two or more school employers and whose combined employment meets the aforementioned minimum hourly requirements. Under current law the minimum requirement is 1,000 hours per year and there is no provision for covering concurrent employment.

COST: Negligible impact on the employer's contribution rate for the State/School rate.

12. KPERS – RAISE EARNING LIMITATIONS FOR CERTAIN RETIRANTS. Raise from \$10,200 to \$10,560 the calendar year earning limitation applicable to retirants under KPERS who are subject to an earnings limitation. The increased amount is the same as the Social Security limit for 1993 for beneficiaries whose ages are 65 through 69. Currently, there is no earning limitation for KPERS retirants who retired before July 1, 1988. For those who retired after June 30, 1988, there also is no limitation unless the retirant is employed by the same employer for whom he or she worked during the last two years of KPERS participation. In such cases, retirants may receive KPERS benefits until earnings equal \$10,200 in a calendar year, and at that point they may elect to terminate employment and continue to receive benefits, or continue employment with benefits suspended, or revoke their retirement and again become a participating member of KPERS. Currently exempted from the earnings restriction are substitute teachers, elected officials, and officers, employees, and appointees of the Legislature.

COST: No actuarial cost.

13. KPERS – EXTEND SPECIAL KPERS-CORRECTIONAL CLASS. Extend for one year (until June 30, 1994) the special disability coverage for KPERS-Correctional. The current special disability KPERS-Correctional benefits are scheduled to expire on June 30, 1993.

14. KPERS – CHANGE IN THE FINAL AVERAGE SALARY CALCULATION. Recommend that the final average salary calculation for current KPERS members be changed to the greater of the average highest four years of participating service, including sick and annual leave payments(current law), or the average highest three years of participating service **excluding** sick and annual leave payments. For future employees the average highest three years of participating service **excluding** sick and leave payments, would be the basis for the final average salary calculation.

POTENTIAL 1 PERCENT STATE GENERAL FUND ADJUSTMENTS

\$ 3,175,480,618	Legislative Approved Expenditures from the State General Fund as of April 7, 1993.
(1,352,319,000)	General and Supplemental Local School Aid
(149,026,071)	Special Education
(50,069,964)	Community Colleges
(56,509,545)	KPERS School
(413,788,169)	Regents Institutions
(366,459,374)	SRS Human Service Delivery Programs (Central and area office administration would still be included)
(16,653,900)	Kansas Highway Patrol - Sworn Officer Positions
(2,742,300)	Kansas Bureau of Investigation - Sworn Agent Positions
<u>(10,204,050)</u>	Debt Service
<u>\$ 757,708,245</u>	General Fund Expenditures Subject to Reduction
\$ 7,577,082	1 Percent Reduction

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

300 S.W. 10th Avenue
Room 545-N – Statehouse

Phone 296-3181

April 23, 1993

TO: Senator August Bogina, Jr.

Office No. 120-S

RE: Potential State General Fund Reductions

You had requested that this office prepare a list of potential State General Fund reductions from the currently approved legislative amounts for FY 1994. The fiscal staff contacted State General Fund-financed agencies for potential items for reductions. The attached tables reflect the amounts of 1 percent and 2 percent reductions by agency for FY 1994. The following items reflect either suggested reductions by the state agencies or areas the staff have raised for your consideration within the broad parameters established by your request.

1. **Construction Defects Recovery Fund.** The Construction Defects Recovery Fund (CDRF) had an uncommitted balance as of April 13, 1993 of \$1,119,296. Expenditures from this fund in excess of \$25,000 are subject to the approval of the State Finance Council. A portion of the uncommitted balance in the CDRF could be transferred to the Kansas Special Capital Improvements Fund (KSCIF), with the shift of an equal amount of State General Fund capital improvement expenditures to the KSCIF. This funding source could also be utilized for projects proposed for the Omnibus bill, such as the 4-H Encampment Building, Allen Fieldhouse, and Sunflower Landfill.
2. **Correctional Institutions Building Fund.** The current estimated ending balance in the Corrections Institutions Building Fund is approximately \$650,000. A portion of the Department of Corrections' debt service could be shifted to this source.
3. **Adjutant General**
 - a. Delete a total \$54,060 from the State General Fund for utilities in FY 1994, reducing funding to the FY 1993 approved level. Based on expenditures-to-date in the current year, the Legislature deleted \$40,000 from the State General Fund for utilities at the armories for a total utility budget of \$598,033 for armories.
 - b. Delete \$51,372 from the State General Fund for maintenance and repairs of armories. Actual FY 1992 expenditures for maintenance and repairs of armories totaled \$158,061 and \$236,357 was approved for FY 1993. This reduction would reduce the total in FY 1994 to \$169,125, which represents

SWAM
April 26, 1993
Attachment 37

a 7.0 percent increase over FY 1992. If maintenance and repairs exceed the approved amount, funds from the local armory fee funds could be used.

4. Department on Aging

- a. Delete the \$100,000 increase from the State General Fund for the Older Kansans Employment Program (OKEP), reducing the program to the current year level of \$147,392. OKEP, which is not income tested, is a completely state funded program, which provides similar services as the Job Training and Partnership Act (JTPA) program of the Department of Human Resources.
- b. Shift the remaining \$147,392 for OKEP from the State General Fund to the EDIF, since the program assists senior citizens in finding employment, skills, and vocational training.
- c. Delete \$18,000 from the State General Fund added by the Legislature for the Retired Services Volunteer program. No funding was provided for this program by the state in FY 1993.

5. Department of Commerce and Housing

- a. Shift the remaining \$2,246,866 in the operating budget of the Department from the State General Fund to the EDIF.
- b. Delete the \$59,400 increase (11 percent) from the EDIF over the current year for trade representatives.
- c. Delete the \$54,278 increase (25 percent) from the EDIF over the current year for the Trade Show Assistance program.
- d. Delete \$65,000 from the EDIF for the Kansas Quality Information Network (KQIN) and recommend that KQIN be funded from fees charged for services.

6. Kansas Technology Enterprise Corporation

- a. Delete \$785,000 from the EDIF added by the Legislature above the Governor's recommendation for the Centers of Excellence. The approved increase is \$770,663, or 21 percent above FY 1993 and \$1,235,663, or 38 percent above FY 1992. These funds from the EDIF could be used to offset State General Fund expenditures in other budgets.
- b. Delete \$1.5 million from the EDIF for the recapitalization of the Ad Astra Fund, which is supposed to provide capital to fledgling high technology firms in Kansas. As noted by the Senate Ways and Means Subcommittee in its report, the Fund should be realizing significant returns on the original state

investment within 15-18 months (by June, 1994). At that time, the return on investments would be available to recapitalize the Ad Astra Fund and state funds could be saved. The effect of this suggestion would be the delay of the recapitalization of the Ad Astra for 15-18 months. The \$1.5 million from the EDIF could be used to offset State General Fund expenditures in other budgets.

7. **Kansas, Inc.** Shift the remaining \$188,873 in the operating budget of Kansas, Inc. from the State General Fund to the EDIF.

8. **State Department of Education**

- a. Eliminate \$6,641,000 (State General Fund) in general state aid for funding of republication of school districts' budgets for FY 1993.
- b. Eliminate FY 1993 supplemental appropriations of \$2,162,004 from the State General Fund for community college state aid (\$1,386,123 for credit hour aid and \$775,881 for out-district state aid).
- c. Reduce the full funding in FY 1994 of the estimated enrollment increases financed from the State General Fund. A 1 percent reduction (\$15,984,420) taken from the general state aid program would result in an estimated reduction in per pupil spending of \$30.29 (from \$3,600 to \$3,569.71). A 2 percent reduction (\$31,968,840) taken from the general state aid program would result in an estimated reduction in per pupil spending of \$60.58 (from \$3,600 to \$3,539.42).
- d. Delete the increase of \$520,000 (State General Fund) in the Parent Education program from FY 1993 (\$1,980,000) to FY 1994 (\$2,500,000).

9. **Department of Social and Rehabilitation Services**

- a. The Legislature reduced the State General Fund budget for SRS in FY 1994 by \$8.9 million (2.1 percent) from the Governor's recommendation. Positive adjustments made by the 1993 Legislature above the Governor's State General Fund recommendation are listed below:
 - an increase of \$1.0 million from the State General Fund for services to 235 clients with mental retardation and developmental disabilities who are currently on the community waiting list;
 - an increase of \$500,000 from the State General Fund to provide medical and therapeutic services for MR/DD clients in the community;
 - an increase of \$208,000 from the State General Fund for the MR/DD family subsidy program, increasing total program expenditures from \$792,000 in FY 1993 to \$1,000,000 in FY 1994;

- an increase of \$200,000 from the State General Fund for vocational services to the mentally ill; these funds would be used to match up to \$800,000 in federal vocational rehabilitation funds;
 - addition of \$533,000 from the State General Fund for a partial one-time "hold harmless" in conversion to a case mix reimbursement system for nursing homes effective January 1, 1994;
 - addition of \$686,400 from the State General Fund for a federal mandate regarding costs associated with nursing home care for veterans' spouses; and
 - addition of \$271,500 from the State General Fund and 13.5 FTE positions to restore funding for a 30-bed Topeka State screening unit until January, 1994, with a 15-bed unit in operation until July.
- b. Administrative Reduction -- Reduce across-the-board the central and area office administration (not field social services or income maintenance staff) through a 1 percent reduction (\$433,938) or 2 percent reduction (\$867,876).
 - c. Delete \$100,000 added for vocational services for the mentally ill. The Legislature added \$200,000 from the State General Fund for vocational services; these SGF dollars are matched with federal funds totaling \$800,000. Recommend that mental health centers match federal funds with existing state or local moneys if this is a high priority.
 - d. Shift the client services portion of KanWork funding from the State General Fund to EDIF (approximately \$2.5 million).
 - e. Delete \$1,000,000 from the State General Fund in special purpose grants and direct the agency to shift Medicaid eligible clients to the HCBS-MR waiver. In addition to waiver funding, the agency distributes approximately \$31 million in State General Fund and federal block grant funds to community mental retardation center clients. Many of these clients may be Medicaid eligible. No concerted effort has been made to maximize use of the waiver and shift clients funded from State General Fund dollars to the waiver to gain the 59 percent federal match.
 - f. Delete \$500,000 from the State General Fund for medical and therapeutic services in the community for the MR/DD population. Direct the agency to fund these services through savings from shifting additional Medicaid-eligible clients to the HCBS-MR waiver.
 - g. Shift \$533,000 from the State General Fund for the case mix reimbursement "hold harmless" provision from the State General Fund to the SRS Contingency Fund or the Budget Stabilization Fund. The Conference Committee recommended this as a one-time expenditure.

- h. Shift one-time costs in the SRS, state hospital, and youth center budgets from the State General Fund to the SRS Contingency Fund.

The Secretary of SRS has indicated that in the event of a 1 percent or 2 percent State General Fund reduction, the agency would propose that no reduction be made at the state hospitals or youth centers, but instead offer a greater reduction from SRS.

Program/Reduction Item	State General Fund	
	1 Percent	2 Percent
Cash Assistance:		
Eliminate Burial Assistance	\$ --	\$ 852,800
Medical Assistance:		
Restore Regular Medical Cut	(3,740,000)	(3,740,000)
Medikan Program for Adults:		
Eliminate In-patient Hospital	3,900,000	--
Reduce Physician Services by 75 percent	1,500,000	--
Eliminate Other MediKan Services	2,800,000	--
Eliminate MediKan Program for Adults	--	11,900,000
Mental Health/Retardation Services:		
Reduce Community MR Placements from		
235 new placements for 6 months to:		
126 new placements -- 6 months	465,688	--
38 new placements -- 6 months	--	838,576
TOTAL	<u>\$ 4,925,688</u>	<u>\$ 9,851,376</u>

10. Department of Corrections/Institutions

- a. The table below indicates the FY 1994 approved operating expenditures (State General Fund) for the four minimum security facilities at Osawatomie, Stockton, and Topeka. The table also shows the FY 1994 approved staffing level, the average daily inmate population (ADP), and the inmate-to-staff ratio.

