

Approved: 04/28/94
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Rochelle Chronister at 9:11 a.m. on April 21, 1994 in Room 514-S of the Capitol.

All members were present except: none

Committee staff present: Alan Conroy, Legislative Research Department
Richard Ryan, Legislative Research Department
Paul West, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Julian Efird, Legislative Research Department
Pat Mah, Legislative Research Department
Diane Duffy, Legislative Research Department
Debra Duncan, Legislative Research Department
Laura Howard, Legislative Research Department
Scott Rothe, Legislative Research Department
Jim Wilson, Revisor of Statutes
Jerry Cole, Committee Secretary
Sharon Schwartz, Administrative Assistant

Conferees appearing before the committee:

Richard Ryan, Kansas Legislative Research Department (KLRD)
Ben Barrett, Kansas Legislative Research Department
Laura Howard, Kansas Legislative Research Department
Alan Conroy, Kansas Legislative Research Department
Paul West, Kansas Legislative Research Department

Others attending: See attached list

Chairman Chronister asked for a motion approving the minutes of March 28, 29, 30 and April 7 if there were no additions or corrections. Rep. Helgersen moved, Rep. Minor seconded and the motion carried.

Richard Ryan, KLRD, briefed the committee on the profile of the State General Fund as of 04/08/94. Ben Barrett, KLRD, discussed enrollment adjustments for education in the state. Laura Howard, spoke on caseload adjustments for the Department of Social and Rehabilitation Services. Alan Conroy, KLRD, spoke to the committee about the State Budget Stabilization Fund. (See Attachments 1-1e). Paul West, KLRD, gave a brief outline on the status of the State Water Plan Fund and the Economic Development Initiatives Fund. (See Attachments 2 & 3). Conroy told the committee the Governor's Budget Amendments were contained in a letter to Chairman Chronister (See Attachment 4) and that staff had prepared an outline of the items to be considered for funding in the omnibus bill (See Attachments 5 & 5a).

Chairman Chronister then recessed the committee for respective subcommittee meetings on funding for items to be contained in the omnibus bill. The committee reconvened at 3:10 p.m. to consider those subcommittee recommendations (See Attachments 5 & 5a).

Rep. Mead's subcommittee on the Department of Aging deleted \$37,000 from item A, recommended the technical amendment in item B and chose to hold items C and E.

For the Department on Health and Environment, the subcommittee did not recommend funding item A. Rep. Helgersen made a motion to appropriate funding in the amount of \$100,000 for item A and received a second from Rep. Gregory. The motion failed. Items B, C, E, G, H without the FTE (Full-Time Equivalent) and I -

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S of the Capitol, at 9:11 a.m. on April 21, 1994.

O were recommended by the subcommittee. All remaining items were not recommended with the exception of item P. The subcommittee did recommend funding that item with a \$12,000 reduction in State General Fund (SGF) monies. Rep. Carmody moved to delete item P. Rep. Pottorff seconded the motion and it failed.

Item A for the Corporation for Change was recommended by the subcommittee with monies from the State Budget Stabilization Fund.

Only Items B & C were recommended for the Department of Wildlife and Parks.

All three items for the Animal Health Department were recommended.

Rep. Kline's subcommittee recommended item A for the Youth Centers and Atchison, Beloit and Topeka, but did not recommend item B. The subcommittee did not have a recommendation for item C, but after discussion Rep. Kline moved, seconded by Rep. Carmody, to include a 3% teacher salary increase for all centers under item C. The motion carried.

Item A for the Adjutant General was recommended by the subcommittee.

The Department of Corrections received subcommittee recommendations for items A, B, C and a recommendation for \$978,000 and 35.0 FTE in item E. The subcommittee did not, however, approve funding for community corrections in item E. Item F was placed on hold and item G was not recommended.

The subcommittee for the Department of Revenue did not recommend items A, B, the 2.0 FTE for 1/2 year in item D, E, G, and H. They did, however, recommend funding for item C in FY 95, \$20,200 in item F and item I. In considering items for funding in the department the subcommittee added \$53,514 for 2.0 Investigators and \$11,315 for support staff to handle the tax stamps for drugs. Also added to the report was item K to include \$39,298 for 1.0 FTE and \$25,000 in DISC (Division of Information Systems and Communications) processing for agency programming needs.

Item A for the State Conservation Commission was recommended.

Only item C for the Department of Agriculture was recommended by the Jennison subcommittee. Rep. Gross moved to include item B and received a second from Rep. Reinhardt. The motion failed on a vote of 8-8.

Item A for the Kansas State Fair was not recommended. Rep. Teagarden made a motion to include the item with revenue from the SGF in FY 94. Rep. Dean seconded the motion and it carried. Item B was recommended.

Chairman Chronister adjourned the committee at 5:05 p.m. The next meeting is scheduled for April 22, 1994 at 8:00 a.m. for continued consideration of items to be contained in the omnibus bill.

1994 Appropriation Committee Guest List

1	NAME	ORGANIZATION
2	Kenneth G. HARJO	RACING COMMISSION
3	Janet Chubb	" "
4	Dennis Williams	DOC
5	Becky Lassiter	Commerce & Housing
6	Becky Sherry Brown	" " J
7	Ron Miles	BIDS
8	Duane Waterworth	Division of Budget
9	Kathie Sparks	" " "
10	Jerry Sloan	OJA
11	Bill Watts	KDOT
12	Gail Samuel	KDOT
13	Nancy Bogina	KDOT
14	Ken Baker	Ks. Hospital Assn.
15	Whitney Damm	Pete McGill & Associates
16	Bob Totten	Ks Contractors Association
17	Lynda Dunn	KDOT
18	Mel Carthey	BIDS
19	Don HAMMERS	BUDGET
20	Ellen Piekolaiwicz	Assoc. of CMHCs
21	Josie Torrez	Families Together, Inc.
22	TK Shively	KANSAS LEGAL SERVICES
23	Dodie Lacey	Ks Children's Service League
24	Paul M. Kutz	ASSOC. OF CMHCs KS, Inc
25	Martin Hauver	Hauver's Capital Report
26	Diane Gjerstad	USD 259
27	Craig Grant	KNEA
28	Chen Burnett	USD 581 #
29	Kathy Sexton	Div. of Budget
30		

Thu, Apr 21, 1994

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 14, 1994

To: Legislative Budget Committee and Others

NEW SGF PROFILES, REVISED SCHOOL FINANCE ESTIMATES, AND REVISED SRS CASELOAD ESTIMATES

Enclosed are two new SGF profiles and two memos on revised estimates of general and supplemental (LOB) school aids and on revised estimates of SRS caseloads. One profile is based on a 7.5 percent balance (current law) and the other assumes a 5.0 percent balance beginning in FY 1996.

The new profiles reflect **legislative** action as of April 8 on appropriation bills and revenue measures which have cleared both houses, **except that the new estimates of school aids are included in the profiles**. These new estimates, based on current law, are **lower** than the previous estimates in all four years, *i.e.*, by \$3.6 million for FY 1994, by \$5.4 million for FY 1995, by \$5.8 million for FY 1996, and by \$6.3 million for FY 1997, for a total of \$21.1 million. The revised estimate for FY 1994 includes \$1.25 million as a cushion on the grounds that the Legislature had agreed to that policy for school aids.

Also included in the profiles are the latest estimates of demand transfers based on the new consensus estimates of SGF receipts and on the status of legislation as of April 8. For FY 1994, all of the transfers are actual except to the SDCIF. For FY 1995 only, transfers to the SHF, CCHF, and WPF have been capped at an increase of 3.0 percent over FY 1994; otherwise, the transfers are based on current law.

Not included in the profiles are the revised estimates relating to SRS caseloads because, as noted in the memo, there are some other issues to be resolved that might require additional expenditures.

Also not included is the \$3.0 million in FY 1995 recommended by the Governor for reclassification of certain executive branch employees because implementing legislation has not been enacted.

Budget Stabilization Fund. For your information, our records show that the 1994 Legislature has authorized expenditures or transfers from the Budget Stabilization Fund in FYs 1994 and 1995 totaling \$47.1 million. Most of that amount, or \$38.0 million, is for SRS operating expenditures (mainly medical assistance) in FY 1995. If all of the currently approved expenditures or transfers are

ATTACHMENT 1

made, the balance in the fund at the end of FY 1995 will be \$27.9 million (\$75.0 million was in the fund at the start of FY 1994).

Not included in the above figures is a \$21.4 million transfer in FY 1995 to the Military Retirees Income Tax Refund Fund as provided for in H.B. 3068, as amended by the Senate on final action. That bill is in a conference committee.

STATE GENERAL FUND PROFILE

In Millions

	FY 1994	FY 1995	Increase	7.5% Balance		7.5% Balance	
				FY 1996	Increase	FY 1997	Increase
Beginning Balance	\$384.9	\$371.6		\$284.5		\$255.4	
Receipts							
Consensus Est.	3,127.0 ^a	3,260.8 ^a	4.3%	3,397.1 ^b	4.5%	3,550.0 ^b	4.5%
Legis. Changes*	(0.2)	(9.2)		(21.5)		(30.9)	
Total	3,126.8	3,251.6	4.0%	3,375.6	3.8%	3,519.1	4.3%
Released Encumbrances	3.6 ^c						
Expenditures							
Gen. and Supp. School Aids	1,339.4 ^d	1,375.0 ^d	\$35.6	1,397.4 ^d	\$22.4	1,433.2 ^d	\$35.8
Demand Transfer To:							
SDCIF	7.4	14.5	7.1	17.5	3.0	20.0	2.5
SHF	79.1	81.5	2.4	89.6	8.1	93.0	3.4
LAVTRF	40.3	44.0	3.7	46.1	2.1	48.1	2.0
CCRSF	30.6	33.4	2.8	35.0	1.6	36.7	1.7
CCHF	9.7	10.0	0.3	11.9	1.9	12.2	0.3
WPF	5.8	5.9	0.1	6.0	0.1	6.0	--
State Fair	0.1	0.1	--	0.1	--	0.1	--
All Other Expend.	1,631.3	1,774.3	143.0	1,801.1	26.8	1,861.9	60.8
Total	3,143.7	3,338.7	195.0	3,404.7	66.0	3,511.2	106.5
Percent Incr.	16.9%		6.2%		2.0%		3.1%
Ending Balance	371.6	284.5		255.4		263.3	
% of Expenditures	11.8%	8.5%		7.5%		7.5%	
Receipts in Excess of Expenditures	(16.9)	(87.1)		(29.1)		7.9	

* Preliminary estimates.

a) Consensus estimate as of 4/4/94. There is about \$40 million of nonrecurring revenue in the two years.

b) Based on an assumed growth rate of 4.5 percent (not a consensus estimate). For projection purposes, \$10 million of nonrecurring revenue in FY 1995 was excluded.

c) Actual through March.

d) Revised estimate as of 4/11/94 based on current law. The FY 1994 estimate includes \$1.25 million more than the new computed estimate, which is the same amount as the Legislature provided as a cushion in the appropriation to the Department of Education.

Expenditures

For FYs 1994 and 1995, expenditures reflect legislative action through 4/8/94 except for school aids (see footnote (d)). For FY 1994, demand transfers are actual except to SDCIF and the estimates for FYs 1996 and 1997 are based on current law.

Demand Transfers

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

** Reductions of 4 percent in FY 1994. For FY 1995, the SHF, CCHF, and WPF transfers are capped at 3 percent over FY 1994 actual.