			<u>FTE</u>	<u>ADP</u>	<u>Inmate to Staff Ratio</u>
Lansing Fac.	Close Osawatomie Unit	\$ 1,224,669	32.0	75	2.3
Norton Fac.	Close Stockton Unit	1,460,935	42.0	64	1.5
Topeka Fac.	Close West Unit	1,648,439	51.0	111	2.2
Topeka Fac.	Close South Unit	972,701	24.0	107	4.5

The Secretary's Newsletter for April, 1993 indicates that the current system capacity is 6,611 inmates and that the inmate population on March 31 was 6,157, resulting in available capacity of 454 beds. However, with regard to minimum security space, the current capacity is 1,871 and the March 3 population was 2,165, or 294 inmates over the minimum security capacity bed space.

11. Kansas Commission on Veterans Affairs/Kansas Soldiers' Home

- a. Funding added to the FY 1994 Commission budget by the 1993 Legislature totals \$63,690 for a Veterans Service Representative I position which had been eliminated in the Governor's recommendation (\$23,328) and \$40,362 for computer equipment. Funding added to the Soldiers' Home budget by the 1993 Legislature totals \$92,013 for special projects positions related to licensure issues (\$72,513), drugs and medical supplies (\$11,000), and repair and servicing (\$8,500).

12. Board of Agriculture. The Legislature added a total of \$214,300 in items not recommended by the Governor. There is, however, a net reduction of \$16,886 in State General Fund financing from the Governor's recommendation. This is due to changes made to the FACTS program by the Legislature. The items added by the Legislature which were not part of the Governor's recommendation are listed below:

- Division of Water Resources -- \$62,300 for 1.0 FTE position that was transferred from the Division of Inspections to the Division of Water Resources. The transfer was recommended, but not funded by, the Governor. The additional funding added by the Legislature includes funding for one special projects position for the Division; \$35,000 to contract for historic research on the Republican River compact; and \$82,000 for temporary and intermittent salaries for the Division.
- Division of Marketing -- \$35,000 from the State General Fund and \$50,000 from the EDIF was added to restore core operations for the Division.

13. Regents Institutions

- a. In response to this agency's inquiry concerning potential cuts, the Board of Regents Office responded that all of the Regents institutions indicated that they would prefer to absorb a reduction of 1 to 2 percent in their appropriations from the State General Fund by decreasing amounts already appropriated for unclassified salary enhancements and OOE enhancements. According to Dr. Koplik, there is little room for internal reallocation of funds at this time since the recent extensive program review activities utilized much of this capacity. Again according to Dr. Koplik, reductions in FY 1994 must come from "new money."

For a 1.0 percent reduction, the Regents recommend that the systemwide enhancement in unclassified salaries be decreased (\$3,754,242) from 2.5 percent to 1.5 percent and that the remaining amount be deleted from the 3.5 percent OOE increase. For a 2.0 percent reduction, the Regents recommend that the systemwide enhancement in unclassified salaries be eliminated (\$7,508,484) and that the remaining amounts be deleted from the 3.5 percent OOE increase (\$1,966,916).

- b. Other systemwide enhancements include a 2.5 percent salary and wage adjustment for students (\$211,169), the enrollment adjustment (\$1,949,075), servicing new buildings (\$194,657), and a reduction in the salary and wage shrinkage amount (\$584,881).
- c. Adjustments to individual institutions include the following: KUMC -- \$276,000 for faculty locum tenens and \$187,704 for nurse practitioner; KSU-Salina -- increased shrinkage of \$37,028; WSU -- \$106,148 for nurse practitioner; FHSU -- Reduction in shrinkage of \$59,058 and \$106,148 for nurse practitioner; ESU -- additional enrollment adjustment of \$196,657.
- d. Shift \$1.0 to \$2.0 million from the State General Fund to the EDIF for economic development-related activities within the KSU-Extension budget.

14. Board of Regents Office

- a. The FY 1994 increase to Washburn's State General Fund operating grant is based on a 3.5 percent increase to Washburn University's OOE base budget of \$8,738,009 similar to the 3.5 percent increase in the OOE recommended for the Regents institutions. The increase of \$305,830 is added to the FY 1993 grant of \$6,107,875 for a total FY 1994 grant from SGF of \$6,413,705. The FY 1994 appropriation reflects a 5 percent increase over FY 1993. In addition the Legislature appropriated \$60,000 from the EDIF for a new joint program involving Washburn University and Kaw Area Technical School. The total state appropriation for Washburn University totals \$6,473,705, an increase of \$365,830 or 6 percent over FY 1993.
- b. Student Financial Aid Programs -- The State General Fund appropriations for "other assistance" for FY 1994 totals \$10,189,493, an increase of 33.8 percent or \$2,575,210 over FY 1993. Of the total increase, \$2.3 million is for the Regents Supplemental Grant Program and the balance of the increase is spread among the numerous financial aid programs (1 percent reduction equals \$101,895).

15. **Kansas Public Employees Retirement System (KPERS).** Eliminate the statutory KPERS employer contribution rate of 3.3 percent and use 3.1 percent rate adopted by the KPERS Board of Trustees based on its actuarial report. Estimated savings are \$5.4 million, including 85 percent or \$4.36 million from the State General Fund in FY 1994 (\$3.4 million KPERS-School and slightly less than \$1.0 million for KPERS-Nonschool, KP&F, and Judges). Likewise, an additional \$5.4 million could be saved in FY 1995 by reducing the statutory rate to the actuarial rate which the KPERS Board of Trustees has adopted. However, the reduction in the rate for FY 1994 and FY 1995 would require additional employers' contributions in FY 1999 and FY 2000.
16. **Reduction in the State Workforce – Additional Salary and Wage Turnover.** Estimate additional FY 1994 salary turnover savings based on Substitute for H.B. 2211 (KPERS omnibus bill). The bill permits that only 75 percent of the positions vacated because of retirements can be refilled. Because not all of the 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.
17. **Reduce Lottery Transfer Amount.** Consider transferring amounts in addition to the 30.0 percent minimum required by statute from the Lottery Operating Fund to the State Gaming Revenues Fund (of which 90 percent will go to the Economic Development Initiatives Fund). With sales estimated at \$104 million in FY 1993, the Lottery is accruing a cash balance since the Legislature has reduced FY 1993 expenditure limitations (rather than to allow the Lottery to expend its additional cash for state operations). If the Lottery were allowed to expend 20 percent of its projected sales for state operations, then expenditures would be \$20.8 million in FY 1993. However, the amount approved by the Legislature is \$13.8 million, as recommended by the Governor for state operations. The difference of \$7.0 million (\$20.8 million less \$13.8 million) represents the projected cash balance, less any amounts paid for prizes which exceed the 45 percent annual average required by statute.
18. **Department of Health and Environment**
 - a. With a 1 percent reduction (\$260,184), the agency proposes to shift expenditures from the State General Fund to other funding sources. With a 2 percent reduction (\$521,369), the agency also proposes to cut State General Fund operating and aid expenditures. Budgeted State General Fund expenditures are shifted (1 percent reduction at \$160,077/2 percent reduction at \$189,635) to recently increased Maternal and Child Health Care Block Grant federal funds (MCH). Also, budgeted State General Fund expenditures are shifted to new fee fund receipts (\$100,107) which will be available because of passage of 1993 H.B. 2429. The 1993 legislation allows the Adjutant General to use fees collected from producers of nuclear energy to pay for costs of state and local emergency preparedness response programs. The Department of Health and Environment anticipates that moneys will be received from the preparedness response program. To make further reductions, the Department proposes reducing aid support of general health programs (\$25,208) provided by local health departments (general health formula grant program) and making an unspecified decrease to operating expenditures (\$206,419).

- b. Another option, although not recommended by the agency, would be to cut the State General Fund amount for vaccine supplies. Information from the April, 1993 *Federal Budget Update* by the National Conference of State Legislatures says that, for federal fiscal year 1994, President Clinton has proposed \$341 million for immunization of every preschool child. Of this money, \$288 million goes to the states. Items for review when considering this option are outlined below:
- i. Presently, it is unknown whether stipulations will be placed on receiving any new federal moneys. A stipulation could be imposed that prevents states from cutting their present funding levels (maintenance of effort).
 - ii. The 1993 Legislature approved additional funding over the Department's request for vaccine expenses that was recommended by the Governor in both the current year and FY 1994. The additional funding was added from the Sponsored Project Overhead Fund. The table below shows the recent funding sources for vaccines.

<u>Funding</u>	<u>FY 1992</u>	<u>FY 1993</u>	<u>FY 1994</u>
State General Fund	\$ 1,111,570	\$ 1,133,058	\$ 1,189,135
Sponsored Project	--	--	--
Overhead Fund	--	1,162,441	1,690,617
Federal Funds	--	79,256	79,256
Totals	<u>\$ 1,111,570</u>	<u>\$ 2,374,755</u>	<u>\$ 2,959,008</u>

- iii. Currently, funding from the State General Fund for vaccines is not in a separate line item account. Therefore, if all of the State General Fund moneys are not needed for vaccine expenditures, the moneys could be expended for other operating expenses.

19. Highway Patrol

- a. Shift all funding (\$23.3 million) from the State General Fund to the State Highway Fund. The agency was funded from the State Highway Fund until 1982, at which time it was shifted to the State General Fund.
- b. Shift \$1,301,160 for the replacement of patrol cars from the State General Fund to the Budget Stabilization Fund. Beginning in FY 1995, replacement patrol vehicles will be purchased from the Kansas Highway Patrol Motor Vehicle Fund (S.B. 212). The FY 1994 shift of funding for patrol vehicles from the State General Fund to the Budget Stabilization Fund would, therefore, be a genuine one-time expenditure. The shift of financing could also be considered from the State General Fund to the State Highway Fund.
- c. Delete \$478,500 in State General Fund moneys for the replacement of patrol vehicles. This would still provide the Patrol with 59 replacement patrol vehicles

in FY 1994, and a patrol vehicle mile-out rate of about 100,000 miles. As noted previously, 1993 S.B. 212 will provide specific funding for patrol vehicle replacement in FY 1995, including a vehicle mile-out rate of 45,000 miles. Another option would be to delete only \$217,500 for replacement of patrol vehicles. This would provide the Patrol with 77 patrol vehicles in FY 1994, and a mile-out rate of approximately 97,000 miles.

- d. The agency submitted figures showing that it would absorb a 1 percent (\$233,309) or 2 percent (\$466,618) reduction by distributing it through various object codes in different agency programs. The agency's figures indicated that \$105,866 of a 1 percent reduction would be from the replacement of patrol vehicles; and that \$321,491 of a 2 percent reduction would come from reducing moneys for replacement vehicles.

20. Kansas Bureau of Investigation

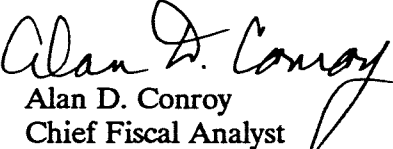
- a. The agency submitted information indicating that a 1 percent reduction would be absorbed by eliminating the DNA Databank Criminalist I position that was added by the Legislature (\$33,131), and would request elimination of the background investigation for the Governor's office, which would yield \$67,335 in savings. In order to absorb a 2 percent reduction, the agency would carry out the above measures, eliminate laboratory services at its Great Bend lab (\$35,700), eliminate laboratory analysis of misdemeanor evidence (\$46,200), and eliminate the investigation of property crimes from the Bureau's priority schedule (e.g., residential and commercial burglaries, theft of livestock, and property crimes involving agricultural supplies, equipment, and products).
- b. Eliminate the Narcotics Strike Force, producing FY 1994 savings of \$213,960 from the State General Fund. The federal grant that has funded this program from its inception in FY 1991 will expire in FY 1994. If the program is not reauthorized by the federal government and if the Legislature decides to continue to fund the program, approximately \$656,879 would be required in FY 1995 to replace the federal funds.
- c. Restore the agency's budget to the original FY 1994 Governor's recommendation, producing State General Fund savings in the amount of \$94,920. The agency would still receive an increase of 8.2 percent in State General Fund financing above the FY 1993 level.

21. Public Broadcasting Commission

- a. Shift all operating grants from the State General Fund to the Economic Development Initiatives Fund at a savings of \$636,810.
- b. Eliminate operating grants to all stations except those located in rural Kansas, i.e., KOOD-TV (Bunker Hill) and KANZ-FM (Garden City) at a savings of \$349,843.

- c. Make percentage reductions to the FY 1994 operating grants. This could be considered in light of the EDIF capital equipment grants that were added by the Legislature in FY 1994. Each 10 percent reduction would generate \$63,030 in State General Fund savings.
 - d. Eliminate all aid to public broadcasting which would yield State General Fund savings of \$636,810 and savings to the EDIF of \$424,573.
22. **Reduce State General Fund Demand Transfers.** Reduce each State General Fund demand transfer by a certain percentage. Each 1 percent reduction to the demand transfers would generate \$1.9 million. However, the Legislature might wish to consider exempting the transfers for the School District Capital Improvement Fund and the State Fair, since both relate to debt service expenditures. If these transfers are excluded, a 1 percent reduction would generate \$1.7 million.
23. **Across the Board Reduction for State General Fund Expenditures.** Each 1 percent reduction in total State General Fund expenditures would generate \$31.7 million.

I hope this information is helpful to you. If you need any additional information please let me know.


Alan D. Conroy
Chief Fiscal Analyst

93-6269.02/ac

Resource Estimate -- EDIF

FY 1993

	Legislative Approved	GBA and Vetoes	Difference From Leg. Approved	House Approved	Senate Subcommittee Approved	Difference From Leg. Approved
Beginning Balance	\$6,916,741	\$6,916,741	\$0	\$6,916,741	\$6,916,741	\$0
Lottery Transfers	28,080,000	29,249,910	1,169,910	29,249,910	28,815,159	735,159
Racing Transfers	5,085,900	5,313,286	227,386	5,313,286	5,285,700	199,800
Other	250,000	250,000	0	250,000	250,000	0
Total Available	40,332,641	41,729,937	1,397,296	41,729,937	41,267,600	934,959
Less: Transfers	29,464,399	29,464,399	0	29,464,399	29,464,399	0
ENDING BALANCE	\$10,868,242	\$12,265,538	\$1,397,296	\$12,265,538	\$11,803,201	\$934,959

FY 1994

	Legislative Approved	GBA and Vetoes	Difference From Leg. Approved	House Approved	Senate Subcommittee Approved	Difference From Leg. Approved
Beginning Balance	\$10,868,242	\$12,265,538	\$1,397,296	\$12,265,538	\$11,803,201	\$934,959
Lottery Transfers	28,944,000	32,184,000	3,240,000	33,984,000	32,184,000	3,240,000
Racing Transfers	4,428,788	5,203,851	775,063	5,203,851	4,707,788	279,000
Other	645,793	645,793	0	645,793	645,793	0
Total Available	44,886,823	50,299,182	5,412,359	52,099,182	49,340,782	4,453,959
Less: Transfers	39,413,554	48,568,515	9,154,961	51,599,182	40,028,211	614,657
ENDING BALANCE	\$5,473,269	\$1,730,667	(\$3,742,602)	\$500,000	\$9,312,571	\$3,839,302

SWAM
April 27, 1993
Attachment 38

Ann. Kerr

April 27, 1993

Senate General Education Subcommittee Recommendations

Items generally follow the order of the Omnibus Bill memorandum:

1. Shift all funding (\$1.5 million) for the Educational Excellence Grants in FY 1994 from the SGF to the EDIF. (There is EDIF funding for this program in both FY 1992 and FY 1993.)

2. Shift an additional \$2.0 million for postsecondary AVTS aid in FY 1994 from the SGF to the EDIF. The effect of the recommendation would be \$4.5 million from the EDIF and \$16,903,850 from the SGF, for a total of \$21,403,850. (In both FY 1992 and FY 1993, there was \$500,000 from the EDIF for this program.)

Total Shift: \$3.5 million from the SGF to the EDIF

3. Appropriate the "Out-District Tuition Suspense Fund" created by Sub. for H.B. 2011 with a no-limit expenditure. Into the Fund will be deposited money due community colleges for overdue payments from counties for county out-district tuition. The State Board of Education will distribute the money to the community colleges that are owed the money.

4. Add \$62,400 from the SGF in FY 1994 for community college credit hour and out-district state aid as the result of the passage of Sub. for H.B. 2011. The bill authorizes agreements between Fort Hays State University and community colleges that are estimated to result in an additional 1,200 community college credit hours being generated by university students who enroll in community college courses on the Fort Hays campus.

5. Make a supplemental appropriation of \$194,995,000 from the SGF in FY 1993 for general state aid to school districts as the consequence of the passage of H.B. 2505. The supplemental appropriation replaces the amount of money that was previously estimated as a demand transfer that would have been made in June. (\$170,005,000 of the estimated \$365.0 million already has been transferred.) The effect of the Subcommittee's recommendation would be to fully fund the estimated school district entitlement in the current year, including the consequences of republication.

6. Make a technical adjustment to the proviso to the lapse of general state aid in the current year to eliminate references to the demand transfer, which has been eliminated by the passage of H.B. 2505. (The original proviso allowed the State Finance Council to make up a shortfall in local resources, local effort recapture, and the demand transfer from the \$9,569,870 in general state aid that will be lapsed in the current year. Since the demand transfer has been eliminated, the proviso needs to be reworded to refer to

SWAM
April 27, 1993
Attachment 39

just a shortfall in local resources and local effort recapture.)

7. Appropriate \$377,120,000 from the SGF in FY 1994 for general state aid to school districts and \$50,000 for supplemental general aid. The effect of the Subcommittee's recommendation would be to fully fund school district entitlements in FY 1994. The recommendation is made up of the following components:

- a. \$375.0 million to replace the estimated demand transfer.
- b. \$2,120,000 to fund the declining enrollment provision contained in H.B. 2505. (It is estimated that \$2.4 million is needed, but that amount is offset by an estimated increase of \$280,000 in local resources in FY 1994.)
- c. \$50,000 for supplemental general aid in FY 1994 as the result of revised estimates.

8. Make a supplemental appropriation of \$1,386,123 for community college credit hour aid and \$775,881 for community college out-district state aid, for a total of \$2,162,004 in FY 1993. These amounts were added by the Legislature in H.B. 2087 but vetoed by the Governor. The additions would fund credit hour aid at the rate of \$27.72 per hour (the statutory rate is \$28) and out-district state aid at \$23.76 per hour (the statutory rate is \$24).

KLRD

Senate Subcommittee Recommendations (Omnibus items deferred to Subcommittee and SGF reductions in Regents system)

ITEMS DEFERRED TO SUBCOMMITTEE

1. General Fees Fund Financing (p. 15 Omnibus Memo)

FY 1993 (Subcommittee adopted Regents numbers)

Add \$539,767 (SGF) and delete \$539,767 from General Fees Funds (tuition)

FY 1994 (Subcommittee adopted Governor's numbers, except for PSU. Legislature approved FY 93 fee release of \$320,250; therefore, revenue is not available.)

Delete \$543,329 (SGF) and add \$543,329 (General Fees Fund).

Over the 2 years -- SGF reduction of (\$3,562)

2. Utilities (p. 16 Omnibus Memo)

FY 1993 (Subcommittee adopted Regents numbers)

Add \$485,652 (SGF)

FY 1994 (Subcommittee recommends that no adjustments be made to FY 1994 -- will adjust next session when data is available regarding weather conditions, price per unit, consumption etc.)

3. KU -- Allen Fieldhouse (p. 20 Omnibus Memo)

\$923,731	State (Construction Defects Recovery Fund)
976,269	University, including Athletic Corp.
1,900,000	TOTAL

4. KU -- Sunflower Remediation Project (p. 21 Omnibus Memo)

\$1,911,917	Transfer previously app'd by Legislature
(94,494)	Portion of budgeted transfer expended by KDHE
807,577	STATE WATER PLAN FUND (Subcommittee Rec.)
\$2,625,000	TOTAL

The Subcommittee also recommends that the Committee concur

SWAM
April 27, 1993
Attachment 40

with GBA No. 2, item J -- reduce State Water Plan transfer by \$335,854. (p. 33 Omnibus Memo)

5. KSU-Salina -- Shrinkage

Add \$37,028 (SGF) to reduce shrinkage by 1 percent for a rate of 1.08 percent which treats KSU-Salina like all of the other Regents institutions, except for FHSU which was approved additional funding to reduce shrinkage to a rate more in line with the other regional universities.

6. KUMC -- Expanded Authorization

Add language authorizing expenditures from the Hospital Revenue Fund upon the recommendation of the Chancellor and approval of the State Board of Regents to enter into contracts on behalf of the University hospital for purposes of affiliations, partnerships, and equity ownerships (i.e. Physician Hospital Organization (PHO) etc.)

According to KUMC, this language is necessary to permit the University hospital to respond to a rapidly changing health care market.

7. KUMC -- Integrated Computer System

Add \$350,000 (EDIF) for the state's share of an integrated computer system to be used by the University Hospital and 14 private practice foundations for billing, scheduling etc. The Subcommittee recommends that a proviso be added as follows:

- * Subject to State Finance Council approval
- * University Hospital and Foundations must put up at least 2/3 of the total cost (est. total cost of \$1,000,000).
- * JCCT review proposal and advise Finance Council

8. KUMC -- Managed Care System for State Employees

Insert language that KU "may" contract with the Kansas State Employees Health Care Commission to provide health care services for state employees through a managed care system.

Legislature approved language in SRS appropriation bill relating to a managed care system at KUMC for medicaid clients.

STATE GENERAL FUND REDUCTIONS

1. SGF Expenditure Reductions (Total of \$1,532,724)

- a. Reduce OOE from 3.5 percent to 1.75 percent

State General Fund (\$1,232,724)

- b. Increase transfer from Hospital Revenue Fund to KUMC-education budget and reduce \$100,000 from SGF
- c. Reduce additional enrollment adjustment funding added for ESU by \$100,000 and delete 2.0 FTE positions
- d. Reduce enrollment adjustment funding added for PSU by \$100,000 and delete 4.0 classified FTE.

\$1,532,724 in SGF expenditure reductions

2. Shift SGF Expenditures to EDIF (Total of \$3,672,001)

- a. Center of Excellence (Currently SGF line-items)

\$225,465	KU
214,765	KSU
208,145	WSU
\$648,375	Total

Shift entire amount to EDIF -- \$648,375

- b. KSU -- Extension budget (Current SGF appropriation for Cooperative Extension Service -- \$13,688,891)

Shift 10 percent to EDIF -- \$1,368,889

- c. General Research (Currently SGF line-items)

\$2,046,607	KU
639,845	KSU
619,353	WSU
\$3,305,805	Total

Shift 50 percent (\$1,652,902) to EDIF -- \$1,654,737

TOTAL SGF REDUCTION -- \$5,204,725

REGENTS INSTITUTIONS

FY 1994 Selected Legislative Adjustments to the FY 1993 Base Budget

Item	Legislative Adjustments
Systemwide Adjustments:	
Unclassified Salaries (2.5%)	\$ 9,385,879
Unclassified Retirement*	0
Student Wages (2.5%)	211,169
Salary Shrinkage (0.1% Reduction)	584,881
Other Operating Expenditures (3.5%)	3,442,103
Enrollment Adjustments	1,949,075
Servicing New Buildings	194,657
Subtotal - Systemwide	<u>\$ 15,767,764</u>
Adjustments to Individual Institutions:	
KUMC	
Faculty Locum Tenens	\$ 276,000
Nurse Practitioner	187,704
KSU-Salina	
Shrinkage <i>1% reduction</i>	(37,028)
WSU	
Nurse Practitioner	106,148
FHSU	
Shrinkage	59,058
Nurse Practitioner	106,148
ESU	
Enrollment Adjustment	196,657
Subtotal - Individual Institutions	<u>\$ 894,687</u>
TOTAL	<u><u>\$ 16,662,451</u></u>

- * 1.0 Percent Increase in Unclassified Retirement -- \$2,645,560 (SGF)
 0.5 Percent Increase in Unclassified Retirement -- \$1,322,780 (SGF)

SWAM
April 27, 1993
Attachment 41

UNIVERSITY OF KANSAS MEDICAL CENTER

(a) In addition to the purposes for which expenditures may be made by the above agency from the hospital revenue fund, upon recommendation of the chancellor of the university of Kansas and approval by the state board of regents, the above agency may make expenditures for the fiscal year ending June 30, 1993, and for the fiscal year ending June 30, 1994, from the hospital revenue fund pursuant to contracts, which are hereby authorized to be negotiated and entered into by the above agency on behalf of the university hospital for purposes of affiliations, partnerships and equity ownerships with other health care providers and third parties for purposes of providing medical services at the university of Kansas medical center and participation in medical networks: Provided, That no such contracts and expenditures shall be subject to the provisions of K.S.A. 75-3739 or 75-37,102 and amendments thereto: Provided, however, That no expenditures from the hospital revenue fund pursuant to such contracts shall be made for acquisition of equipment, supplies, materials or other goods: Provided further, That the above agency shall submit a written report for each calendar quarter during fiscal year 1993 and fiscal year 1994 on all such contracts and expenditures to the legislative coordinating council, the chairperson of the senate committee on ways and means, the chairperson of the house of representatives committee on appropriations and the secretary of administration.