STATE GENERAL FUND PROFILE

In Millions

	FY 1994	FY 1995	Increase	5.0% Balance		5.0% Balance	
				FY 1996	Increase	FY 1997	Increase
Beginning Balance	\$384.9	\$371.6		\$284.5		\$174.3	
Receipts							
Consensus Est.	3,127.0 ^a	3,260.8 ^a	4.3%	3,397.1 ^b	4.5%	3,550.0 ^b	4.5%
Legis. Changes*	(0.2)	(9.2)		(21.5)		(30.9)	
Total	3,126.8	3,251.6	4.0%	3,375.6	3.8%	3,519.1	4.3%
Released Encumbrances	3.6 ^c						
Expenditures							
Gen. and Supp. School Aids	1,339.4 ^d	1,375.0 ^d	\$35.6	1,397.4 ^d	\$22.4	1,433.2 ^d	\$35.8
Demand Transfer To:							
SDCIF	7.4	14.5	7.1	17.5	3.0	20.0	2.5
SHF	79.1	81.5	2.4	89.6	8.1	93.0	3.4
LAVTRF	40.3	44.0	3.7	46.1	2.1	48.1	2.0
CCRSF	30.6	33.4	2.8	35.0	1.6	36.7	1.7
CCHF	9.7	10.0	0.3	11.9	1.9	12.2	0.3
WPF	5.8	5.9	0.1	6.0	0.1	6.0	--
State Fair	0.1	0.1	--	0.1	--	0.1	--
All Other Expend.	1,631.3	1,774.3	143.0	1,882.2	107.9	1,868.2	(14.0)
Total	3,143.7	3,338.7	195.0	3,485.8	147.1	3,517.5	31.7
Percent Incr.	16.9%		6.2%		4.4%		0.9%
Ending Balance	371.6	284.5		174.3		175.9	
% of Expenditures	11.8%	8.5%		5.0%		5.0%	
Receipts in Excess of Expenditures	(16.9)	(87.1)		(110.2)		1.6	

* Preliminary estimates.

a) Consensus estimate as of 4/4/94. There is about \$40 million of nonrecurring revenue in the two years.

b) Based on an assumed growth rate of 4.5 percent (not a consensus estimate). For projection purposes, \$10 million of nonrecurring revenue in FY 1995 was excluded.

c) Actual through March.

d) Revised estimate as of 4/11/94 based on current law. The FY 1994 estimate includes \$1.25 million more than the new computed estimate, which is the same amount as the Legislature provided as a cushion in the appropriation to the Department of Education.

Expenditures

For FYs 1994 and 1995, expenditures reflect legislative action through 4/8/94 except for school aids (see footnote (d)). For FY 1994, demand transfers are actual except to SDCIF and the estimates for FYs 1996 and 1997 are based on current law.

Demand Transfers

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** Reductions of 4 percent in FY 1994. For FY 1995, the SHF, CCHF, and WPF transfers are capped at 3 percent over FY 1994 actual.

MEMORANDUM

Kansas Legislative Research Department
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Telephone (913) 296-3181 FAX (913) 296-3824

April 11, 1994

From: Kansas Legislative Research Department, Division of the Budget, and State Department of Education

Re: School District Finance and Quality Performance Act Estimate Revisions

Staff of the Research Department, Division of the Budget and Department of Education met on April 11 to review and revise the school finance estimates made on December 17, 1993.

The revisions took into account the effects of 1994 legislation only to the extent such legislation already had been enacted by the Legislature and signed by the Governor. Consequently, H.B. 2975, which changed from September 1 to August 31 the date by which a child must reach age five or age six in order to be eligible to enter kindergarten or the first grade, respectively, was incorporated in the estimates. The only exception is that, with respect to state aid calculations, the accompanying spreadsheet incorporates for FY 1994 the amounts lapsed in H.B. 2752 and for FY 1995 the amount appropriated in H.B. 2701, even though these bills have not yet been signed by the Governor. (Recall that the legislative policy incorporated in the FY 1994 lapses was to leave a \$1.0 million "safety cushion" for general state aid and \$250,000 for supplemental general state aid.)

The adjustments made for FYs 1994 and 1995 were limited to downward enrollment estimates for both years and a small increase in the motor vehicle tax estimate for FY 1995. These changes are described more fully below.

FY 1994

The estimate of school district general fund budgets (and general state aid) was reduced by \$3,641,000 -- from \$1,895,988,000 to \$1,892,347,000 -- based on an estimated enrollment reduction of about 1,011 weighted pupils. Thus, \$3,641,000 of the amount currently appropriated for FY 1994 could be lapsed. The \$1.0 million safety cushion (discussed above) would continue to be available. There was no change in the estimates of the local option budgets, so no further action is needed to continue the \$250,000 safety cushion for supplemental general state aid (discussed above).

FY 1995

The estimate of school district general fund budgets was reduced by \$3,907,000 -- from \$1,926,703,000 to \$1,922,796,000. (This includes the impact of 1994 H.B. 2975.) The estimated motor vehicle tax was increased by \$1,400,000 -- from \$73,100,000 to \$74,500,000. The combination of reduced school district general fund budgets and increased motor vehicle tax receipts resulted in a reduction of \$5,307,000 in the estimated FY 1995 general state aid requirement.

The reduction of the estimate of school district general fund budgets also produced a reduction of the computed school district local option budgets of \$390,000 -- from \$192,670,000 to \$192,280,000. Consequently, the computed requirement for supplemental general state aid to fund local option budgets was reduced by \$101,000 -- from \$50,094,000 to \$49,993,000.

The combined reduction in general and supplemental general state aid for FY 1995 from the previous estimate was \$5,408,000. Thus, based on appropriations contained in H.B. 2701, the amounts of \$5,307,000 in general state aid and \$101,000 in supplemental general state aid could be lapsed.

APRIL 11, 1994

CONSENSUS ESTIMATES AND PROJECTIONS: LEGISLATIVE RESEARCH DEPT., DIVISION OF BUDGET, AND STATE DEPT. OF EDUCATION

SCHOOL DISTRICT FINANCE AND QUALITY PERFORMANCE ACT

(BASED ON NOV. 1, 1993 ASSESSED VALUATION)

(Amounts in Thousands)

	ACTUAL (FY 1993)	ESTIMATED 1993-94 (FY 1994)	INCREASE (DECREASE)	PROJECTED 1994-95 (FY 1995)	INCREASE (DECREASE)	PROJECTED 1995-96 (FY 1996)	INCREASE (DECREASE)	PROJECTED 1996-97 (FY 1997)	INCREASE (DECREASE)
SFA (BASE OPERATING BUDGET) @ \$3,600	1,835,201	1,892,347	57,146	1,922,796	30,449	1,953,771	30,975	1,984,641	30,870
REVENUES:									
Local									
Prop. Tax Cur. Year	297,619	309,640	12,021	335,795	26,155	342,511	6,716	349,361	6,850
Prop. Tax in Proc./Prior Year	269,005	153,717	(115,288)	161,445	7,728	175,082	13,637	178,583	3,502
Prop. Tax Delinquencies	20,037	10,000	(10,037)	9,945	(55)	10,352	407	10,559	207
Motor Vehicle Tax (& Lease/Rent Excise)	118,883	96,000	(22,883)	74,500	(21,500)	80,600	6,100	86,000	5,400
P.L. 874	9,941	8,503	(1,438)	8,503	0	8,503	0	8,503	0
Mineral Prod. Tax/IRBs/Student Tuition	4,447	5,300	853	5,600	300	5,700	100	5,700	0
Unspent Balance/Prior Year	194,495	4,458	(190,037)	2,000	(2,458)	2,000	0	2,000	0
Less Local Effort Remittance (below)	(13,684)	(24,000)	(10,316)	(25,000)	(1,000)	(25,000)	0	(25,000)	0
Subtotal, Local	900,744	563,618	(337,126)	572,787	8,169	599,747	26,960	615,706	15,959
State (General State Aid)									
State General Fund (SGF) Approp.	752,773	1,307,123	554,350	1,330,315	23,192	1,330,315	0	1,330,315	0
SGF Demand Transfer	170,005	0	(170,005)	0	0	0	0	0	0
Local Effort Remittance	11,606	26,247 *	14,641	25,000	(1,247)	25,000	0	25,000	0
Subtotal, Gen. State Aid	934,384	1,333,370	398,966	1,355,315	21,945	1,355,315	0	1,355,315	0
Total Revenue	1,835,128	1,896,988		1,928,102		1,955,062		1,971,021	
ADDITIONAL REVENUE NEEDED	NA	(4,641) #		(5,306)		(1,291)		13,620	
Amt. Per FTE		(8.83)		(9.94)		(2.38)		24.70	
LOCAL OPTION BUDGET (LOB) (a)	98,207	149,521	51,314	192,280	42,759	244,221	51,942	297,696	53,475
REVENUES									
Local Property Tax	73,579	97,395	23,816	118,447	21,052	149,107	30,661	175,539	26,432
Prop. Tax Delinquencies	0	1,948	1,948	2,323	375	2,915	592	3,431	516
Motor Vehicle Tax	0	9,165	9,165	16,200	7,035	18,500	2,300	24,100	5,600
Other Local Revenue	0	5,317	5,317	5,317	0	5,317	0	5,317	0
Current Year Supp. Gen. State Aid	24,628	35,946	11,318	50,094	14,148	50,094	0	50,094	0
Total LOB Revenue	98,207	149,771	51,564	192,381	42,610	225,933	33,553	258,481	32,548
ADD. SUPP. GEN. STATE AID NEEDED	NA	(250) #		(101)		18,288		39,215	
TOTAL: BASE BUDGET PLUS LOB	1,933,408	2,041,868	108,460	2,115,075	73,207	2,197,993	82,917	2,282,337	84,344
TOTAL: GEN. STATE AID NEEDED	934,384	1,328,729	394,345	1,350,009	21,279	1,354,024	4,015	1,368,935	14,911
TOTAL: SUPP. GEN. STATE AID NEEDED (b)	24,628	35,696	11,068	49,993	14,297	68,382	18,389	89,309	20,927
TOTAL: GEN. & SUPP. GEN. STATE AID REQ.	959,012	1,364,425	405,413	1,400,001	35,576	1,422,406	22,405	1,458,243	35,838
GEN. & SUPP. GEN. STATE AID FOR FULL FUNDING OF \$3,600 BSAPP AND LOB FROM SGF									
TOTAL REQUIRED	947,407	1,338,178		1,375,001		NA		NA	
TOTAL AVAILABLE	947,406	1,343,069		1,380,409		NA		NA	
AMT. REQ. IN EXCESS OF AMT. AVAILABLE	0	(4,891)		(5,408)		NA		NA	
INCREASED AID NEEDED (OVER PRIOR YEAR NEEDED):									
General State Aid	NA	394,345		21,279		4,015		14,911	
Supplemental General	NA	11,068		14,297		18,389		20,927	
TOTAL INCREASE: Gen. & Supp. Gen.	NA	405,413		35,576		22,405		35,838	
EXHIBIT: AMOUNT NEEDED FROM SGF	947,407	1,338,178		1,375,001		1,397,406		1,433,243	
AMT. INCREASE FROM SGF	NA	390,772		36,823		22,405		35,838	
Amount Per Mill	14,601	14,870	269	15,205	335	15,509	304	15,819	310
Property Tax Rate In Mills	32	33	1	35	2	35	0	35	0
Mill Rate for District Portion of LOB	7.99	6.29	(1.70)	8.90	2.61	10.35	1.45	11.90	1.55
Estimated Adjusted Enrollment	516,220.9	525,652.0	9,431.1	534,110.0	8,458.0	542,714.2	8,604.3	551,289.1	8,574.9

* NOTE: THIS APRIL 11 REVISION FOR FY 1994 SHOWS "EXCESS" GENERAL STATE AID OF \$4.631 MILLION. IN ORDER TO CONTINUE THE POLICY CONTAINED IN H.B. 2752 OF PROVIDING A SAFETY CUSHION OF \$1.0 MILLION, THE SUM OF \$3.631 MILLION FOR GENERAL STATE AID WOULD BE LAPSED. NO FURTHER ACTION IS REQUIRED IN ORDER TO CONTINUE THE POLICY OF PROVIDING A \$.25 MILLION SAFETY CUSHION FOR SUPPLEMENTAL GENERAL STATE AID.

* Includes \$2,246,958 carried over from FY 1993 in the SSDFF.