SWAM

April 27, 1993

Attachment 42

SENATE SUBCOMMITTEE -- SOCIAL WELFARE -- SRS

OPTION I

	SGF SAVINGS
1. Central/Area Office Administration (Part of 1.5% "across-the-board")	(\$650,000)
2. Eliminate MediKan for Adults	(8,925,000)
3. Restore Medicaid Reduction	3,740,000
4. Eliminate MR/DD Medical/Therapeutic	(500,000)
5. Shift Special Purpose Clients to Medicaid	(500,000)
Total	(\$6,835,000)

* MediKan elimination assumes 9 months of savings in FY 1994;
annualized savings of \$11.9 million.

OPTION II

	SGF SAVINGS
1. Central/Area Office Administration (Part of 1.5% "across-the-board")	(\$650,000)
2. MediKan Program Reduction	(5,000,000)
3. Shift KanWork Client Services to EDIF	(2,500,000)
4. Partially Restore Medicaid Reduction	3,150,000
5. Eliminate MR/DD Medical/Therapeutic	(500,000)
6. Shift Special Purpose Clients to Medicaid	(500,000)
Total	(\$6,000,000)

SWAm
April 27, 1993
Attachment 43

Provided however, that no funds may be expended pursuant to contract for or on behalf of the SRS Drug Utilization Review Committee authorized pursuant to K.S.A. 39-7,118 unless said contract provides that said committee shall operate in compliance with the Ksansa Open Meetings Act.

SWAM
April 27, 1993
Attachment 44

POTENTIAL 1 PERCENT STATE GENERAL FUND ADJUSTMENTS

\$ 3,175,480,618

Legislative Approved Expenditures from the State General Fund
as of April 7, 1993.**Programs Excluded from Across-the-Board Reduction:**(1,352,319,000)
(149,026,071)
(50,069,964)
(56,509,545)General and Supplemental Local School Aid
Special Education
Community Colleges
KPERs School(413,788,169)
(366,459,374)Regents Institutions
SRS Human Service Delivery Programs (Central and area office
administration would still be included)(171,152,000)
(82,286,231)
(53,043,900)
(16,653,900)
(2,742,300)
(10,204,050)
(1,521,855)Demand Transfers
All SRS Institutions
Correctional Institutions -- Security Programs Only
Kansas Highway Patrol - Sworn Officer Positions
Kansas Bureau of Investigation - Sworn Agent Positions
Debt Service
Soldiers' Home\$ 449,704,259

General Fund Expenditures Subject to Reduction

\$ (4,497,043)

1 Percent Reduction

\$ (6,745,565)

1.5 Percent Reduction

1993 OMNIBUS APPROPRIATIONS BILL

Senate Bill No. 437

As Approved by the Senate Committee

The Omnibus Appropriations Bill increases FY 1993 operating expenditures by \$6,332,080 from all funds. State General Fund expenditures increase by \$712,996, and other funds increase by \$5,619,084. Capital improvements totaling \$105,000 from special revenue funds are also included in the bill.

FY 1994 operating expenditures totaling \$21,649,646 are approved by the Omnibus Bill. There is a reduction of \$28,147,746 to the General Fund operating expenditures authorized by other appropriation bills. Capital improvements totaling \$1,950,021 from all funds for FY 1994 are included in the bill, including a reduction of \$3,246,000 from the State General Fund.

1993 OMNIBUS BILL EXPLANATION

Senate Bill No. 437

46-2

Senate Committee Recommendations

House Committee Recommendations

Conference Committee Recommendations

Sec. 2 -- State Corporation Commission

1. Restore portions of S.B. 41, which were vetoed by the Governor, to establish an aggregate expenditure limitation of \$11,012,246 in FY 1994 on three major Corporation Commission special revenue funds, as recommended by the Governor. (The funds are the Public Service Regulation Fund, the Motor Carrier License Fees Fund, and the Conservation Fee Fund.) The effect of the Senate's recommendation is to concur with the Governor by deleting \$380,000 that the Legislature had added for an emergency salary contingency fund.
2. Appropriate the "Base State Registration Clearing Fund" for FY 1994 with a "no limit" expenditure limitation. The Fund is created by H.B. 2461, which concerns motor carriers and involves the implementation of the federal single state registration system in Kansas.

Sec. 3 -- Attorney General

1. Concur with GBA No. 2, Item 4 to add \$91,630 from the State General Fund in FY 1993 as a supplemental appropriation for water litigation with Colorado. 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 to cover expenses through the early part of 1993.

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

46-3

Sec. 4 – Kansas Public Employees Retirement System (KPERS)

1. Correct a posting error in S.B. 62 to reflect a shift between administrative expenses (add \$41,996) and investment related expenses (add \$50,000).
2. Concur with GBA No. 2 Item 31 -- KPERS Data Processing and recommend funding of \$374,355 be expended in FY 1994 to upgrade and enhance the agency's computer system. Also recommended are 2.0 FTE positions. By proviso, direct the Joint Committee on Computers and Telecommunications to review proposed acquisitions.
3. Add funds to implement Sub. for H.B. 2211 which is the omnibus retirement legislation of the 1993 Session: FY 1993 -- consultant fees, \$18,000; FY 1994 -- agency operations, \$25,000.
4. Reduce FY 1994 expenditures for direct placement management fees by \$112,000 and increase agency operations by \$18,300 in FY 1994 for travel expenses.
5. Reduce FY 1994 estimate for KPERS-School employer payments to reflect a 3.1 percent instead of 3.3 percent contribution rate. Estimated State General Fund savings are \$3,424,821 in FY 1994.

Sec. 5 – Kansas Lottery

1. Concur with GBA No. 2 Item 21 -- Computer System Repairing and Servicing and increase expenditures in FY 1993 by \$36,000 for computer hardware and software maintenance

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

changes this fiscal year to pay the last three months of costs.

2. Concur with GBA No. 2 Item 23 -- Stationery Adjustments and increase expenditures in FY 1993 by \$11,600 for additional supplies this fiscal year.
3. Concur with the expenditures recommended in GBA No. 2 Item 24 -- Lottery Sales Estimates and increase payments by \$97,623 for printing additional instant lottery tickets in both FY 1993 and FY 1994. The Senate Committee endorses the following lottery sales estimates of \$106.7 million in FY 1993 and \$119.2 million in FY 1994. These sales estimates in turn predict SGRF transfers. Such transfers are not included in the omnibus bill, but expenditure of SGRF money in other agencies is related to these estimates.
4. Concur with GBA No. 2 Item 25 -- Transfer from Lottery Operating Fund and provide for allocating \$2.0 million to the State General Fund in FY 1994.
5. Adjust FY 1993 Lottery Operating Fund expenditure limitation and FY 1994 Lottery Computer System limitation to reflect sustaining Governor's veto of 1993 H.B. 2087 line items.

Sec. 6 -- Real Estate Commission

1. Add \$37,427 from the Appraiser Fee Fund and 1.0 FTE position in FY 1994 to allow the Appraisal Board to employ an administrative officer. Also, add \$7,908 from the Real Estate Fee Fund to pay the portion of the Real Estate

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

Commission's administrative officer currently charged to the Appraiser Fee Fund.

Sec. 7 -- Kansas Racing Commission

1. Concur with GBA No. 2 Item 17 -- County Fair Horse Racing Benefit Fund and increase limitations from \$0 to \$146,325 in FY 1993 and \$535,658 in FY 1994 to support a limited number of county fair racing meets.
2. Concur with GBA No. 2 Item 18 -- Overtime Funding and increase expenditures from the Racing Reimbursable Expense Fund by \$22,871 in FY 1993 and by \$38,257 in FY 1994. This fund is no limit and is not included in the omnibus bill since no adjustments are required in the original appropriation language.
3. Concur with GBA No. 2 Item 20 -- Pittsburg Race Track and delete all approved FY 1994 revenues, expenditures, and FTE positions associated with the proposed new race track. The 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.
4. Adjust the parimutuel estimates for transfers to the State Gaming Revenues Fund (SGRF) by adding \$222,000 in FY 1993 and by adding \$310,000 in FY 1994 to the Legislature's estimated amounts, based on new information provided by the Kansas Racing Commission as of April 20, 1993. These SGRF transfer items are not included in the omnibus bill, but ex-

Senate Committee Recommendations

penditure of SGRF money in other agencies is related to these estimates.

House Committee Recommendations

Conference Committee Recommendations

Sec. 8 -- Emporia State University

1. **Systemwide -- S.B. 9.** Establish a no-limit Regents Supplemental Grant Fund in FY 1994 associated with passage of S.B. 9, which authorizes the Board of Regents to transfer grant monies to the Regents institutions for distribution to students.
2. **Systemwide -- OOE.** Delete \$60,893 in financing from the State General Fund in FY 1994 from other operating expenditures. The Senate Committee recommends that the 3.5 percent increase in other operating expenditures approved for FY 1994 be reduced in half (1.75 percent).
3. **Systemwide -- Financing Shifts.** Increase financing from the State General Fund by \$116,563 and reduce financing from the General Fees Fund by a like amount in FY 1994 due to an estimated shortfall in tuition receipts.
4. **Systemwide -- Utilities.** Add \$141,647 from the State General Fund in FY 1993 to finance current year utility expenditures.
5. As a technical adjustment for FY 1994, eliminate a residence hall renovation proviso which is no longer needed.
6. Delete \$100,000 from the State General Fund and 2.0 FTE positions in FY 1994, approximately half of the additional enrollment adjustment previously approved to alleviate prior year inequities.

46-6

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

46-7

Sec. 9 -- Fort Hays State University

1. **Systemwide -- S.B. 9.** Establish a no-limit Regents Supplemental Grant Fund in FY 1994 associated with passage of S.B. 9, which authorizes the Board of Regents to transfer grant monies to the Regents institutions for distribution to students.
2. **Systemwide -- OOE.** Delete \$59,060 in financing from the State General Fund in FY 1994 from other operating expenditures. The Senate Committee recommends that the 3.5 percent increase in other operating expenditures approved for FY 1994 be reduced in half (1.75 percent).
3. **Systemwide. -- Financing Shifts** Reduce financing from the State General Fund by \$263,566 and increase financing from the General Fees Fund by a like amount in FY 1994 due to an estimated surplus in tuition receipts.
4. **Systemwide -- Utilities.** Add \$58,117 from the State General Fund in FY 1993 to finance current year utility expenditures.
5. As a technical adjustment for FY 1994, reduce the classified position limitation by 1.7 FTE and increase the unclassified position limitation by 1.7 FTE.
6. Add 4.5 FTE unclassified positions in FY 1994 and authorize the university to contract with the Hays Medical Center to establish a nurse practitioner clinic in conjunction with the Department of Nursing to provide a source of primary medical care in Hays. All expenditures would be privately financed.

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations**Sec. 10 -- Pittsburg State University**

1. **Systemwide -- S.B. 9.** Establish a no-limit Regents Supplemental Grant Fund in FY 1994 associated with passage of S.B. 9, which authorizes the Board of Regents to transfer grant monies to the Regents institutions for distribution to students.
2. **Systemwide -- OOE.** Delete \$62,963 in financing from the State General Fund in FY 1994 from other operating expenditures. The Senate Committee recommends that the 3.5 percent increase in other operating expenditures approved for FY 1994 be reduced in half (1.75 percent).
3. **Systemwide -- Financing Shifts.** Reduce financing from the State General Fund by \$141,526 and increase financing from the General Fees Fund by a like amount in FY 1994 due to an estimated surplus in tuition receipts.
4. As a technical adjustment for FY 1994, restore a proviso that was inadvertently deleted from a student center renovation project requiring review by the Joint Committee on State Building Construction.
5. Delete \$100,000 from the State General Fund and 4.0 FTE positions in FY 1994, approximately half of the 9.5 FTE non-faculty positions previously added in an enrollment adjustment totaling \$774,933.

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations**Sec. 11 -- Judicial Branch**

1. Add \$104,748 from the State General Fund in FY 1994 for salary fringe benefits associated with passage of Sub. H.B. 2211, the 1993 omnibus retirement act. The bill makes district magistrate judges eligible for participation in the Judges' Retirement System, increasing the employer's contribution rate for magistrate judges from 3.3 percent to 7.7 percent of gross salaries.
2. Shift \$375,000 (State General Fund) from the Department of Corrections to the Judicial Branch in FY 1994 and make the Judicial Branch responsible for covering the costs of reimbursing counties for county jail expenses related to felony nonprison sentences for offenders sentenced to county jails for a maximum sentence of 30 days. The Senate Committee recommends a proviso requiring the administrative judge of each judicial district to certify postconviction nonprison sanction costs, and that the reimbursement rate be set by the rules of the state supreme court. This item was recommended in GBA No. 2.
3. Add \$851,518 from the State General Fund and 24.0 FTE Court Service Officers I and 1.0 FTE Court Service Specialist in FY 1994 associated with passage of 1992 S.B. 479 (the Sentencing Guidelines Act).

Sec. 12 -- School for the Blind

1. Add \$70,000 from the State Institutions Building Fund in FY 1994 for basic renovations of a campus building to accommodate a temporary residential facility. The recommendation, also

Senate Committee Recommendations

made by the Joint Committee on State Building Construction and GBA No. 2, is in response to a legislative-mandated delay in residential construction on the campus pending receipt of a study from the Department of Education.

2. To ease cash flow, make three transfers of \$50,000 throughout FY 1994 from the Economic Development Initiatives Fund to Accessible Arts, Inc. rather than one transfer of \$150,000.

House Committee Recommendations

Conference Committee Recommendations

Sec. 13 -- Board of Indigents' Defense Services

1. Add \$75,000 from the State General Fund in FY 1994 associated with passage of the Sentencing Guidelines Act in 1992. The amount would finance the retroactivity portion of the Act wherein 1,500 to 1,800 inmates are estimated to be eligible to seek sentence modification.

Sec. 14 -- Topeka Correctional Facility

1. The Governor, in GBA No. 2, 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.

Sec. 15 -- Larned Correctional Mental Health Facility

1. The Governor, in GBA No. 2, 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

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

pending completion of the systemwide corrections officer post analysis.

Sec. 16 -- Department of Corrections

1. Shift \$375,000 (SGF) in FY 1994 per GBA No. 2 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.
2. The Governor, in GBA No. 2, 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.

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

3. The Governor recommends in GBA No. 2 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.
4. Shift \$800,000 in FY 1994 for debt service for the bonds for the new correctional facilities at El Dorado and Larned from the State General Fund to the Correctional Institutions Building Fund. The total debt service on these two facilities in FY 1994 is \$7,483,000.
5. The Senate did not consider this item.
6. The Senate did not consider this item.

Sec. 17 -- Department of Commerce and Housing

1. Add \$38,696 in FY 1994 from the EDIF for a special projects position and \$6,000 for other operating for the certification to the Depart-

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

ment of Revenue of eligible businesses to receive tax incentives and credits (implements S.B. 73).

2. Add \$75,000 in FY 1994 from the EDIF for High Performance Incentive Grants, established by S.B. 73, to provide matching grants to eligible businesses to procure consulting services, approved by the Department of Commerce, for improvement in the firm's management, production process, or product or service quality.
3. Concur with GBA No. 2, Item 79 to add \$3.0 million in FY 1994 in addition federal expenditures for Community Development Block Grants.
4. Add \$50,000 in FY 1994 from the EDIF for the state's California trade office for a total of \$200,000 for that office in FY 1994.
5. Add \$750,000 in FY 1994 from the EDIF for the Tourism Matching Grant program to be granted to the Kansas Cosmosphere. This is the same amount approved by the Legislature during the regular session but was vetoed by the Governor.
6. Add \$270,000 for preliminary planning and site work in FY 1994 from the EDIF for a travel information center to be located in Olathe. The Legislature, during the regular session, approved \$880,000 from the EDIF for this Center, but funding was vetoed by the Governor.

Sec. 18 -- Adjutant General

1. Concur with GBA No. 2, Item 14 which recommends the creation of the Nuclear Safety

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

Emergency Preparedness Fee Fund into which the Adjutant General is anticipating \$560,000 in receipts. Recommend \$29,800 in FY 1994 from the new Fund for a special projects Administrative Officer to implement the provisions of H.B. 2429, the Kansas Nuclear Safety Emergency Preparedness Act.

Sec. 19 -- Board of Cosmetology

1. Concur with GBA No. 2, Item 70 recommending that the expenditure limitation on the Cosmetology Fee Fund be increased by \$1,224 in FY 1993 to pay for a hearing.

Sec. 20 -- Board of Barbering

1. Concur with GBA No. 2, Item 68 recommending in FY 1993 that the expenditure limitation on the Barbering Fee Fund be increased by \$1,565 to pay for a hearing.

Sec. 21 -- State Treasurer

1. Due to the passage of S.B. 421, appropriate the City Bond Finance Fund in FY 1994 as a No Limit fund.

Sec. 22 -- University of Kansas

1. Systemwide -- S.B. 9. Establish a no-limit Regents Supplemental Grant Fund in FY 1994 associated with passage of S.B. 9, which authorizes the Board of Regents to transfer grant monies to the Regents institutions for distribution to students.

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

2. Systemwide -- OOE. Delete \$333,588 from the State General Fund in FY 1994 for other operating expenditures. The Senate Committee recommends that the 3.5 percent increase in OOE previously approved for FY 1994 be reduced in half (1.75 percent).
3. Systemwide -- Financing Shifts. Increase financing from the State General Fund by \$165,016 and decrease financing by the General Fees Fund by a like amount in FY 1993 due to an estimated shortfall in tuition receipts. Decrease financing from the State General Fund by \$121,174 and increase financing from the General Fees Fund by a like amount in FY 1994 due to an estimated surplus in tuition receipts.
4. Systemwide -- Utilities. Add \$ 143,718 from the State General Fund in FY 1993 to finance current year utility expenditures.
5. Shift funding of \$225,465 for Centers of Excellence in FY 1994 from SGF to EDIF.
6. Shift funding of \$1,240,197 for General Research in FY 1994 from SGF to EDIF.
7. Add \$923,731 from the Special Capital Improvements Fund for renovation of Allen Fieldhouse to address life safety issues, particularly the availability of exits from the upper level of the facility. The total project budget is estimated to be \$1.9 million, of which \$976,269 would be financed with a combination of university and athletic corporation funds.
8. Add \$807,577 from the State Water Plan Fund to the previously approved funding from the Remediation Projects Fund of \$1,817,423 for a

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

total of \$2,625,000 to fully fund the closure of the Sunflower Research Landfill.

9. Insert language to correctly reappropriate the capitol complex public management degree program account of the State General Fund for FY 1994.

Sec. 23 -- University of Kansas Medical Center

1. Systemwide -- S.B. 9. Establish a no-limit Regents Supplemental Grant Fund in FY 1994 associated with passage of S.B. 9, which authorizes the Board of Regents to transfer grant monies to the Regents institutions for distribution to students.
2. Systemwide -- OOE. Delete \$215,698 from the State General Fund and \$503,296 in FY 1994 for other operating expenditures. The Senate Committee recommends that the 3.5 percent increase in OOE previously approved for FY 1994 be reduced in half (1.75 percent).
3. Systemwide -- Financing Shifts. Decrease financing from the State General Fund by \$208,436 and decrease financing by the General Fees Fund by a like amount in FY 1994 due to an estimated surplus in tuition receipts.
4. Systemwide -- Utilities. Add \$47,382 from the State General Fund in FY 1993 to finance current year utility expenditures.
5. Add \$350,000 from the EDIF in FY 1994 for the state's share of an integrated computer system to be used by the University Hospital and the private practice foundations for billing, scheduling, etc. The funding is subject to

Senate Committee Recommendations

approval by the State Finance Council and is contingent upon the University and private practice foundations providing the remaining two-thirds of the total cost of the project. Also, the Joint Committee on Computer and Telecommunications is required to review the proposal and advise the State Finance Council.

6. Add a subsection authorizing expenditure from the Hospital Revenue Fund, upon recommendation of the Chancellor and approval of the State Board of Regents, for the University Hospital to enter into contracts for purposes of affiliations, partnerships, and equity ownerships with other health care providers. Such contracts would not be subject to the competitive bid requirements. KUMC is required to report to the Legislature on all such contracts and expenditures made pursuant to this section.
7. Add a subsection permitting KUMC to contract with the Kansas State Employees Health Care Commission to provide health care services to state employees through a managed care system.
8. Transfer an additional \$100,000 from the Hospital Revenue Fund to the Hospital Overhead Reimbursement Fund and delete \$100,000 in State General Fund expenditures from the education component of the KUMC budget.
9. Increase expenditures by \$334,500 from the Medical Scholarship and Loan Repayment Fund, in accordance with GBA No. 2, which would allow 15 additional new loans for a total of 45 new loans in FY 1993. The loans would be retroactive to the beginning of the academic year. The Legislature had previously made this adjustment in S.B. 38 (emergency supplemen-

House Committee RecommendationsConference Committee Recommendations

Senate Committee Recommendations

tal); however, the Governor line-item vetoed this item with the explanation that it did not meet the definition of an emergency appropriation.

House Committee Recommendations

Conference Committee Recommendations

Sec. 24 -- Kansas State University

1. Systemwide -- S.B. 9. Establish a no-limit Regents Supplemental Grant Fund in FY 1994 associated with passage of S.B. 9, which authorizes the Board of Regents to transfer grant monies to the Regents institutions for distribution to students.
2. Systemwide -- OOE. Delete \$197,796 from the State General Fund in FY 1994 for other operating expenditures. The Senate Committee recommends that the 3.5 percent increase in OOE previously approved for FY 1994 be reduced in half (1.75 percent).
3. Systemwide -- Financing Shifts. Increase financing from the State General Fund by \$374,751 and decrease financing by the General Fees Fund by a like amount in FY 1993 due to an estimated shortfall in tuition receipts. Increase financing from the State General Fund by \$390,187 and increase financing from the General Fees Fund by a like amount in FY 1994 due to an estimated shortfall in tuition receipts.
4. Shift funding of \$214,765 for Centers of Excellence in FY 1994 from SGF to EDIF.
5. Shift funding of \$387,562 for General Research in FY 1994 from SGF to EDIF.
6. Shift \$2,209 (SGF) from the Operating Expenditures account to the Centers of Excellence

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

account in FY 1994 to accurately reflect the Legislature's intent regarding KSU's appropriation.

**Sec. 25 -- Kansas State University -- Salina,
College of Technology**

1. Regents Systemwide -- S.B. 9. Establish a no-limit Regents Supplemental Grant Fund in FY 1994 associated with passage of S.B. 9, which authorizes the Board of Regents to transfer grant monies to the Regents institutions for distribution to students.
2. Systemwide -- OOE. Delete \$17,559 from the State General Fund in FY 1994 for other operating expenditures. The Senate Committee recommends that the 3.5 percent increase in OOE previously approved for FY 1994 be reduced in half (1.75 percent).
3. Systemwide -- Financing Shifts. Decrease financing from the State General Fund by \$4,130 and increase financing from the General Fees Fund by a like amount in FY 1994 due to an estimated surplus in tuition receipts.
4. Systemwide -- Utilities. Add \$10,263 from the State General Fund in FY 1993 to finance current year utility expenditures.
5. Add \$37,028 from the State General Fund to reduce the agency's shrinkage rate by 1 percent from 2.08 to 1.08 percent.

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations**Sec. 26 -- Kansas State University
-- Veterinary Medical Center**

1. Systemwide -- OOE. Delete \$21,087 from the State General Fund in FY 1994 for other operating expenditures. The Senate Committee recommends that the 3.5 percent increase in OOE previously approved for FY 1994 be reduced in half (1.75 percent).
2. Systemwide -- Utilities. Add \$27,418 from the State General Fund in FY 1993 to finance current year utility expenditures.