- (a) Assumes LOB usage in 1994-95 at 40%; in 1995-96 at 50%; and in 1996-97 at 60%.
 (b) Assumes an LOB state aid ratio of 26% in 1994-95, 28% in 1995-96, and 30% in 1996-97.

NOTES:

Assumed annual assessed valuation growth 2.25% in 1994 and 2.0 percent thereafter.

Under this plan in 1992-93, no district could have an increase in operating expenditures greater than 10 percent, plus enrollment,

in the SFA and LOB combined. This resulted in less LOB usage than otherwise would have been expected. Beginning in 1993-94, the restraint was removed. Base percentage growth uses 1.62% for enrollment in 1994-95, 1.60% in 1995-96, and 1.58% in 1996-97.

Table does not include amounts for capital improvements state aid or special education and other categorical aid programs.

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 14, 1994

From: Kansas Legislative Research Department
Division of the Budget
Department of Social and Rehabilitation Services

Re: Consensus SRS Caseload Estimates

Staff of the Research Department, the Division of the Budget, and the Department of Social and Rehabilitation Services (SRS) held a preliminary meeting on March 23 to discuss procedural issues and economic assumptions involved in beginning to develop consensus caseload estimates. At this preliminary meeting, it was agreed that economic indicators used by the Consensus Revenue estimators would be accepted as basic economic assumptions. A second meeting was held April 7, 1994 to develop consensus caseload estimates.

Staff of the Research Department, the Division of the Budget, and the Department of Social and Rehabilitation Services reached consensus on expenditure estimates for the Aid to Families with Dependent Children (AFDC) program, General Assistance (GA), regular medical assistance, nursing facilities (including adult care homes, nursing facilities for mental health and intermediate care facilities for the mentally retarded), and the adoption support program. No consensus agreement was reached for the foster care program, primarily due to questions regarding the accuracy of data and expenditure information.

The following summarizes projected changes from the Governor's Budget for both FY 1994 and FY 1995 based on these consensus estimates. The 1994 Legislature has made no caseload adjustments to the SRS budget; thus, these adjustments are from the budget recommended by the Legislature for SRS in 1994 H.B. 2759.

SRS Consensus Caseloads Adjustments from Governor's Recommendations and Approved Budget

	FY 1994		FY 1995	
	SGF	All Funds	SGF	All Funds
AFDC Program	\$ (1,403,478)	\$ (3,427,682)	\$ (2,431,293)	\$ (5,892,616)
General Assistance	(345,524)	(485,505)	(439,691)	(594,923)
Regular Medical	0	0	0	0
Nursing Facilities	(3,881,742)	(9,191,907)	(5,315,163)	(12,509,209)
Adoption Support	0	0	0	0
TOTAL CHANGES	<u>\$ (5,630,744)</u>	<u>\$ (13,105,094)</u>	<u>\$ (8,186,147)</u>	<u>\$ (18,996,748)</u>

It should be noted that two issues outside of the caseload process may require additional state expenditures -- the match rate for the nursing facility program, and shortfalls in youth services grant programs.

Summary

The estimates for FY 1994 reduce State General Fund expenditures by \$5,630,745^x (\$13,105,094 All Funds) from the Governor's Budget.

The estimates for FY 1995 reduce State General Fund expenditures by \$8,186,147 (\$18,996,748 All Funds).

AFDC Program. Expenditures are estimated to total \$126,352,000 for the AFDC program in FY 1994. The estimate of person months is 1,060,000, at an average cost per month of \$119.20. For FY 1995, expenditures are estimated to total \$129,600,000, with a projected caseload of 1,085,000 person months at an average cost per month of \$119.45.

The estimate assumes a caseload increase of approximately 1.1 percent in FY 1994, and 2.4 percent in FY 1995, compared to budgeted levels of 4.0 percent for both FY 1994 and FY 1995.

General Assistance. Expenditures are estimated to total \$10,040,745 in FY 1994 and \$10,259,465 in FY 1995 for the General Assistance program. The estimate of person months is 70,215 in FY 1994 at an average cost per person month of \$143.00. For FY 1995, the caseload is estimated to total 71,619 person months at an estimated average cost of \$143.25 per person month.

The estimate assumes a caseload reduction of 16.4 percent in FY 1994, and an increase of 2.0 percent in FY 1995, compared to a budgeted reduction of 10.7 percent in FY 1994, and a budgeted increase of 3.0 percent in FY 1995.

Regular Medical Assistance. No change is made in the estimate for regular medical assistance. Expenditures are estimated to total \$404,188,271 in FY 1994 and \$447,892,429 in FY 1995, as recommended in the Governor's Budget.

Nursing Facilities. Expenditures are estimated to total \$243,500,000 in FY 1994 and \$261,762,500 in FY 1995 for nursing facilities (including adult care homes, nursing facilities for mental health (NFs-MH), and intermediate care facilities for the mentally retarded (ICFs-MR). Budgeted expenditures total \$252,691,907 in FY 1994 and \$274,271,709 in FY 1995.

Adoption Support. No change is made in the estimate for adoption support. Expenditures are estimated to total \$3,823,699 in FY 1994 and \$4,541,894 in FY 1995, as recommended in the Governor's Budget.

Status of State Budget Stabilization Fund Spending Recommendations April 20, 1994

	Governor's Recommendations			House Recommendations		
	FY 1994	FY 1995	Purpose	FY 1994	FY 1995	Purpose
Beginning Balance	\$75,000,000	\$75,000,000		\$75,000,000	\$73,038,762	
Department of Social and Rehabilitation Services	—	50,000,000	Operating Expenditures (Assistance)	—	37,993,201	Op. Expenditures (Mainly Med. Assistance)
				—	100,000	MR/DD One-Time Placement Costs
				—	230,000	ICF/MR Closure
				—	38,323,201	<u>House Subtotal—SRS</u>
Department on Aging	—	—		—	22,161	Hold Harmless—Population Shift
Veterans' Commission/Soldiers' Home	—	—		—	20,000	Capital Outlay/Capital Improvements
Corporation for Change	—	—		—	100,000	Family Agenda Study
Board of Indigents' Defense Services	—	—		—	—	
Youth Centers/SRS	—	—		—	50,000	Rehabilitation and Repair Projects
Judicial Branch	—	—		—	—	
State Library	—	—		—	—	
Department of Administration	—	—		—	688,790	Capital Improvements
Kansas Corporation Commission	—	—		150,000	(150,000) *	Loan for Op. Expenditures(*1995 Repayment)
Animal Health Department	—	—		—	40,000	Livestock Indemnity
KSU--Salina, College of Technology	—	—		—	—	
KSU--ESARP	—	—		—	—	
Historical Society	—	—		1,811,238	500,000	Capital Improvements
State Fair	—	—		—	1,000,000	Capital Improvements
Winfield State Hospital and Training Center	—	—		—	57,690	Capital Outlay
Parsons State Hospital and Training Center	—	—		—	17,000	Capital Outlay
Adjutant General	—	—		—	201,685	Capital Improvements/Capital Outlay
Emergency Medical Services Board	—	—		—	100,000	EMS Communications System
Department of Wildlife and Parks	—	—		—	—	
Board of Agriculture	—	—		—	—	
Ending Balance	\$75,000,000	\$25,000,000		\$73,038,762	\$32,068,235	
Total Expenditures	\$0	\$50,000,000		\$1,961,238	\$40,970,527	

	Senate Recommendations			Conference Committee Recommendations		
	FY 1994	FY 1995	Purpose	FY 1994	FY 1995	Purpose
Beginning Balance	\$75,000,000	\$72,753,762		75,000,000	72,753,762	
Department of Social and Rehabilitation Services	—	37,993,201	Op. Expenditures (Mainly Med. Assistance)	—	37,993,201	Op. Expenditures (Mainly Med. Assistance)
	—	100,000	MR/DD One-Time Placement Costs	—	100,000	MR/DD One-Time Placement Costs
	—	230,000	ICF/MR Closure	—	230,000	ICF/MR Closure
	—	2,381,771	Social Services Information System (KSSIS)	—	2,381,771	Social Services Information System (KSSIS)
	285,000	—	Information Systems Planning Study	285,000	—	Information Systems Planning Study
	285,000	40,704,972	<u>Senate Subtotal—SRS</u>	285,000	40,704,972	<u>Conf. Comm. Subtotal—SRS</u>
Department on Aging	—	—		—	22,161	Hold Harmless—Population Shift
Veterans' Commission/Soldiers' Home	—	—		—	20,000	Capital Outlay/Capital Improvements
Corporation for Change	—	—		—	100,000	Family Agenda Study
Board of Indigents' Defense Services	—	65,000	Management Study; Assigned Counsel Audit	—	65,000	Management Study; Assigned Counsel Audit
Youth Centers/SRS	—	2,300,000	Additional Beds; Expand Juvenile ISP	—	50,000	Rehabilitation and Repair Projects
Judicial Branch	—	1,500,000	Community Juvenile Programs	—	—	
State Library	—	160,000	Computer Workstations	—	160,000	Computer Workstations
Department of Administration	—	613,790	Capital Improvements	—	688,790	Capital Improvements
Kansas Corporation Commission	150,000	(150,000) *	Loan for Op. Expenditures (*1995 Repayment)	150,000	(150,000) *	Loan for Op. Expenditures (*1995 Repayment)
Animal Health Department	—	40,000	Livestock Indemnity	—	40,000	Livestock Indemnity
KSU--Salina, College of Technology	—	85,000	Computer Equipment	—	—	
KSU--ESARP	—	21,500	Agricultural Land-Use Value Program	—	—	
Historical Society	1,811,238	802,517	Capital Improvements; Other One-Time Uses	1,811,238	758,342	Capital Improvements; Other One-Time Uses
State Fair	—	1,000,000	Capital Improvements	—	1,000,000	Capital Improvements
Winfield State Hospital and Training Center	—	57,690		—	57,690	
Parsons State Hospital and Training Center	—	17,000		—	17,000	
Adjutant General	—	192,185	Capital Improvements	—	201,685	Capital Improvements/Capital Outlay
Emergency Medical Services Board	—	—		—	100,000	EMS Communications System
Department of Wildlife and Parks	—	1,000,000	Repair Flood Damage	—	1,000,000	Repair Flood Damage
Board of Agriculture	—	24,000	Octane Analysis Devices	—	24,000	Octane Analysis Devices
Ending Balance	\$72,753,762	\$24,320,108		72,753,762	27,894,122	
Total Expenditures	\$2,246,238	\$48,433,654		2,246,238	44,859,640	

**INCREASE IN TOTAL STATE GENERAL FUND EXPENDITURES
FY 1994 to FY 1995**

Legislative Action as of April 8, 1994

	Increase		Percent of Total Increase
	Percent	Dollar	
Department of Education	4.7%*	\$ 73,684,494*	37.4%
Department of Social and Rehabilitation Services	17.4	70,566,268	35.8
Regents Institutions and Board Office	3.4	14,744,079	7.5
Water Office	881.4	13,378,348	6.8
SRS Hospitals	11.5	7,173,383	3.6
Department of Corrections and Institutions	4.5	7,165,124	3.6
State Treasurer	8.5	6,291,259	3.2
Net All Other	--	3,903,414	2.1
TOTAL	6.3%	\$ 196,906,369	100.0%

* Excludes the transfer of KPERS-School funding which was appropriated to KPERS in FY 1994 but which has been shifted to the Department of Education in FY 1995.

EXPENDITURE SUMMARY BY FUNCTION (WITH CAPITAL IMPROVEMENTS)
ACTUAL EXPENDITURES FOR FY 1992 AND FY 1993
LEGISLATURE APPROVED FOR FY 1994 AND FY 1995
STATE GENERAL FUND

FUNCTION	FY 92	93	94	95	92-93CHG	92-93PCT	93-94CHG	93-94PCT	94-95CHG	94-95PCT
GENERAL GOVERNMENT	216,509,170	218,270,407	219,031,805	229,867,787	1,761,237	.8	761,398	.3	10,835,982	4.9
HUMAN RESOURCES	514,746,885	474,196,941	505,046,099	582,748,305	(40,549,944)	(7.9)	30,849,158	6.5	77,702,206	15.4
EDUCATION	1,451,013,085	1,673,545,716	2,087,295,964	2,175,710,331	222,532,631	15.3	413,750,248	24.7	88,414,367	4.2
PUBLIC SAFETY	199,783,272	209,406,156	216,895,667	221,774,149	9,622,884	4.8	7,489,511	3.6	4,878,482	2.2
AGRICULTURE AND NATURAL RESOURCES	21,424,406	29,547,615	30,080,320	42,490,987	8,123,209	37.9	532,705	1.8	12,410,667	41.3
HIGHWAYS AND OTHER TRANSPORTATION	87,792,914	85,131,507	88,822,169	91,486,834	(2,661,407)	(3.0)	3,690,662	4.3	2,664,665	3.0
OTHER	.	.	.	0	0	.0	0	.0	0	.0
T STATE GENERAL FUND	2,491,269,732	2,690,098,342	3,147,172,024	3,344,078,393	198,828,610	8.0	457,073,682	17.0	196,906,369	6.3

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EXPENDITURE SUMMARY BY FUNCTION (WITH CAPITAL IMPROVEMENTS)
ACTUAL EXPENDITURES FOR FY 1992 AND FY 1993
LEGISLATURE APPROVED FOR FY 1994 AND FY 1995
ALL FUNDS

FUNCTION	FY	92	93	94	95	92-93CHG	92-93PCT	93-94CHG	93-94PCT	94-95CHG	94-95PCT
GENERAL GOVERNMENT		562,505,286	654,917,420	744,909,228	747,100,534	92,412,134	16.4	89,991,808	13.7	2,191,306	.3
HUMAN RESOURCES		1,577,456,200	1,740,767,674	1,897,545,336	1,909,732,992	163,311,474	10.4	156,777,662	9.0	12,187,656	.6
EDUCATION		2,341,757,449	2,670,030,983	3,188,367,394	3,304,608,593	328,273,534	14.0	518,336,411	19.4	116,241,199	3.6
PUBLIC SAFETY		238,200,502	247,895,172	332,338,462	267,693,097	9,694,670	4.1	84,443,290	34.1	(64,645,365)	(19.5)
AGRICULTURE AND NATURAL RESOURCES		74,637,262	111,008,355	138,379,373	152,501,219	36,371,093	48.7	27,371,018	24.7	14,121,846	10.2
HIGHWAYS AND OTHER TRANSPORTATION		692,832,315	508,724,896	716,360,168	831,734,875	(184,107,419)	(26.6)	207,635,272	40.8	115,374,707	16.1
OTHER		.	.	.	0	0	.0	0	.0	0	.0
T ALL FUNDS		5,487,389,014	5,933,344,500	7,017,899,961	7,213,371,310	445,955,486	8.1	1,084,555,461	18.3	195,471,349	2.8

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EXPENDITURE SUMMARY DETAIL BY FUNCTION (WITH CAPITAL IMPROVEMENTS)
 ACTUAL EXPENDITURES FOR FY 1992 AND FY 1993
 LEGISLATURE APPROVED FOR FY 1994 AND FY 1995
 STATE GENERAL FUND

	92	93	94	95	93-94CHG	93-94PCT	94-95CHG	94-95PCT	92-95CHG	92-95PCT
GENERAL GOVERNMENT										
NON GROUP AGENCIES										
058 KANSAS HUMAN RIGHTS COMMISSION	1,052,652	1,110,943	1,379,119	1,391,168	268,176	24.1	12,049	.9	338,516	32.2
082 ATTORNEY GENERAL	3,660,297	3,263,367	3,104,138	3,307,013	(159,229)	(4.9)	202,875	6.5	(353,284)	(9.7)
173 DEPARTMENT OF ADMINISTRATION	19,330,058	20,237,418	19,926,062	20,133,704	(311,356)	(1.5)	207,642	1.0	803,646	4.2
PUBLIC BROADCASTING		652,881	623,995	992,000	(28,886)	(4.4)	368,005	59.0	992,000	.0
247 GOVERNMENTAL STANDARDS & CONDUCT COMM.	287,432	230,705	270,118	319,630	39,413	17.1	49,512	18.3	32,198	11.2
252 OFFICE OF THE GOVERNOR	1,437,965	1,646,958	1,672,096	1,624,986	25,138	1.5	(47,110)	(2.8)	187,021	13.0
DEPARTMENT OF COMMERCE AND HOUSING	2,182,488	2,736,604	2,793,705	2,843,440	57,101	2.1	49,735	1.8	660,952	30.3
BD OF INDIGENTS DEFENSE SVCS	7,584,736	8,765,812	9,056,946	9,186,379	291,134	3.3	129,433	1.4	1,601,643	21.1
331 INSURANCE DEPARTMENT	8,489,634	4,000,000			(4,000,000)	(100.0)	0	.0	(8,489,634)	(100.0)
333 INTERSTATE COOPERATION COMMISSION	187,796	177,872	170,883		(6,989)	(3.9)	(170,883)	(100.0)	(187,796)	(100.0)
349 JUDICIAL COUNCIL	213,562	240,374	226,149	221,855	(14,225)	(5.9)	(4,294)	(1.9)	8,293	3.9
360 KANSAS, INC.	184,889	187,513	187,319	176,080	(194)	(.1)	(11,239)	(6.0)	(8,809)	(4.8)
365 KPERS	2,040				0	.0	0	.0	(2,040)	(100.0)
422 LEGISLATIVE COORDINATING COUNCIL	473,183	398,200	504,334	442,654	106,134	26.7	(61,680)	(12.2)	(30,529)	(6.5)
425 LEGISLATIVE RESEARCH DEPT	1,770,878	1,842,396	1,931,974	2,022,294	89,578	4.9	90,320	4.7	251,416	14.2
428 LEGISLATURE	9,395,041	9,260,418	8,791,132	9,486,362	(469,286)	(5.1)	695,230	7.9	91,321	1.0
431 LEGISLATIVE EDUCATIONAL PLANNING COMM.	32,105	27,513	37,767		10,254	37.3	(37,767)	(100.0)	(32,105)	(100.0)
446 OFFICE OF THE LIEUTENANT GOVERNOR	82,262	88,985	101,672	126,346	12,687	14.3	24,674	24.3	44,084	53.6
540 LEGISLATIVE DIVISION OF POST AUDIT	1,239,513	1,367,101	1,383,036	1,497,634	15,935	1.2	114,598	8.3	258,121	20.8
562 BOARD OF TAX APPEALS	1,526,035	1,470,996	1,664,081	1,700,904	193,085	13.1	36,823	2.2	174,869	11.5
565 DEPARTMENT OF REVENUE	26,337,828	27,052,552	28,046,625	28,649,480	994,073	3.7	602,855	2.1	2,311,652	8.8
579 REVISOR OF STATUTES	1,931,612	1,877,958	2,044,957	2,087,084	166,999	8.9	42,127	2.1	155,472	8.0
622 SECRETARY OF STATE	2,848,278	1,639,669	1,532,956	1,477,652	(106,713)	(6.5)	(55,304)	(3.6)	(1,370,626)	(48.1)
670 STATE TREASURER	69,848,183	71,987,470	73,718,563	80,009,822	1,731,093	2.4	6,291,259	8.5	10,161,639	14.5
677 JUDICIAL BRANCH	56,410,703	58,006,702	59,864,178	62,171,300	1,857,476	3.2	2,307,122	3.9	5,760,597	10.2
SUBTOTAL NON GROUP AGENCIES	216,509,170	218,270,407	219,031,805	229,867,787	761,398	.3	10,835,982	4.9	13,358,617	6.2
* TOTAL GENERAL GOVERNMENT	216,509,170	218,270,407	219,031,805	229,867,787	761,398	.3	10,835,982	4.9	13,358,617	6.2
HUMAN RESOURCES										
MENTAL HEALTH INSTITUTIONS										
410 LARNED STATE HOSPITAL	20,912,678	19,076,124	15,557,017	17,859,481	(3,519,107)	(18.4)	2,302,464	14.8	(3,053,197)	(14.6)
494 OSAWATOMIE STATE HOSPITAL	10,811,935	10,443,392	9,337,261	7,929,026	(1,106,131)	(10.6)	(1,408,235)	(15.1)	(2,882,909)	(26.7)
555 RAINBOW MENTAL HEALTH FACILITY	1,624,312	1,763,699	1,663,261	2,231,482	(100,438)	(5.7)	568,221	34.2	607,170	37.4
664 TOPEKA STATE HOSPITAL	8,731,744	8,029,687	8,045,666	8,271,109	15,979	.2	225,443	2.8	(460,635)	(5.3)
SUBTOTAL MENTAL HEALTH INSTITUTIONS	42,080,669	39,312,902	34,603,205	36,291,098	(4,709,697)	(12.0)	1,687,893	4.9	(5,789,571)	(13.8)

EXPENDITURE SUMMARY DETAIL BY FUNCTION (WITH CAPITAL IMPROVEMENTS)
 ACTUAL EXPENDITURES FOR FY 1992 AND FY 1993
 LEGISLATURE APPROVED FOR FY 1994 AND FY 1995
 STATE GENERAL FUND

	92	93	94	95	93-94CHG	93-94PCT	94-95CHG	94-95PCT	92-95CHG	92-95PCT

INSTIT FOR MENTAL RETARDATION										
363 KANSAS NEUROLOGICAL INSTITUTE	11,468,160	10,974,159	10,110,798	11,735,938	(863,361)	(7.9)	1,625,140	16.1	267,778	2.3
507 PARSONS ST. HOSPITAL & TRAINING CENTER	7,559,704	6,839,117	6,317,199	8,046,839	(521,918)	(7.6)	1,729,640	27.4	487,135	6.4
713 WINFIELD ST. HOSPITAL & TRAINING CENTER	13,484,179	13,521,176	11,267,559	13,398,269	(2,253,617)	(16.7)	2,130,710	18.9	(85,910)	(.6)
SUBTOTAL INSTIT FOR MENTAL RETARDATION	32,512,043	31,334,452	27,695,556	33,181,046	(3,638,896)	(11.6)	5,485,490	19.8	669,003	2.1
GROUP AGENCIES										
9 DEPARTMENT ON AGING	2,269,691	3,874,529	5,488,366	5,510,772	1,613,837	41.7	22,406	.4	3,241,081	142.8
140 CORPORATION FOR CHANGE			189,090	277,745	189,090	.0	88,655	46.9	277,745	.0
264 DEPT OF HEALTH AND ENVIRONMENT - HEALTH	25,259,403	17,746,015	17,883,438	18,086,880	137,423	.8	203,442	1.1	(7,172,523)	(28.4)
268 KANSAS HEALTHY KIDS CORPORATION			110,303	0	110,303	.0	(110,303)	(100.0)	0	.0
296 DEPARTMENT OF HUMAN RESOURCES	1,002,743	1,008,293	1,033,880	1,008,141	25,587	2.5	(25,739)	(2.5)	5,398	.5
565 HOMESTEAD PROPERTY TAX REFUNDS	9,058,970	9,266,720	8,920,000	8,700,000	(346,720)	(3.7)	(220,000)	(2.5)	(358,970)	(4.0)
628 SOCIAL AND REHABILITATION SERVICES	399,918,506	368,785,076	406,053,176	476,619,444	37,268,100	10.1	70,566,268	17.4	76,700,938	19.2
694 COMMISSION ON VETERANS AFFAIRS	2,644,860	2,868,954	3,069,085	3,073,179	200,131	7.0	4,094	.1	428,319	16.2
SUBTOTAL NON GROUP AGENCIES	440,154,173	403,549,587	442,747,338	513,276,161	39,197,751	9.7	70,528,823	15.9	73,121,988	16.6
* TOTAL HUMAN RESOURCES	514,746,885	474,196,941	505,046,099	582,748,305	30,849,158	6.5	77,702,206	15.4	68,001,420	13.2
EDUCATION										
REGENT INSTITUTIONS										
246 FORT HAYS STATE UNIVERSITY	20,365,584	21,046,530	22,028,224	22,049,672	981,694	4.7	21,448	.1	1,684,088	8.3
367 KANSAS STATE UNIVERSITY	69,737,263	71,016,465	74,917,156	74,917,156	3,900,691	5.5	0	.0	5,179,893	7.4
KSU - AGRICULTURAL EXTENSION & RESEARCH	33,879,499	35,951,221	35,277,880	35,277,880	(673,341)	(1.9)	0	.0	1,398,381	4.1
KSU - VETERINARY MEDICAL CENTER	8,204,772	8,384,087	7,843,950	7,843,950	(540,137)	(6.4)	0	.0	(360,822)	(4.4)
368 KSU - SALINA, COLLEGE OF TECHNOLOGY	4,000,844	4,349,257	4,455,493	4,455,909	106,236	2.4	416	.0	455,065	11.4
9 EMPORIA STATE UNIVERSITY	20,776,464	21,224,943	22,114,914	22,136,068	889,971	4.2	21,154	.1	1,359,604	6.5
5 PITTSBURG STATE UNIVERSITY	22,059,140	22,087,845	22,489,827	22,489,827	401,982	1.8	0	.0	430,687	2.0
682 UNIVERSITY OF KANSAS	99,357,289	100,486,153	101,863,585	101,863,585	1,377,432	1.4	0	.0	2,506,296	2.5
683 UNIV OF KANSAS MEDICAL CENTER	63,660,889	69,026,285	73,240,964	74,548,564	4,214,679	6.1	1,307,600	1.8	10,887,675	17.1
715 WICHITA STATE UNIVERSITY	48,181,609	49,152,319	49,474,756	49,474,756	322,437	.7	0	.0	1,293,147	2.7
SUBTOTAL REGENT INSTITUTIONS	390,223,353	402,725,105	413,706,749	415,057,367	10,981,644	2.7	1,350,618	.3	24,834,014	6.4
NON GROUP AGENCIES										
125 BICENTENNIAL COMMISSION, U S CONSTITUT	14,737				0	.0	0	.0	(14,737)	(100.0)