Sec. 27 -- Kansas State University -- Extension

1. Systemwide -- OOE. Delete \$110,256 from the State General Fund in FY 1994 for other operating expenditures. The Senate Committee recommends that the 3.5 percent increase in OOE previously approved for FY 1994 be reduced in half (1.75 percent).
2. Shift funding of \$1,368,889 for Cooperative Extension Service in FY 1994 from SGF to EDIF.
3. Add \$86,734 (SGF) and 1.0 FTE position (unclassified) for Land Use Value Appraisal work.

Sec. 28 -- Wichita State University

1. Systemwide -- S.B. 9. Establish a no-limit Regents Supplemental Grant Fund in FY 1994 associated with passage of S.B. 9, which authorizes the Board of Regents to transfer grant monies to the Regents institutions for distribution to students.

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

2. Systemwide -- OOE. Delete \$153,828 from the State General Fund in FY 1994 for other operating expenditures. The Senate Committee recommends that the 3.5 percent increase in OOE previously approved for FY 1994 be reduced in half (1.75 percent).
3. Systemwide -- Financing Shifts. Decrease financing from the State General Fund by \$311,247 and increase financing from the General Fees Fund by a like amount in FY 1994 due to an estimated surplus in tuition receipts.
4. Systemwide -- Utilities. Add \$57,107 from the State General Fund in FY 1993 to finance current year utility expenditures.
5. Shift funding of \$208,145 for Centers of Excellence in FY 1994 from SGF to EDIF.
6. Shift funding of \$375,144 for General Research in FY 1994 from SGF to EDIF.
7. Appropriate a no-limit Elliot School of Communication Building -- Energy Conservation Fund for FY 1994 with a proviso authorizing the Director of Accounts and Reports to transfer these funds to the Wichita State University Board of Trustees for the energy conservation related costs in the new Elliot building, as recommended by the Joint Committee on State Building Construction.

Sec. 29 -- Board of Regents Office

1. Add \$31,678 (SGF) in the Tuition Grant Program in FY 1994, in accordance with GBA No. 2, because anticipated special revenue funding for the program of \$31,678 will not be available.

Senate Committee Recommendations

2. Delete \$45,034 from the State General Fund in the optometry education account and increase expenditures by this same amount from the Optometry Education Repayment Fund in FY 1994. Due to the passage of H.B. 2026, appropriate the Optometry Education Repayment Fund as a No Limit fund.
3. Due to the passage of legislation (S.B. 267, S.B. 17, and H.B. 2026) appropriate the following no limit funds: optometry education repayment fund, teacher scholarship repayment fund, advanced registered nurse practitioner program fund, nursing student scholarship discontinued attendance fund, and nursing student scholarship repayment fund.

House Committee Recommendations

Conference Committee Recommendations

Sec. 30 -- Department of Social and Rehabilitation Services

1. Concur with Governor's Budget Amendment No. 2, to shift \$2.2 million in expenditures in FY 1993 and \$2.3 million in expenditures in FY 1994 from the State General Fund to the SRS Fee Fund, based on revised estimates of fee fund receipts.
2. Concur with Governor's Budget Amendment No. 2, to add \$543,434 in federal Medicaid funds in FY 1994 and delete \$271,500 from the State General Fund to provide full funding for the Topeka Screening Unit.
3. Concur with Governor's Budget Amendment No. 2, to add \$106,363 from the State General Fund in FY 1993 and \$158,722 in FY 1994 based on new federal matching rates for vocational rehabilitation services. Also, increase vocational rehabilitation fee funds by \$38,334 in

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

FY 1993, and decrease fee funds by \$96,398 in FY 1994 as a technical adjustment.

4. Concur with Governor's Budget Amendment No. 2, to increase the expenditure limit on the Topeka Workshop for the Blind Fee Fund by \$337,284 in FY 1993, and by \$573,283 in FY 1994, based on an expanded contract to provide new and recycled laser printer cartridges to the state. This will allow the workshop to add four special project positions and to purchase the materials necessary for the expanded contract.
5. Concur with Governor's Budget Amendment No. 2 to allow No Limit expenditure authority for the Kansas Vocational Rehabilitation Center Fee Fund in FY 1993 and FY 1994 based on federal requirements that all fee fund revenues be expended during the year they are generated.
6. Concur with Governor's Budget Amendment No. 2 to add \$28,364 in federal supported employment funds in FY 1994 based on revised estimates of federal receipts.
7. Concur with Governor's Budget Amendment No. 2 to delete \$34,965 from the State General Fund and add \$2,548,332 in Medicaid funding in FY 1993 and FY 1994 based on revised foster care caseload estimates. Also, add a proviso requesting the Secretary of SRS consider restoring foster care programs at Parsons State Hospital and Winfield State Hospital and Training Center in a similar fashion as available at the Kansas Neurological Institute.
8. Concur with Governor's Budget Amendment No. 2 to add \$91,661 from the State General Fund (\$139,770 All Funds) in adoption support

46-24

Senate Committee Recommendations

in FY 1993 and FY 1994 based on revised caseload estimates.

9. Concur with Governor's Budget Amendment No. 2 to correct the expenditure limitation on the Juvenile Justice and Delinquency Fund in FY 1994 and the Vocational Rehabilitation Disabled Persons Fund in FY 1993. Also, shift funding between two accounts to correct a technical adjustment in H.B. 2047, and correct fee fund posting errors in H.B. 2087.
10. Concur with Governor's Budget Amendment No. 2, to increase Child Care and Development Block Grant expenditures by \$1,448,690 in FY 1993, and \$1,373,367 in FY 1994 to allow the agency to expend funds available from prior fiscal years. Also, make technical adjustments to realign State General Fund and Social Service Block Grant funds in the agency's budget.
11. Concur with Governor's Budget Amendment No. 2 to add \$177,767 from the State General Fund (\$1,050,766 All Funds) in FY 1994 for Medicaid Management Information System federal mandates.
12. Concur with Governor's Budget Amendment No. 2 regarding nursing home caseloads, to add \$301,333 from the State General Fund (\$548,485 All Funds) in FY 1994 from previous legislative adjustments.
13. Concur with Governor's Budget Amendment No. 2 to shift \$258,445 from the State General Fund (\$1,908,329 All Funds) from FY 1993 to FY 1994 to reflect changes in the scheduling of certain system upgrades to the Medicaid Management Information System.

House Committee RecommendationsConference Committee Recommendations

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

14. Concur with Governor's Budget Amendment No. 2 to delete \$90,530 from the State General Fund in FY 1993 as a technical adjustment to the General Assistance KanWork program.
15. Concur with Governor's Budget Amendment No. 2 to shift funding of capital improvement projects for buildings rented by SRS on the Topeka State Hospital grounds from the Topeka State Hospital Budget to SRS in FY 1994. This adds \$135,788 in rental surcharge funds to the SRS budget and will allow the agency to claim \$183,713 in federal matching funds.
16. Concur with Governor's Budget Amendment No. 2 to allow the expenditure of additional federal funds totaling \$306,742 in FY 1993 and FY 1994 for substance abuse capacity expansion.
17. Concur with Governor's Budget Amendment No. 2 to delete \$91,996 in FY 1994 from federal Community Youth Block Grant funds. This grant was not renewed.
18. Shift \$468,633 from the State General Fund (\$1,148,188 All Funds) in FY 1994 from regular medical assistance to state operations and add eight special project positions for planning and implementation of the pilot Managed Care projects recommended in S.B. 119, as well as a project at the University of Kansas Medical Center. This shifts funding saved in medical assistance through converting three specialty hospitals to the DRG system.
19. Add \$9,430 in FY 1993, and \$37,600 in FY 1994 in accordance with an Executive Directive regarding a new federal teen parent grant.

92-94
46-26Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

20. Add a proviso prohibiting the Secretary from making any expenditures for or on behalf of the SRS Drug Utilization Review Committee unless the Committee operates in compliance with the Kansas Open Meetings Act.
21. Shift \$2.0 million in expenditures for the KanWork program in FY 1994 from the State General Fund to the EDIF.
22. Delete \$8,925,000 from the State General Fund in FY 1994 to eliminate the MediKan program for adults. The recommendation reflects nine months of savings in FY 1994. The annualized program cost for the adult program is \$11.9 million.
23. Add \$3,740,000 from the State General Fund (\$9,087,805 All Funds) in FY 1994 to restore previous funding from the regular medical assistance budget in H.B. 2047, the SRS FY 1994 appropriations bill.
24. Delete \$500,000 from the State General Fund in FY 1994 for an expansion of the Medicaid waiver for the mentally retarded and developmentally disabled to provide medical and therapeutic services. This funding was approved in H.B. 2047; however, although this funding was not vetoed by the Governor, the veto message on H.B. 2047 indicates that the Governor has directed the Secretary not to undertake this program expansion.
25. Delete \$500,000 from the State General Fund in FY 1994 for special purpose grants for the mentally retarded and developmentally disabled. The intent of this recommendation is that the Secretary apply for an expansion of community placements under the HCBS waiver and shift

Senate Committee Recommendations

eligible clients currently served entirely from State General Fund dollars to Medicaid funding. The reduction assumes approval of an expanded waiver as of January 1, 1994.

House Committee RecommendationsConference Committee Recommendations**Sec. 31 -- Commission on Governmental Standards**

1. Add in FY 1994 \$3,470 from the State General Fund to allow the Commission to continue the employment of two special projects positions. Total funding for the two positions is \$29,470 (two-thirds of the \$44,205 that the Commission says it will need to continue the employment of three special projects positions in FY 1994). The Legislature already approved \$26,000 (\$15,000 State General Fund) to provide for the continued employment of the Commission's special projects positions (S.B. 41).
2. Add in FY 1994 \$6,266 from the State General Fund to provide for the purchase of two micro-computers and two laser printers. Appropriate the moneys as a separate line item so that the moneys can be used only for the recommended purchases.

Sec. 32 -- State Bank Commissioner

1. Appropriate in FY 1994 to the agency the fee fund originally established for the Savings and Loan Department. Legislation has passed (1993 S.B. 58) which 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. Currently, the fiscal impact of the legislation for the Bank Commissioner is unknown. A representative from the office of the Bank Commissioner says that

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

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. Therefore, place an expenditure limitation of \$0 on the fund. (If expenditures are necessary, action could be taken by the State Finance Council to increase the expenditure limitation on the fund.)

2. Concur with GBA No. 2 which would provide funds (\$134,015) for a step-to-step reclassification of this agency's state Financial Examiner positions (an employee who is at step D on the salary pay plan would stay at step D when reclassified to a higher salary range instead of being moved to a lower step such as step C). The Governor's original budget recommendation included funding to reclassify the agency's Financial Examiners (affecting 61.0 of the 73.0 current agency employees) in accordance with Division of Personnel Services policy statement No. 27. Policy No. 27 requires employees being reclassified to be moved to a step on their new salary range which will result in a maximum salary increase of 2.5 percent each. Under the GBA, the agency's Financial Examiners could receive salary increases greater than 2.5 percent (ranging from 5.0 to 21.5 percent) when they are reclassified at the beginning of FY 1994. The Legislature already added the amount being recommended by GBA No. 2 to the agency's budget in FY 1994 to fund salary increases above those originally recommended by the Governor. However, executive policy prevented use of the moneys for these classified employees. Therefore, the Legislature by proviso (H.B. 2046) made use of the moneys contingent upon passage of legislation that moved the agency's Financial Examiners from

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

the classified to the unclassified employment service. (The legislation, S.B. 424, did not pass.) Since the Governor now approves the expenditure of this money for the salary increases, the Financial Examiners can get the higher salaries and still remain in the classified service. Therefore, the proviso in appropriation H.B. 2046 becomes moot.

3. The Senate did not recommend this item.

Sec. 33 – Department of Health and Environment

1. Make a technical adjustment in both FY 1993 and FY 1994 so that the name of a fund will correspond to the statutory citation (subsection a of K.S.A. 49-428) for the fund. (Language in the bill abolishes the old fund and transfers all of its liabilities to the correctly named Abandoned Mined-Land Fund.)
2. Appropriate in FY 1994 the District Coroners Fund which is created by the passage of 1993 House Bill 2008. Receipts credited to the fund will come from death certificate fees (the same amount as new surcharges being imposed for death certificate copies, which are \$3 for the first copy and \$1 for each additional copy). Moneys in the new fund are to be distributed to each county based on previous year data of the number of recorded deaths in the county to a ratio of the total number of deaths in the state. The funds are to be used to help pay for district

Senate Committee Recommendations

coroner expenses. Receipts are anticipated at \$220,000 annually.