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EXPENDITURE SUMMARY DETAIL BY FUNCTION (WITH CAPITAL IMPROVEMENTS)
 ACTUAL EXPENDITURES FOR FY 1992 AND FY 1993
 LEGISLATURE APPROVED FOR FY 1994 AND FY 1995
 STATE GENERAL FUND

	92	93	94	95	93-94CHG	93-94PCT	94-95CHG	94-95PCT	92-95CHG	92-95PCT
NON GROUP AGENCIES										
288 HISTORICAL SOCIETY	4,734,319	5,118,902	5,409,895	5,030,756	290,993	5.7	(379,139)	(7.0)	296,437	6.3
359 KANSAS ARTS COMMISSION	439,823	202,523	203,787	217,232	1,264	.6	13,445	6.6	(222,591)	(50.6)
365 KPERS - SCHOOL	49,790,129	53,287,533	55,808,022	.	2,520,489	4.7	(55,808,022)	(100.0)	(49,790,129)	(100.0)
434 STATE LIBRARY	2,890,778	4,134,809	3,202,376	3,222,361	(932,433)	(22.6)	19,985	.6	331,583	11.5
548 PUBLIC BROADCASTING COMMISSION	641,249	.	.	.	0	.0	0	.0	(641,249)	(100.0)
561 BOARD OF REGENTS	15,148,376	15,330,515	17,707,994	31,101,455	2,377,479	15.5	13,393,461	75.6	15,953,079	105.3
604 SCHOOL FOR THE BLIND	3,015,620	3,168,996	3,301,805	3,455,301	132,809	4.2	153,496	4.6	439,681	14.6
7 SCHOOL FOR THE DEAF	5,528,960	5,729,361	5,958,741	6,136,748	229,380	4.0	178,007	3.0	607,788	11.0
1 DEPARTMENT OF EDUCATION	978,585,741	1,183,847,972	1,581,996,595	1,711,489,111	398,148,623	33.6	129,492,516	8.2	732,903,370	74.9
SUBTOTAL NON GROUP AGENCIES	1,060,789,732	1,270,820,611	1,673,589,215	1,760,652,964	402,768,604	31.7	87,063,749	5.2	699,863,232	66.0
* TOTAL EDUCATION	1,451,013,085	1,673,545,716	2,087,295,964	2,175,710,331	413,750,248	24.7	88,414,367	4.2	724,697,246	49.9
PUBLIC SAFETY										
YOUTH CENTERS										
319 YOUTH CENTER AT TOPEKA	7,993,433	8,425,439	8,545,808	8,732,034	120,369	1.4	186,226	2.2	738,601	9.2
325 YOUTH CENTER AT BELOIT	3,772,072	4,001,572	4,103,729	4,171,541	102,157	2.6	67,812	1.7	399,469	10.6
355 YOUTH CENTER AT ATCHISON	4,387,414	4,606,051	4,861,159	4,891,097	255,108	5.5	29,938	.6	503,683	11.5
411 YOUTH CENTER AT LARNED	.	1,502,864	1,623,610	0	120,746	8.0	(1,623,610)	(100.0)	0	.0
SUBTOTAL YOUTH CENTERS	16,152,919	18,535,926	19,134,306	17,794,672	598,380	3.2	(1,339,634)	(7.0)	1,641,753	10.2
CORRECTIONS SYSTEM										
177 ELLSWORTH CORRECTIONAL FACILITY	7,206,043	7,366,885	7,561,581	7,811,269	194,696	2.6	249,688	3.3	605,226	8.4
195 EL DORADO CORRECTIONAL FACILITY	12,158,480	13,662,270	13,976,153	14,843,049	313,883	2.3	866,896	6.2	2,684,569	22.1
313 HUTCHINSON CORRECTIONAL FACILITY	19,350,225	20,049,686	20,412,741	21,072,349	363,055	1.8	659,608	3.2	1,722,124	8.9
7 LANSING CORRECTIONAL FACILITY	27,248,902	27,319,273	28,012,279	28,952,889	693,006	2.5	940,610	3.4	1,703,987	6.3
3 LARNED CORRECTIONAL MH FACILITY	3,013,413	5,421,401	5,664,503	5,890,246	243,102	4.5	225,743	4.0	2,876,833	95.5
521 DEPARTMENT OF CORRECTIONS	53,557,405	56,212,915	58,755,491	63,031,679	2,542,576	4.5	4,276,188	7.3	9,474,274	17.7
581 NORTON CORRECTIONAL FACILITY	9,280,925	9,404,299	9,564,253	9,838,593	159,954	1.7	274,340	2.9	557,668	6.0
660 TOPEKA CORRECTIONAL FACILITY	11,855,001	11,887,680	12,078,231	11,629,204	190,551	1.6	(449,027)	(3.7)	(225,797)	(1.9)
712 WINFIELD CORRECTIONAL FACILITY	3,473,301	3,620,274	3,624,427	3,745,505	4,153	.1	121,078	3.3	272,204	7.8
SUBTOTAL CORRECTIONS SYSTEM	147,143,695	154,944,683	159,649,659	166,814,783	4,704,976	3.0	7,165,124	4.5	19,671,088	13.4
NON GROUP AGENCIES										
034 ADJUTANT GENERAL	3,446,373	3,405,048	5,907,278	3,636,104	2,502,230	73.5	(2,271,174)	(38.4)	189,731	5.5

EXPENDITURE SUMMARY DETAIL BY FUNCTION (WITH CAPITAL IMPROVEMENTS)
 ACTUAL EXPENDITURES FOR FY 1992 AND FY 1993
 LEGISLATURE APPROVED FOR FY 1994 AND FY 1995
 STATE GENERAL FUND

	92	93	94	95	93-94CHG	93-94PCT	94-95CHG	94-95PCT	92-95CHG	92-95PCT
NON GROUP AGENCIES										
083 ATTORNEY GENERAL - K.B.I.	8,027,655	8,333,700	8,982,455	9,503,573	648,755	7.8	521,118	5.8	1,475,918	18.4
118 DEPARTMENT OF CIVIL AIR PATROL	15,153	19,723	14,235	14,229	(5,488)	(27.8)	(6)	.0	(924)	(6.1)
147 OMBUDSMAN OF CORRECTIONS	160,176	166,938	176,065	179,691	9,127	5.5	3,626	2.1	19,515	12.2
206 EMERGENCY MEDICAL SERVICES BOARD	731,384	722,136	241,846	315,897	(480,290)	(66.5)	74,051	30.6	(415,487)	(56.8)
234 STATE FIRE MARSHAL	1,294,476				0	.0	0	.0	(1,294,476)	(100.0)
280 HIGHWAY PATROL	21,928,299	22,350,932	21,817,080	22,515,890	(533,852)	(2.4)	698,810	3.2	587,591	2.7
523 KANSAS PAROLE BOARD	677,250	687,273	725,215	746,592	37,942	5.5	21,377	2.9	69,342	10.2
526 SENTENCING COMMISSION	205,892	239,797	247,528	252,718	7,731	3.2	5,190	2.1	46,826	22.7
SUBTOTAL NON GROUP AGENCIES	36,486,658	35,925,547	38,111,702	37,164,694	2,186,155	6.1	(947,008)	(2.5)	678,036	1.9
* TOTAL PUBLIC SAFETY	199,783,272	209,406,156	216,895,667	221,774,149	7,489,511	3.6	4,878,482	2.2	21,990,877	11.0
AGRICULTURE AND NATURAL RESOURCES										
NON GROUP AGENCIES										
046 BOARD OF AGRICULTURE	9,140,989	8,943,217	9,521,793	9,277,493	578,576	6.5	(244,300)	(2.6)	136,504	1.5
055 ANIMAL HEALTH DEPARTMENT	201,257	398,685	399,614	443,211	929	.2	43,597	10.9	241,954	120.2
258 GRAIN INSPECTION DEPARTMENT				131,787	0	.0	131,787	.0	131,787	.0
264 DEPT OF HEALTH AND ENVIRONMENT - ENVIRON.		8,064,467	7,784,792	7,628,241	(279,675)	(3.5)	(156,551)	(2.0)	7,628,241	.0
373 KANSAS STATE FAIR	194,621	107,928	117,016	118,000	9,088	8.4	984	.8	(76,621)	(39.4)
634 STATE CONSERVATION COMMISSION	6,365,030	6,239,718	6,223,815	6,469,059	(15,903)	(.3)	245,244	3.9	104,029	1.6
709 KANSAS WATER OFFICE	1,510,913	1,473,695	1,517,869	14,896,217	44,174	3.0	13,378,348	881.4	13,385,304	885.9
710 DEPARTMENT OF WILDLIFE AND PARKS	4,011,596	4,319,905	4,515,421	3,526,979	195,516	4.5	(988,442)	(21.9)	(484,617)	(12.1)
SUBTOTAL NON GROUP AGENCIES	21,424,406	29,547,615	30,080,320	42,490,987	532,705	1.8	12,410,667	41.3	21,066,581	98.3
* TOTAL AGRICULTURE AND NATURAL RESOURCES	21,424,406	29,547,615	30,080,320	42,490,987	532,705	1.8	12,410,667	41.3	21,066,581	98.3
HIGHWAYS AND OTHER TRANSPORTATION										
NON GROUP AGENCIES										
276 KANSAS DEPARTMENT OF TRANSPORTATION	87,792,914	85,131,507	88,822,169	91,486,834	3,690,662	4.3	2,664,665	3.0	3,693,920	4.2
OTHER										
NON GROUP AGENCIES										
998 SALARY ADJUSTMENT AND RECLASSIFICATION				0	0	.0	0	.0	0	.0
TOTAL STATE GENERAL FUND	2,491,269,732	2,690,098,342	3,147,172,024	3,344,078,393	457,073,682	17.0	196,906,369	6.3	852,808,661	34.2

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EXPENDITURE SUMMARY DETAIL BY FUNCTION (WITH CAPITAL IMPROVEMENTS)
 ACTUAL EXPENDITURES FOR FY 1992 AND FY 1993
 LEGISLATURE APPROVED FOR FY 1994 AND FY 1995
 ALL FUNDS

	92	93	94	95	93-94CHG	93-94PCT	94-95CHG	94-95PCT	92-95CHG	92-95PCT
GENERAL GOVERNMENT										
NON GROUP AGENCIES										
016 ABSTRACTERS BOARD OF EXAMINERS	15,435	10,138	16,632	18,055	6,494	64.1	1,423	8.6	2,620	17.0
028 BOARD OF ACCOUNTANCY	187,482	194,632	202,153	205,052	7,521	3.9	2,899	1.4	17,570	9.4
058 KANSAS HUMAN RIGHTS COMMISSION	1,488,819	1,658,074	1,806,286	1,948,457	148,212	8.9	142,171	7.9	459,638	30.9
082 ATTORNEY GENERAL	9,213,646	9,213,588	8,907,944	8,998,789	(305,644)	(3.3)	90,845	1.0	(214,857)	(2.3)
094 STATE BANK COMMISSIONER	2,703,224	3,063,134	3,207,257	3,502,321	144,123	4.7	295,064	9.2	799,097	29.6
100 BOARD OF BARBERING	87,545	98,219	92,447	92,447	(8,612)	(8.8)	2,840	3.2	4,902	5.6
BEHAVIORAL SCIENCES REG BOARD	255,845	295,024	388,027	515,527	93,003	31.5	127,500	32.9	259,682	101.5
BOARD OF HEALING ARTS	1,193,130	1,267,006	1,333,617	1,457,985	66,611	5.3	124,368	9.3	264,855	22.2
122 CITIZENS' UTILITY RATEPAYER BOARD	304,412	241,108	353,190	361,750	112,082	46.5	8,560	2.4	57,338	18.8
143 KANSAS CORPORATION COMMISSION	12,340,432	12,115,043	12,529,983	12,958,601	414,940	3.4	428,618	3.4	618,169	5.0
149 BOARD OF COSMETOLOGY	307,362	378,367	391,740	408,064	13,373	3.5	16,324	4.2	100,702	32.8
159 DEPT. OF CREDIT UNIONS	577,775	603,878	643,118	653,667	39,240	6.5	10,549	1.6	75,892	13.1
167 KANSAS DENTAL BOARD	159,838	172,483	197,068	201,359	24,585	14.3	4,291	2.2	41,521	26.0
173 DEPARTMENT OF ADMINISTRATION	24,557,386	28,189,800	29,660,947	31,059,350	1,471,147	5.2	1,398,403	4.7	6,501,964	26.5
PUBLIC BROADCASTING		652,881	1,044,322	1,580,776	391,441	60.0	536,454	51.4	1,580,776	.0
204 BOARD OF MORTUARY ARTS	139,306	149,418	153,475	153,216	4,057	2.7	(259)	(.2)	13,910	10.0
247 GOVERNMENTAL STANDARDS & CONDUCT COMM.	296,150	350,728	342,603	380,985	(8,125)	(2.3)	38,382	11.2	84,835	28.6
252 OFFICE OF THE GOVERNOR	1,494,762	1,674,870	1,741,596	1,682,986	66,726	4.0	(58,610)	(3.4)	188,224	12.6
266 HEARING AID BOARD OF EXAMINERS	14,866	13,959	15,313	18,391	1,354	9.7	3,078	20.1	3,525	23.7
300 DEPARTMENT OF COMMERCE AND HOUSING	27,765,987	47,354,776	79,268,067	59,465,106	31,913,291	67.4	(19,802,961)	(25.0)	31,699,119	114.2
328 BD OF INDIGENTS DEFENSE SVCS	7,880,927	9,006,249	9,242,764	9,424,379	236,515	2.6	181,615	2.0	1,543,452	19.6
331 INSURANCE DEPARTMENT	58,484,106	70,391,902	76,351,299	77,300,584	5,959,397	8.5	949,285	1.2	18,816,478	32.2
333 INTERSTATE COOPERATION COMMISSION	187,796	177,872	170,883		(6,989)	(3.9)	(170,883)	(100.0)	(187,796)	(100.0)
349 JUDICIAL COUNCIL	213,562	259,220	232,293	270,238	(26,927)	(10.4)	37,945	16.3	56,676	26.5
360 KANSAS, INC.	476,630	1,977,233	1,936,200	437,267	(41,033)	(2.1)	(1,498,933)	(77.4)	(39,363)	(8.3)
365 KPERS	116,951,862	126,949,800	157,665,241	168,370,149	30,715,441	24.2	10,704,908	6.8	51,418,287	44.0
371 KS TECHNOLOGY ENTERPRISE CORP.	8,307,570	10,253,485	15,713,697	16,539,496	5,460,212	53.3	825,799	5.3	8,231,926	99.1
422 LEGISLATIVE COORDINATING COUNCIL	475,183	398,200	504,334	442,654	106,134	26.7	(61,680)	(12.2)	(32,529)	(6.8)
LEGISLATIVE RESEARCH DEPT	1,770,878	1,842,396	1,931,974	2,022,294	89,578	4.9	90,320	4.7	251,416	14.2
LEGISLATURE	9,395,041	9,260,559	9,176,038	9,616,562	(84,521)	(.9)	440,524	4.8	221,521	2.4
431 LEGISLATIVE EDUCATIONAL PLANNING COMM.	32,105	27,513	37,767		10,254	37.3	(37,767)	(100.0)	(32,105)	(100.0)
446 OFFICE OF THE LIEUTENANT GOVERNOR	82,262	88,985	101,672	126,346	12,687	14.3	24,674	24.3	44,084	53.6
450 KANSAS LOTTERY	53,832,930	84,158,535	93,686,141	89,081,356	9,527,606	11.3	(4,604,785)	(4.9)	35,248,426	65.5
454 CONSUMER CREDIT COMMISSIONER	329,715	324,716	347,132	350,053	22,416	6.9	2,921	.8	20,338	6.2
482 BOARD OF NURSING	746,959	748,025	839,503	877,513	91,478	12.2	38,010	4.5	130,554	17.5
488 BOARD OF EXAMINERS IN OPTOMETRY	36,356	31,543	42,641	45,670	11,098	35.2	3,029	7.1	9,314	25.6
531 BOARD OF PHARMACY	365,459	383,343	393,868	417,074	10,525	2.7	23,206	5.9	51,615	14.1
540 LEGISLATIVE DIVISION OF POST AUDIT	1,380,827	1,540,521	1,383,509	1,497,634	(157,012)	(10.2)	114,125	8.2	116,807	8.5
543 REAL ESTATE APPRAISAL BOARD		61,306	112,430	109,639	51,124	83.4	(2,791)	(2.5)	109,639	.0

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EXPENDITURE SUMMARY DETAIL BY FUNCTION (WITH CAPITAL IMPROVEMENTS)
 ACTUAL EXPENDITURES FOR FY 1992 AND FY 1993
 LEGISLATURE APPROVED FOR FY 1994 AND FY 1995
 ALL FUNDS

	92	93	94	95	93-94CHG	93-94PCT	94-95CHG	94-95PCT	92-95CHG	92-95PCT
NON GROUP AGENCIES										
549 KANSAS REAL ESTATE COMMISSION	559,751	495,651	623,729	616,243	128,078	25.8	(7,486)	(1.2)	56,492	10.1
553 KANSAS RACING COMMISSION	3,349,233	3,529,131	4,384,744	4,596,910	855,613	24.2	212,166	4.8	1,247,677	37.3
562 BOARD OF TAX APPEALS	1,535,742	1,478,158	1,684,081	1,717,904	205,923	13.9	33,823	2.0	182,162	11.9
565 DEPARTMENT OF REVENUE	64,700,565	71,187,693	67,721,806	70,199,658	(3,465,887)	(4.9)	2,477,852	3.7	5,499,093	8.5
579 REVISOR OF STATUTES	1,931,612	1,877,958	2,044,957	2,087,084	166,999	8.9	42,127	2.1	155,472	8.0
597 SAVINGS & LOAN DEPT	139,567				0	.0	0	.0	(139,567)	(100.0)
622 SECRETARY OF STATE	4,162,001	2,803,013	2,818,816	2,745,018	15,803	.6	(73,798)	(2.6)	(1,416,983)	(34.0)
5 OFFICE OF THE SECURITIES COMMISSIONER	1,354,809	1,400,910	1,463,385	1,538,275	62,475	4.5	74,890	5.1	183,466	13.5
5 BOARD OF TECHNICAL PROFESSIONS	277,536	307,591	338,418	358,474	30,827	10.0	20,056	5.9	80,938	29.2
670 STATE TREASURER	82,404,279	85,783,572	88,480,033	95,042,599	2,696,461	3.1	6,562,566	7.4	12,638,320	15.3
677 JUDICIAL BRANCH	57,930,228	60,384,834	63,055,941	65,455,711	2,671,107	4.4	2,399,770	3.8	7,525,483	13.0
700 BOARD OF VETERINARY EXAMINERS	106,393	90,380	130,987	150,866	40,607	44.9	19,879	15.2	44,473	41.8
SUBTOTAL NON GROUP AGENCIES	562,505,286	654,917,420	744,909,228	747,100,534	89,991,808	13.7	2,191,306	.3	184,595,248	32.8
* TOTAL GENERAL GOVERNMENT	562,505,286	654,917,420	744,909,228	747,100,534	89,991,808	13.7	2,191,306	.3	184,595,248	32.8
HUMAN RESOURCES										
MENTAL HEALTH INSTITUTIONS										
410 LARNED STATE HOSPITAL	31,803,116	31,064,065	32,717,007	32,776,516	1,652,942	5.3	59,509	.2	973,400	3.1
494 OSAWATOMIE STATE HOSPITAL	21,605,527	21,739,220	21,303,385	21,303,523	(435,835)	(2.0)	138	.0	(302,004)	(1.4)
555 RAINBOW MENTAL HEALTH FACILITY	5,220,488	5,259,734	5,341,167	5,517,034	81,433	1.5	175,867	3.3	296,546	5.7
664 TOPEKA STATE HOSPITAL	22,127,118	22,489,299	23,094,919	22,051,733	605,620	2.7	(1,043,186)	(4.5)	(75,385)	(.3)
SUBTOTAL MENTAL HEALTH INSTITUTIONS	80,756,249	80,552,318	82,456,478	81,648,806	1,904,160	2.4	(807,672)	(1.0)	892,557	1.1
INSTIT FOR MENTAL RETARDATION										
3 KANSAS NEUROLOGICAL INSTITUTE	25,407,784	25,024,279	25,234,485	24,562,234	210,206	.8	(672,251)	(2.7)	(845,550)	(3.3)
7 PARSONS ST. HOSPITAL & TRAINING CENTER	18,984,736	19,011,543	18,552,642	18,379,961	(458,901)	(2.4)	(172,681)	(.9)	(604,775)	(3.2)
713 WINFIELD ST. HOSPITAL & TRAINING CENTER	31,008,849	29,578,830	27,892,911	27,665,037	(1,685,919)	(5.7)	(227,874)	(.8)	(3,343,812)	(10.8)
SUBTOTAL INSTIT FOR MENTAL RETARDATION	75,401,369	73,614,652	71,680,038	70,607,232	(1,934,614)	(2.6)	(1,072,806)	(1.5)	(4,794,137)	(6.4)
NON GROUP AGENCIES										
039 DEPARTMENT ON AGING	13,950,352	16,393,354	18,305,805	18,074,442	1,912,451	11.7	(231,363)	(1.3)	4,124,090	29.6
140 CORPORATION FOR CHANGE		746,663	1,365,566	1,592,241	618,903	82.9	226,675	16.6	1,592,241	.0
264 DEPT OF HEALTH AND ENVIRONMENT - HEALTH	83,656,482	67,193,871	75,925,947	77,124,216	8,732,076	13.0	1,198,269	1.6	(6,532,266)	(7.8)