3. Add \$50,000 in FY 1993 to concur with GBA No. 2 for an expenditure limitation increase 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). The Committee urges the Department to use all of its approved funds for the Infant Toddler program to provide for direct rather than indirect services to the children. Also, because federal moneys are expected to continue to increase, add \$100,000 in FY 1994 for an expenditure limitation increase from \$250,000 to \$350,000.
4. Shift financing in FY 1994 for operating expenditures of \$222,560 from the State General Fund to the Maternal Child Health Block Grant Fund. Additional federal funds are available for spending due to an increase in the federal allocation to Kansas with regard to the Maternal Child Health Block Grant. This item was recommended in GBA No. 2.
5. Add \$270,000 in FY 1993 from new available federal grants moneys 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. This item was recommended in GBA No. 2. Also, add \$270,000 in FY 1994 since the grant is expected to be an ongoing one. Further, appropriate a new fund for the grant moneys (Medical Student Loan Repayment --

House Committee RecommendationsConference Committee Recommendations

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

federal fund) and stipulate by proviso the Department's plan that all match requirements for federal dollars come from local sources.

6. Shift financing in FY 1994 for operating expenditures of \$115,824 from the State General Fund to new fees that will be received and deposited in the newly created Nuclear Safety Emergency Preparedness Special Revenue Fund because of passage of 1993 H.B. 2429. The legislation allows the Department to obtain the new moneys from the Adjutant General who is to collect new fees from producers of nuclear energy to pay for costs of state and local emergency preparedness response programs. This item was recommended in GBA No. 2.
7. Add in FY 1994 \$28,160 from the State General Fund to concur with GBA No. 2 for a technical financing correction.
8. Shift from FY 1994 to FY 1993 operating expenditures of \$3,000 from the Federal Highway Safety Fund. This item was recommended in GBA No. 2. (The Legislature already made the shift for other federal grant moneys (\$209,400) received in FY 1993 instead of FY 1994.)
9. Reduce by \$335,854 in FY 1994 the Governor's recommended transfer of Water Plan moneys from the Kansas Water Office to the Department of Health and Environment and adjust the amounts of receipts to the fund and various accounts accordingly. The necessary transfer of new receipts for the Department is overstated by this amount when compared to amount of recommended expenditures for FY 1994. This item was recommended in GBA No. 2.

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

10. Restore language to add \$4,917,276 in FY 1994 expenditures from the Department's Water Plan Special Revenue Fund, except do not restore a proviso that was vetoed by the Governor. The proviso would have prohibited use of State Water Plan moneys for remediation cleanup at Lansing Correctional Facility and Sunflower Landfill at the University of Kansas.
11. Transfer in FY 1994 \$800,000 from a new fund (Air Quality Fee Fund) established by passage of 1993 S.B. 29 to the Department's Sponsored Project Overhead Fund to prevent a shortfall in the Department's budget. The Governor funded FY 1994 expenditures for the federal Clean Air Act initiative from the Sponsored Project Overhead Fund with the assumption that the Fund would have receipts for the expenditures (\$800,000) from new fees that would be generated with passage of legislation (1993 S.B. 29).
12. Appropriate in FY 1994 the Air Quality Fee Fund established by passage of 1993 S.B. 29 with a \$0 expenditure limitation. (No direct expenditures are anticipated from this fund in FY 1994.)
13. Shift from FY 1993 to FY 1994 aid-to-local unit expenditures of \$89,810 from the Maternal and Child Health Services Block Grant Fund. Of the \$100,000 approved for an immunization incentive pool for the current year, the Department reports that only \$10,190 has been expended and asks that remaining moneys be shifted to FY 1994 to support counties that file innovative plans for expanding immunization. (This FY 1994 expenditure would be from an already appropriated "no limit" fund. Therefore, it is not reflected in the bill.)

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

Delete for FY 1994 the General Counsel position (1.0 FTE unclassified position and \$68,417 from the State General Fund). The position became vacant the middle of April, 1993 and the Secretary of Health and Environment does not plan to fill the position.

Sec. 34 -- Kansas Neurological Institute

1. Add \$43,495 SGF based on a categorical aid rate of approximately 80 percent, or \$17,810 per eligible teaching unit, which is a lower rate than the agency anticipated in its FY 1994 budget request.
2. Add \$41,497 SGF in FY 1994 to finance a 2.5 percent salary increase for teachers at the agency's school.

Sec. 35 -- Parsons State Hospital and Training Center

1. Add \$40,875 SGF based on a categorical aid rate of approximately 80 percent, or \$17,810 per eligible teaching unit, which is a lower rate than the agency anticipated in its FY 1994 budget request.
2. Add \$28,930 SGF in FY 1994 to finance a 2.5 percent salary increase for teachers at the agency's school.

Sec. 36 -- Winfield State Hospital and Training Center

1. Add \$39,302 SGF based on a categorical aid rate of approximately 80 percent, or \$17,810 per eligible teaching unit, which is a lower rate than

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

the agency anticipated in its FY 1994 budget request.

2. Delete \$45,365 SGF in FY 1994 to finance a 2.5 percent salary increase for teachers at the agency's school. (Money is deleted because this increase is smaller than the one used in the agency's budget request, and because of down-sizing at the agency's school.)
3. Delete \$154,759 SGF and \$161,076 Title XIX, along with 16 trainee positions in FY 1994. The Governor's Budget Amendment (2-63) recommended the deletion of twice as many positions (and a corresponding amount of funding) as is recommended by the Senate Committee.
4. Delete \$242,618 SGF and substitute \$242,618 from the Winfield State Hospital and Training Center Fee Fund in FY 1994. This funding shift is made possible by higher-than-anticipated receipts into the fee fund. (Concur with Governor's Budget Amendment 2-64)
5. As a technical adjustment, delete 2.0 FTE positions and \$87,665 SGF in FY 1994 to reflect the Governor's Executive Directive of March 30, 1993, which transferred 2.0 FTE positions from the hospital to SRS/MHRS Central Office in FY 1993.

Sec. 37 -- Kansas Highway Patrol

1. Lapse \$1,301,160 SGF for replacement patrol cars and replace it with a no-limit expenditure limitation on the agency's Motor Vehicle Fund in FY 1994. (Concur with Governor's Budget Amendment 2-15.)

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

2. Add \$150,000 SGF in FY 1994 to make up for a shortfall in receipts to the agency's General Fees Fund. The shortfall is due to the fact that, beginning in FY 1994, revenue from the sale of used patrol vehicles will go into the agency's Motor Vehicle Fund rather than the General Fees Fund. (Concur with Governor's Budget Amendment 2-15.)
3. Add \$204,331 from the Motor Carrier Inspection Fund for shrinkage relief at the Motor Carrier Inspection Troop in FY 1993. (Concur with Governor's Budget Amendment 2-16.)

Sec. 38 -- Kansas Bureau of Investigation

1. In order to allow the agency to deal with the anticipated increase in its workload as a result of 1993 H.B. 2355, which 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, add \$104,000 SGF in FY 1994. \$88,000 is for additional analytical equipment and \$16,000 is for support expenses (e.g., travel to court appearances, etc.).

Sec. 39 -- Board of Veterinary Examiners

1. Add \$8,122 from the agency's fee fund in FY 1994 in order to allow the board to fund its expanded responsibilities under 1993 H.B. 2107, which made reforms to the Veterinary Practice Act.

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations**Sec. 40 -- Wildlife and Parks**

1. Concur with GBA No.2 and add \$105,000 in FY 1993 from the Wildlife Fee Fund to repair several holes in the dam embankment at Montgomery State Fishing Lake.
2. Concur with GBA No. 2 and add \$75,000 in FY 1994 from the Wildlife Fee Fund to continue to provide matching grants to local communities for habitat development and fishing and boating access for community lakes.
3. Add \$2,000 from the Wildlife Fee Fund in FY 1994 for operating expenditures associated with the issuance of permits for the commercial harvesting of rattlesnakes in accordance with S.B. 137.
4. As a technical adjustment, delete \$375,000 from the Park Fee Fund for Hillsdale State Park in FY 1994 in order to accurately reflect Legislative intent.
5. Create a new no limit fund in FY 1994 to enable the agency to receive federal Intermodal Surface Transportation Efficiency Act (ISTEA) funds for a rails to trails project.

Sec. 41 -- Youth Center at Topeka

1. Add \$41,645 from the State General Fund to allow for a 2.5 percent increase for teacher's salaries in FY 1994.
2. As a technical adjustment, delete \$6,559 in FY 1993 to accurately reflect amounts appropriated by the Legislature.

Senate Committee Recommendations

House Committee Recommendations

Conference Committee Recommendations

46-37

Sec. 42 -- Youth Center at Beloit

1. Add \$21,760 from the State General Fund to allow for a 2.5 percent increase for teacher's salaries in FY 1994.

Sec. 43 -- Youth Center at Atchison

1. Add \$21,843 from the State General Fund to allow for a 2.5 percent increase for teacher's salaries in FY 1994.

Sec. 44 -- Department of Revenue

1. Concur with Governor's Budget Amendment No. 2, Item 35, which recommends authorizing the Department to spend up to \$280,000 of the \$3,000,000 appropriated for county appraisal assistance in FY 1994 on software improvements to the computer assisted mass appraisal system.
2. Add \$30,918 from the State General Fund and 1.0 FTE position in FY 1994 to review claims for business tax incentives associated with passage of S.B. 73.
3. Add \$10,871 from the State General Fund in FY 1994 for temporary salaries required for extension of the state's debt setoff law to municipalities and neighboring states (S.B. 130).
4. Add \$43,615 from the Vehicle Operating Fund and 1.0 FTE position in FY 1994 for additional appeals resulting from the lowering of the threshold for intoxication from .10 to .08 (H.B. 2355).

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

5. Delete \$35,432 from the State General Fund and 1.0 FTE position in FY 1994 associated with a person retiring from the Division of Property Valuation whose duties will be assumed by Kansas State University.

Sec. 45 -- Department of Human Resources

1. As a technical adjustment, remove the proviso in S.B. 57 authorizing additional compensation in FY 1994 for the Employment Security Board of Review. The additional compensation was statutorily authorized in S.B. 145.
2. Add \$25,000 from the Penalty and Interest Fund in FY 1994 for a study of minority needs and barriers to employment.

Sec. 46 -- Kansas Water Office

1. Create a no-limit fund for in FY 1994 to authorize the acquisition of water storage capacity from the federal government at Tuttle Creek, Pomona, and Melvern reservoirs, as provided by H.B. 2443.

Sec. 47 -- Kansas Commission on Veterans Affairs

1. Make a technical adjustment to reflect the correct FTE limitation approved for the agency in FY 1994.

Secs. 48-49 -- Department of Administration

1. Concur with Governor's Budget Amendment No. 2, Item 9, which adds \$30,912 from the

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

State General Fund for an engine overhaul of the executive aircraft in FY 1993.

2. Concur with Governor's Budget Amendment No. 2, Item 10, which appropriates the Federal Cash Management Fund as a no-limit fund in FY 1994 to allow payments of the interest due to the federal government under the provisions of the federal Cash Management Improvement Act of 1990.
3. Concur with Governor's Budget Amendment No. 2, Item, 11, which increases the expenditure limitation on the Architectural Services Recovery Fund by \$46,217 in FY 1993 to pay for engineering services.
4. Concur with Governor's Budget Amendment No. 2, Item 12, which increases the expenditure limitation on the Building and Grounds Fund by \$8,115 in FY 1993 to pay for snow removal services.
5. As recommended by the Joint Committee on State Building Construction, add language authorizing a transfer in FY 1994 from the Energy Conservation Improvements Fund to finance energy conservation improvements in to the Elliott Communications Center at Wichita State University.
6. Add \$153,000 from the State General Fund to finance a portion of the first year costs of a new personnel/payroll system in FY 1994. In S.B. 41, the Legislature appropriated \$100,000 from the Accounting Services Recovery Fund for the system.
7. Appropriate the Budget Stabilization Fund as a \$0 limit fund in FY 1994, but allow no expendi-

Senate Committee Recommendations

House Committee Recommendations

Conference Committee Recommendations

tures from the fund except upon approval of the Legislature.

8. Authorize the transfer of \$923,731 from the Construction Defects Recovery Fund to the Kansas Special Capital Improvements Fund.
9. Transfer \$157,204,344 from the State General Fund to the State Cash Operating Reserve Fund in FY 1994. The transfer is required by the provisions of the Omnibus Reconciliation Spending Limit Act. The amount of the transfer is equal to 5 percent of the total State General Fund expenditures and demand transfers authorized for FY 1994. In addition, the act provides by the end of the fiscal year the entire balance must be transferred back to the State General Fund.

Sec. 50 -- Topeka State Hospital

1. Increase the transfer from the agency Canteen Fund to the Patient Benefit Fund from \$6,000 to \$12,000 in FY 1994.
2. Concur with Governor's Budget Amendment No. 2, Item 58, which shifts \$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.
3. Shift \$120,000 (State General Fund) and 6.0 FTE positions approved for Osawatomie State Hospital in FY 1994 to Topeka State Hospital. The agency intended to accomplish this transfer by Executive Directive.

Senate Committee Recommendations

4. Add \$19,125 from the State General Fund for a 2.5 percent teacher salary increase in FY 1994.
5. Add \$19,372 from the State General Fund in FY 1994 to adjust for the difference between the categorical aid rate estimated by the agency and funding appropriated for categorical aid by the 1993 Legislature.

Sec. 51 -- Larned State Hospital

1. Add \$39,001 for a 2.5 percent teacher salary increase in FY 1994.
2. Add \$14,480 from the State General Fund in FY 1994 to adjust for the difference between the categorical aid rate estimated by the agency and funding appropriated for categorical aid by the 1993 Legislature.

Sec. 52 -- Osawatomie State Hospital

1. Shift \$120,000 (State General Fund) and 6.0 FTE positions approved for Osawatomie State Hospital in FY 1994 to Topeka State Hospital. The agency intended to accomplish this transfer by Executive Directive.
2. Add \$19,983 for a 2.5 percent teacher salary increase in FY 1994.
3. Add \$18,532 from the State General Fund in FY 1994 to adjust for the difference between the categorical aid rate estimated by the agency and funding appropriated for categorical aid by the 1993 Legislature.

House Committee RecommendationsConference Committee Recommendations

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations**Sec. 53 – Rainbow Mental Health Facility**

1. Add \$19,031 for a 2.5 percent teacher salary increase in FY 1994.
2. Add \$26,351 from the State General Fund in FY 1994 to adjust for the difference between the categorical aid rate estimated by the agency and funding appropriated for categorical aid by the 1993 Legislature.

Sec. 54 – State Board of Agriculture

1. Concur with Governor's Budget Amendment No. 2, Item 5 regarding the FACTS program. This would require the addition of \$46,872 from the State General Fund in FY 1994 to restore funding to the revised level requested by the agency.
2. Concur with Governor's Budget Amendment No. 2, Item 6 to amend a 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.
3. As the result of passage of H.B. 2070, appropriate the no-limit Water Transfer Hearing Fund in FY 1994.

Sec. 55 – Insurance Department

1. Due to the fact that H.B. 2354 was vetoed by the Governor, the \$4,000,000 demand transfer

Senate Committee Recommendations

from the State General Fund to the Workers Compensation Fund, which was eliminated under the provisions of that bill, will be made. In previous fiscal years, the transfer has been made and a corresponding transfer from the Workers Compensation Fund to the State General Fund has been made to reimburse the State General Fund. Pending final resolution of the workers compensation bill, include language in the Omnibus bill to make the return transfer to the State General Fund for both FY 1994 and FY 1995, if the original transfer from the State General Fund to the Workers Compensation Fund is made.

House Committee RecommendationsConference Committee Recommendations**Sec. 56 -- Kansas Dental Board**

1. Increase the expenditure limitation on the Dental Board Fee Fund by \$9,200 in FY 1993 to help cover additional legal costs related to a long-running case.
2. Increase the expenditure limitation on the Dental Board Fee Fund by \$28,834 in FY 1994 and add a 0.6 investigator position to allow the Board to develop an inspection program for HIV prevention in dental offices.

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

44-44

Sec. 57 -- State Fair Board

1. Add \$500,000 from the Economic Development Initiatives Fund for renovations to the 4-H Encampment Building in FY 1994. The agency has estimated that a total of \$670,000 is needed for the first phase of the renovation project and that \$170,000 can be raised from other sources. This would allow the agency to address the most serious concerns raised by the State Fire Marshal regarding the Encampment Building.
2. Authorize the Pooled Money Investment Board, subject to State Finance Council approval, to loan an amount not to exceed \$170,000 to the State Fair Board in FY 1994. This would provide the additional funding necessary to complete the first phase of renovation work on the 4-H Encampment Building, in the event that other funding cannot be obtained.

Sec. 58 -- All Agencies

1. Delete \$1,835,867 (\$881,216 from the State General Fund and \$954,651 from all other funds) in FY 1994 for the assessment for annual leave payments upon retirement. The amount was included in all agencies budgets for an assessment (0.14 percent) on salaries to fund annual leave payments upon retirement. S.B. 56 which would of statutorily implemented the annual leave payment is still in first committee. The action concurs with Governor's Budget Amendment No. 2-8.
2. Delete \$1,975,179 (\$787,600 from the State General Fund and \$1,187,579 from all other funds) in FY 1994 to reflect the lowering of the

Senate Committee Recommendations

House Committee Recommendations

Conference Committee Recommendations

Kansas Public Employees Retirement System (KPERS) employer's contribution from 3.3 percent to 3.1 percent. The rate reflects the latest actuarial report of the KPERS actuary.

Sec. 59 -- Selected Agencies

1. Delete \$6,484,319 (State General Fund) in FY 1994 for a 1.5 percent across-the-board reduction in all areas **EXCEPT** the following: General and supplemental local school aid, special education, and community college aid, all in the Department of Education; Regents institutions; Department of Social and Rehabilitation Services human service delivery programs (central and area office administration would still be included); demand transfers of the State General Fund; all SRS institutions; only security programs of correctional institutions; KPERS School employers contributions; only salaries and wages of sworn officer positions of the Kansas Highway Patrol; only salaries and wages of agents of the Kansas Bureau of Investigation; debt service; Soldiers' Home; Salaries and wages of the justices and judges of the Judicial Branch.

Sec. 60-64 -- Demand Transfers

1. Reduce FY 1994 estimated demand transfers by 3.0 percent for total savings of \$5.134 million from the State General Fund. Transfers to the following funds would be reduced by the amounts indicated: the State Highway Fund (\$2.446 million), the Local Ad Valorem Tax Reduction Fund (\$1.251 million), the County-City Revenue Sharing Fund (\$0.957 million), the

Senate Committee Recommendations

City-County Highway Fund (\$0.300 million), and the Water Plan Fund (\$0.180 million).

House Committee Recommendations

Conference Committee Recommendations

Sec. 65 -- State Finance Council

1. Add \$11,876,473 (\$3286,441 from the State General Fund and \$8,590,032 from all other finds) to implement two phases of the Comprehensive Classifications and Job Rate Study in FY 1994. Effective June 18, 1993, 4,448 employees in health, scientific and engineering job classes would be reclassified. Effective December 18, 1993, 1,509 employees in the information technology job class would be reclassified.

Sec. 66 -- State Historical Society

1. If the Legislature does not override the Governor's veto of \$1,200,000 for the Center for Historical Research, delete \$8,090,914 from the Special Capital Improvements Fund in FY 1993.
2. If the Legislature does not override the Governor's veto of \$1,200,000 for the Center for Historical Research, delete \$689,858 from the EDIF in FY 1994.
3. Create a new no-limit fund in FY 1994 to enable the agency to receive federal Intermodal Surface Transportation Efficiency Act (ISTEA) funds approved for several projects.
4. As a technical adjustment in FY 1994, change the name of the "new state historical society museum private gifts, grants, and bequest fund" to the "historical society private gifts, grants, and bequest fund."

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

He-47

Sec. 67 -- Kansas Technology Enterprise Corporation

1. The Legislature approved for FY 1994, in separate line items, \$633,887 from the EDIF for the Kansas Value Added Center (KVAC) and \$250,000 from the EDIF for KTEC's industrial agriculture initiative. The Committee recommends, due to the passage of H.B. 2536 which grants KTEC policy and accountability oversight over KVAC, that the separate line items of KVAC and KTEC's industrial agriculture initiative be merged into one.
2. Concur with GBA No. 2, Item 88 which recommends a reduction in FY 1994 from the EDIF transfer by \$55,039 due to savings from prior fiscal year encumbrances.
3. Delete \$350,000 from the EDIF of the amount approved during the regular session for the Centers of Excellence. The effect of this recommendation is a total of \$4,135,663 for the Centers, which is an increase of \$420,663 over the current year.

Sec. 68-69 -- Department of Education

1. Add \$15,000 from the SGF in FY 1994 for a contract with KU to identify measures of basic skills pursuant to S.B. 334 which establishes the Kansas Mastery of Basic Skills program. (The bill has been vetoed by the Governor.)
2. Shift all funding (\$1.5 million) for the Educational Excellence Grants in FY 1994 from the SGF to the EDIF.

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

3. Shift an additional \$2.0 million for post-secondary AVTS aid in FY 1994 from the SGF to the EDIF. The effect of the recommendation would be to appropriate \$4.5 million from the EDIF and \$16,903,850 from the SGF, for a total of \$21,403,850.
4. Appropriate the "Out-District Tuition Suspense Fund" created by Sub. for H.B. 2011 with a no-limit expenditure for FY 1994. Into the Fund will be deposited money due community colleges for overdue payments from counties for county out-district tuition. The State Board of Education will distribute the money to the community colleges that are owed the money.
5. Add \$62,400 from the SGF in FY 1994 for community college credit hour and out-district state aid as the result of the passage of Sub. for H.B. 2011. The bill authorizes agreements between Fort Hays State University and community colleges that are estimated to result in an additional 1,200 community college credit hours being generated by university students who enroll in community college courses on the Fort Hays campus. (The \$62,400 consists of \$33,600 in credit hour aid and \$28,800 in out-district state aid.)
6. Make a supplemental appropriation of \$194,995,000 from the SGF in FY 1993 for general state aid to school districts as the consequence of the passage of H.B. 2505. The supplemental appropriation replaces the amount of money that was previously estimated as a demand transfer that would have been made in June. (Of the estimated \$365.0 million, \$170,005,000 already has been transferred.) The effect of the recommendation would be to fully fund the estimated school district entitlement in

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

the current year, including the consequences of republication.

7. Make a technical adjustment to the proviso to the lapse of general state aid in FY 1993 to eliminate references to the demand transfer, which has been eliminated by the passage of H.B. 2505. (The original proviso allowed the State Finance Council to make up a shortfall in local resources, local effort recapture, and the demand transfer from the \$9,569,870 in general state aid that will be lapsed in the current year. Since the demand transfer has been eliminated, the proviso needs to be reworded to refer to just a shortfall in local resources and local effort recapture.)
8. Appropriate \$377,120,000 from the SGF in FY 1994 for general state aid to school districts and \$50,000 for supplemental general aid. The effect of the recommendation would be to fully fund school district entitlements in FY 1994. The recommendation is made up of the following components:
 - a. \$375.0 million to replace the estimated demand transfer;
 - b. \$2,120,000 to fund the declining enrollment provision contained in H.B. 2505; (It is estimated that \$2.4 million is needed, but that amount is offset by an estimated increase of \$280,000 in local resources in FY 1994.)
 - c. \$50,000 for supplemental general aid in FY 1994 as the result of revised estimates.

67-49

Senate Committee RecommendationsHouse Committee RecommendationsConference Committee Recommendations

9. Make a supplemental appropriation of \$1,386,123 for community college credit hour aid and \$775,881 for community college out-district state aid, for a total of \$2,162,004 in FY 1993. These amounts were added by the Legislature in H.B. 2087 but vetoed by the Governor. The additions would fund credit hour aid at the rate of \$27.72 per hour (the statutory rate is \$28) and out-district state aid at \$23.76 per hour (the statutory rate is \$24).