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EXPENDITURE SUMMARY DETAIL BY FUNCTION (WITH CAPITAL IMPROVEMENTS)
 ACTUAL EXPENDITURES FOR FY 1992 AND FY 1993
 LEGISLATURE APPROVED FOR FY 1994 AND FY 1995
 ALL FUNDS

	92	93	94	95	93-94CHG	93-94PCT	94-95CHG	94-95PCT	92-95CHG	92-95PCT
NON GROUP AGENCIES										
268 KANSAS HEALTHY KIDS CORPORATION		79,642	153,744	0	74,102	93.0	(153,744)	(100.0)	0	.0
296 DEPARTMENT OF HUMAN RESOURCES	288,387,620	337,100,285	343,573,484	273,486,673	6,473,199	1.9	(70,086,811)	(20.4)	(14,900,947)	(5.2)
565 HOMESTEAD PROPERTY TAX REFUNDS	9,058,970	9,266,720	8,920,000	8,700,000	(346,720)	(3.7)	(220,000)	(2.5)	(358,970)	(4.0)
628 SOCIAL AND REHABILITATION SERVICES	1,020,957,159	1,150,340,475	1,288,640,547	1,372,433,635	138,300,072	12.0	83,793,088	6.5	351,476,476	34.4
694 COMMISSION ON VETERANS AFFAIRS	5,287,999	5,479,694	6,523,727	6,065,747	1,044,033	19.1	(457,980)	(7.0)	777,748	14.7
SUBTOTAL NON GROUP AGENCIES	1,421,298,582	1,586,600,704	1,743,408,820	1,757,476,954	156,808,116	9.9	14,068,134	.8	336,178,372	23.7
* TOTAL HUMAN RESOURCES	1,577,456,200	1,740,767,674	1,897,545,336	1,909,732,992	156,777,662	9.0	12,187,656	.6	332,276,792	21.1
EDUCATION										
REGENT INSTITUTIONS										
246 FORT HAYS STATE UNIVERSITY	39,066,245	46,630,418	49,559,255	42,919,523	2,928,837	6.3	(6,639,732)	(13.4)	3,853,278	9.9
367 KANSAS STATE UNIVERSITY	182,506,804	196,597,510	182,841,128	192,038,838	(13,756,382)	(7.0)	9,197,710	5.0	9,532,034	5.2
KSU - AGRICULTURAL EXTENSION & RESEARCH	67,256,585	71,059,675	67,587,024	68,082,136	(3,472,651)	(4.9)	495,112	.7	825,551	1.2
KSU - VETERINARY MEDICAL CENTER	15,455,151	16,532,801	15,131,013	15,589,143	(1,401,788)	(8.5)	458,130	3.0	133,992	.9
368 KSU - SALINA, COLLEGE OF TECHNOLOGY	10,961,992	6,921,274	10,955,077	8,162,933	4,033,803	58.3	(2,792,144)	(25.5)	(2,799,059)	(25.5)
379 EMPORIA STATE UNIVERSITY	41,285,563	42,815,900	42,330,623	42,433,114	(485,277)	(1.1)	102,491	.2	1,147,551	2.8
385 PITTSBURG STATE UNIVERSITY	41,865,592	45,177,560	56,552,920	54,506,917	11,375,360	25.2	(2,046,003)	(3.6)	12,641,325	30.2
682 UNIVERSITY OF KANSAS	250,161,165	267,272,855	298,793,311	296,508,573	31,520,456	11.8	(2,284,738)	(.8)	46,347,408	18.5
683 UNIV OF KANSAS MEDICAL CENTER	252,768,749	279,306,042	296,123,176	291,433,483	16,817,134	6.0	(4,689,693)	(1.6)	38,664,734	15.3
715 WICHITA STATE UNIVERSITY	105,281,055	106,015,090	108,653,967	109,102,977	2,638,877	2.5	449,010	.4	3,821,922	3.6
SUBTOTAL REGENT INSTITUTIONS	1,006,608,901	1,078,329,125	1,128,527,494	1,120,777,637	50,198,369	4.7	(7,749,857)	(.7)	114,168,736	11.3
NON GROUP AGENCIES										
036 COUNCIL ON VOCATIONAL EDUCATION	160,791	162,134	151,725	152,596	(10,409)	(6.4)	871	.6	(8,195)	(5.1)
035 BICENTENNIAL COMMISSION, U S CONSTITUT	14,737				0	.0	0	.0	(14,737)	(100.0)
03 HISTORICAL SOCIETY	5,692,188	15,829,810	10,591,305	7,775,681	(5,238,505)	(33.1)	(2,815,624)	(26.6)	2,083,493	36.6
359 KANSAS ARTS COMMISSION	1,794,350	1,767,903	1,925,460	1,975,555	157,557	8.9	50,095	2.6	181,205	10.1
365 KPERS - SCHOOL	155,521,547	172,973,912	200,320,062	152,893,643	27,346,150	15.8	(47,426,419)	(23.7)	(2,627,904)	(1.7)
434 STATE LIBRARY	4,397,491	5,816,737	6,082,365	5,950,285	265,628	4.6	(132,080)	(2.2)	1,552,794	35.3
548 PUBLIC BROADCASTING COMMISSION	709,249				0	.0	0	.0	(709,249)	(100.0)
561 BOARD OF REGENTS	17,890,547	18,641,232	19,802,750	43,105,275	1,161,518	6.2	23,302,525	117.7	25,214,728	140.9
604 SCHOOL FOR THE BLIND	3,279,791	3,590,755	3,811,443	4,627,277	220,688	6.1	815,834	21.4	1,347,486	41.1
610 SCHOOL FOR THE DEAF	5,902,056	6,229,755	9,471,194	9,206,911	3,241,439	52.0	(264,283)	(2.8)	3,304,855	56.0
652 DEPARTMENT OF EDUCATION	1,139,118,806	1,366,390,029	1,807,446,998	1,957,916,584	441,056,969	32.3	150,469,586	8.3	818,797,778	71.9
670 STATE TREASURER - DEBT SERVICE	666,995	299,591	236,598	227,149	(62,993)	(21.0)	(9,449)	(4.0)	(439,846)	(65.9)

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EXPENDITURE SUMMARY DETAIL BY FUNCTION (WITH CAPITAL IMPROVEMENTS)
 ACTUAL EXPENDITURES FOR FY 1992 AND FY 1993
 LEGISLATURE APPROVED FOR FY 1994 AND FY 1995
 ALL FUNDS

	92	93	94	95	93-94CHG	93-94PCT	94-95CHG	94-95PCT	92-95CHG	92-95PCT
NON GROUP AGENCIES										
268 KANSAS HEALTHY KIDS CORPORATION		79,642	153,744	0	74,102	93.0	(153,744)	(100.0)	0	.0
296 DEPARTMENT OF HUMAN RESOURCES	288,387,620	337,100,285	343,573,484	273,486,673	6,473,199	1.9	(70,086,811)	(20.4)	(14,900,947)	(5.2)
565 HOMESTEAD PROPERTY TAX REFUNDS	9,058,970	9,266,720	8,920,000	8,700,000	(346,720)	(3.7)	(220,000)	(2.5)	(358,970)	(4.0)
628 SOCIAL AND REHABILITATION SERVICES	1,020,957,159	1,150,340,475	1,288,640,547	1,372,433,635	138,300,072	12.0	83,793,088	6.5	351,476,476	34.4
694 COMMISSION ON VETERANS AFFAIRS	5,287,999	5,479,694	6,523,727	6,065,747	1,044,033	19.1	(457,980)	(7.0)	777,748	14.7
SUBTOTAL NON GROUP AGENCIES	1,421,298,582	1,586,600,704	1,743,408,820	1,757,476,954	156,808,116	9.9	14,068,134	.8	336,178,372	23.7
* TOTAL HUMAN RESOURCES	1,577,456,200	1,740,767,674	1,897,545,336	1,909,732,992	156,777,662	9.0	12,187,656	.6	332,276,792	21.1
EDUCATION										
REGENT INSTITUTIONS										
246 FORT HAYS STATE UNIVERSITY	39,066,245	46,630,418	49,559,255	42,919,523	2,928,837	6.3	(6,639,732)	(13.4)	3,853,278	9.9
367 KANSAS STATE UNIVERSITY	182,506,804	196,597,510	182,841,128	192,038,838	(13,756,382)	(7.0)	9,197,710	5.0	9,532,034	5.2
KSU - AGRICULTURAL EXTENSION & RESEARCH	67,256,585	71,059,675	67,587,024	68,082,136	(3,472,651)	(4.9)	495,112	.7	825,551	1.2
KSU - VETERINARY MEDICAL CENTER	15,455,151	16,532,801	15,131,013	15,589,143	(1,401,788)	(8.5)	458,130	3.0	133,992	.9
368 KSU - SALINA, COLLEGE OF TECHNOLOGY	10,961,992	6,921,274	10,955,077	8,162,933	4,033,803	58.3	(2,792,144)	(25.5)	(2,799,059)	(25.5)
379 EMPORIA STATE UNIVERSITY	41,285,563	42,815,900	42,330,623	42,433,114	(485,277)	(1.1)	102,491	.2	1,147,551	2.8
385 PITTSBURG STATE UNIVERSITY	41,865,592	45,177,560	56,552,920	54,506,917	11,375,360	25.2	(2,046,003)	(3.6)	12,641,325	30.2
682 UNIVERSITY OF KANSAS	250,161,165	267,272,855	298,793,311	296,508,573	31,520,456	11.8	(2,284,738)	(.8)	46,347,408	18.5
683 UNIV OF KANSAS MEDICAL CENTER	252,768,749	279,306,042	296,123,176	291,433,483	16,817,134	6.0	(4,689,693)	(1.6)	38,664,734	15.3
715 WICHITA STATE UNIVERSITY	105,281,055	106,015,090	108,653,967	109,102,977	2,638,877	2.5	449,010	.4	3,821,922	3.6
SUBTOTAL REGENT INSTITUTIONS	1,006,608,901	1,078,329,125	1,128,527,494	1,120,777,637	50,198,369	4.7	(7,749,857)	(.7)	114,168,736	11.3
NON GROUP AGENCIES										
036 COUNCIL ON VOCATIONAL EDUCATION	160,791	162,134	151,725	152,596	(10,409)	(6.4)	871	.6	(8,195)	(5.1)
035 BICENTENNIAL COMMISSION, U S CONSTITUT	14,737				0	.0	0	.0	(14,737)	(100.0)
033 HISTORICAL SOCIETY	5,692,188	15,829,810	10,591,305	7,775,681	(5,238,505)	(33.1)	(2,815,624)	(26.6)	2,083,493	36.6
359 KANSAS ARTS COMMISSION	1,794,350	1,767,903	1,925,460	1,975,555	157,557	8.9	50,095	2.6	181,205	10.1
365 KPERS - SCHOOL	155,521,547	172,973,912	200,320,062	152,893,643	27,346,150	15.8	(47,426,419)	(23.7)	(2,627,904)	(1.7)
434 STATE LIBRARY	4,397,491	5,816,737	6,082,365	5,950,285	265,628	4.6	(132,080)	(2.2)	1,552,794	35.3
548 PUBLIC BROADCASTING COMMISSION	709,249				0	.0	0	.0	(709,249)	(100.0)
561 BOARD OF REGENTS	17,890,547	18,641,232	19,802,750	43,105,275	1,161,518	6.2	23,302,525	117.7	25,214,728	140.9
604 SCHOOL FOR THE BLIND	3,279,791	3,590,755	3,811,443	4,627,277	220,688	6.1	815,834	21.4	1,347,486	41.1
610 SCHOOL FOR THE DEAF	5,902,056	6,229,755	9,471,194	9,206,911	3,241,439	52.0	(264,283)	(2.8)	3,304,855	56.0
652 DEPARTMENT OF EDUCATION	1,139,118,806	1,366,390,029	1,807,446,998	1,957,916,584	441,056,969	32.3	150,469,586	8.3	818,797,778	71.9
670 STATE TREASURER - DEBT SERVICE	666,995	299,591	236,598	227,149	(62,993)	(21.0)	(9,449)	(4.0)	(439,846)	(65.9)

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EXPENDITURE SUMMARY DETAIL BY FUNCTION (WITH CAPITAL IMPROVEMENTS)
 ACTUAL EXPENDITURES FOR FY 1992 AND FY 1993
 LEGISLATURE APPROVED FOR FY 1994 AND FY 1995
 ALL FUNDS

	92	93	94	95	93-94CHG	93-94PCT	94-95CHG	94-95PCT	92-95CHG	92-95PCT
SUBTOTAL NON GROUP AGENCIES										
* TOTAL EDUCATION	1,335,148,548	1,591,701,858	2,059,839,900	2,183,830,956	468,138,042	29.4	123,991,056	6.0	848,682,408	63.6
	2,341,757,449	2,670,030,983	3,188,367,394	3,304,608,593	518,336,411	19.4	116,241,199	3.6	962,851,144	41.1
PUBLIC SAFETY										
YOUTH CENTERS										
319 YOUTH CENTER AT TOPEKA	8,741,104	9,624,350	9,501,369	9,145,239	(122,981)	(1.3)	(356,130)	(3.7)	404,135	4.6
5 YOUTH CENTER AT BELOIT	4,189,900	4,671,661	4,345,138	4,384,350	(326,523)	(7.0)	39,212	.9	194,450	4.6
5 YOUTH CENTER AT ATCHISON	4,669,773	5,187,885	5,097,105	5,062,339	(90,780)	(1.7)	(34,766)	(.7)	392,566	8.4
411 YOUTH CENTER AT LARNED		1,644,966	1,625,510	0	(19,456)	(1.2)	(1,625,510)	(100.0)	0	.0
SUBTOTAL YOUTH CENTERS	17,600,777	21,128,862	20,569,122	18,591,928	(559,740)	(2.6)	(1,977,194)	(9.6)	991,151	5.6
CORRECTIONS SYSTEM										
177 ELLSWORTH CORRECTIONAL FACILITY	7,238,747	7,446,967	7,626,689	7,822,269	179,722	2.4	195,580	2.6	583,522	8.1
195 EL DORADO CORRECTIONAL FACILITY	12,217,430	13,673,127	14,211,761	14,922,049	538,634	3.9	710,288	5.0	2,704,619	22.1
313 HUTCHINSON CORRECTIONAL FACILITY	19,804,485	20,896,034	22,564,931	21,332,349	1,668,897	8.0	(1,232,582)	(5.5)	1,527,864	7.7
400 LANSING CORRECTIONAL FACILITY	31,614,187	28,529,019	29,104,052	28,987,889	575,033	2.0	(116,163)	(.4)	(2,626,298)	(8.3)
408 LARNED CORRECTIONAL MH FACILITY	3,013,413	5,421,401	5,664,503	5,890,246	243,102	4.5	225,743	4.0	2,876,833	95.5
521 DEPARTMENT OF CORRECTIONS	63,913,397	66,337,327	76,818,045	76,969,878	10,480,718	15.8	151,833	.2	13,056,481	20.4
581 NORTON CORRECTIONAL FACILITY	9,294,092	9,427,783	9,703,112	9,846,593	275,329	2.9	143,481	1.5	552,501	5.9
660 TOPEKA CORRECTIONAL FACILITY	12,054,556	12,278,165	12,332,537	11,698,750	54,372	.4	(633,787)	(5.1)	(355,806)	(3.0)
712 WINFIELD CORRECTIONAL FACILITY	3,498,666	3,690,656	3,686,237	3,811,005	(4,419)	(.1)	124,768	3.4	312,339	8.9
SUBTOTAL CORRECTIONS SYSTEM	162,648,973	167,700,479	181,711,867	181,281,028	14,011,388	8.4	(430,839)	(.2)	18,632,055	11.5
NON GROUP AGENCIES										
4 ADJUTANT GENERAL	11,558,366	10,376,487	78,020,680	15,296,963	67,644,193	651.9	(62,723,717)	(80.4)	3,738,597	32.3
3 ATTORNEY GENERAL - K.B.I.	10,042,440	10,495,526	10,972,583	10,662,844	477,057	4.5	(309,739)	(2.8)	620,404	6.2
118 DEPARTMENT OF CIVIL AIR PATROL	19,204	22,508	18,735	18,729	(3,773)	(16.8)	(6)	.0	(475)	(2.5)
147 OMBUDSMAN OF CORRECTIONS	160,176	166,938	176,065	179,691	9,127	5.5	3,626	2.1	19,515	12.2
206 EMERGENCY MEDICAL SERVICES BOARD	785,726	770,074	821,618	878,121	51,544	6.7	56,503	6.9	92,395	11.8
234 STATE FIRE MARSHAL	1,473,356	1,577,583	1,782,707	1,876,779	205,124	13.0	94,072	5.3	403,423	27.4
280 HIGHWAY PATROL	32,998,308	34,729,645	37,292,342	37,907,704	2,562,697	7.4	615,362	1.7	4,909,396	14.9
523 KANSAS PAROLE BOARD	677,250	687,273	725,215	746,592	37,942	5.5	21,377	2.9	69,342	10.2
626 SENTENCING COMMISSION	235,926	239,797	247,528	252,718	7,731	3.2	5,190	2.1	16,792	7.1
SUBTOTAL NON GROUP AGENCIES	57,950,752	59,065,831	130,057,473	67,820,141	70,991,642	120.2	(62,237,332)	(47.9)	9,869,389	17.0
* TOTAL PUBLIC SAFETY	238,200,502	247,895,172	332,338,462	267,693,097	84,443,290	34.1	(64,645,365)	(19.5)	29,492,595	12.4

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EXPENDITURE SUMMARY DETAIL BY FUNCTION (WITH CAPITAL IMPROVEMENTS)
ACTUAL EXPENDITURES FOR FY 1992 AND FY 1993
LEGISLATURE APPROVED FOR FY 1994 AND FY 1995
ALL FUNDS

	92	93	94	95	93-94CHG	93-94PCT	94-95CHG	94-95PCT	92-95CHG	92-95PCT

AGRICULTURE AND NATURAL RESOURCES										
NON GROUP AGENCIES										
046 BOARD OF AGRICULTURE	16,771,437	17,322,159	19,712,351	19,966,708	2,390,192	13.8	254,357	1.3	3,195,271	19.1
055 ANIMAL HEALTH DEPARTMENT	1,532,838	1,711,817	1,649,399	1,716,008	(62,418)	(3.6)	66,609	4.0	183,170	11.9
258 GRAIN INSPECTION DEPARTMENT	5,292,532	5,516,218	5,657,414	5,799,465	141,196	2.6	142,051	2.5	506,933	9.6
264 DEPT OF HEALTH AND ENVIRONMENT - ENVIRON.	.	39,307,447	55,867,312	59,732,730	16,559,865	42.1	3,865,418	6.9	59,732,730	.0
373 KANSAS STATE FAIR	2,971,401	3,309,035	3,103,149	4,669,410	(205,886)	(6.2)	1,566,261	50.5	1,698,009	57.1
391 KANSAS WHEAT COMMISSION	1,914,622	2,237,155	2,353,589	2,409,767	116,434	5.2	56,178	2.4	495,145	25.9
STATE CONSERVATION COMMISSION	10,392,901	10,398,536	11,292,318	9,935,241	893,782	8.6	(1,357,077)	(12.0)	(457,660)	(4.4)
KANSAS WATER OFFICE	4,328,090	4,604,076	4,283,582	18,102,309	(320,494)	(7.0)	13,818,727	322.6	13,774,219	318.3
710 DEPARTMENT OF WILDLIFE AND PARKS	31,433,441	26,601,912	34,460,259	30,169,581	7,858,347	29.5	(4,290,678)	(12.5)	(1,263,860)	(4.0)
SUBTOTAL NON GROUP AGENCIES										
	74,637,262	111,008,355	138,379,373	152,501,219	27,371,018	24.7	14,121,846	10.2	77,863,957	104.3
* TOTAL AGRICULTURE AND NATURAL RESOURCES	74,637,262	111,008,355	138,379,373	152,501,219	27,371,018	24.7	14,121,846	10.2	77,863,957	104.3
HIGHWAYS AND OTHER TRANSPORTATION										
NON GROUP AGENCIES										
276 KANSAS DEPARTMENT OF TRANSPORTATION	692,832,315	508,724,896	716,360,168	831,734,875	207,635,272	40.8	115,374,707	16.1	138,902,560	20.0
OTHER										
NON GROUP AGENCIES										
998 SALARY ADJUSTMENT AND RECLASSIFICATION	.	.	.	0	0	.0	0	.0	0	.0
TOTAL ALL FUNDS	5,487,389,014	5,933,344,500	7,017,899,961	7,213,371,310	1,084,555,461	18.3	195,471,349	2.8	1,725,982,296	31.5

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**INCREASES IN SALARIES FOR STATE CLASSIFIED EMPLOYEES, REGENTS'
FACULTY AND CLASSROOM TEACHERS OF SCHOOL DISTRICTS, IN
PRIVATE SECTOR WAGES, AND IN THE RATE OF INFLATION**

Fiscal Year	State Classified Service ¹	Regents' Faculty ²	Classroom Teachers ³	Inflation Rate ⁴	Avg. Weekly Wage Private Sector ⁵
1974	5.0%	5.5%	*	8.9%	—
1975	5.5%; \$30 minimum increase per month	10.0% - KU and WSU 11.0% - Others	7.25%	11.1	—
1976	5.0% plus \$25 per month	10.0%	10.5	7.1	—
1977	2.8% plus \$15 per month	9.0% - Ft. Hays 8.0% - Others	6.88	5.8	9.9
1978	3.0% or \$25 per month, whichever less; 2.0% for employees on Step F or above who were not eligible for a longevity increase	7.0% - Ft. Hays 6.0% - Others	6.62	6.7	3.7
1979	7.25%, subject to a maximum increase of \$125 per month	7.0%	5.92	9.4	9.8
1980	4% plus \$26 per month	6.5%	7.41	13.3	10.2
1981	New pay plan adopted; it was estimated that nearly all employees received at least an 8% increase and that the average increase was about 11%	9.0%	11.41	11.6	9.7
1982	5.0%	9.0% - Ft. Hays 7.0% - Others	9.4	8.6	8.2
1983	6.5%	10.2% - Ft. Hays ^a 7.5% - Others ^a	9.76	4.3	4.8
1984	4.5% effective 12/18/83	4.5% eff. 12/18/83	5.99	3.7	4.0
1985	5.0% plus \$204 (\$102 in two payments)	7.0%	8.38	3.9	3.5
1986	New pay plan adopted; wide variation in individual percentage increases, but est. to average about 6%	5.0 ^c	7.41	2.9	3.5
1987	3.0% ^b	2.5% ^c	3.68	2.2	3.2
1988	2.0% effective 12/18/87 ^d	3.0% eff. 12/18/87 ^c	4.22	4.1	3.0
1989	4.0% ^e	7.5 ^f	5.62	4.6	2.8
1990	3.0% ^e	8.5 ^g	4.81	4.8	2.7
1991	1.5% ^h	2.00% to 4.00% ⁱ	3.69	5.4	4.2
1992	—	2.5% ^j	3.62	3.2	3.3
1993	1.0% effective 12/18/92	2.5% plus 1% eff. 12/18/92	6.59 (est.)	3.1 (est.)	—
1994	0.5% ^k	2.25% ^c	?	—	—

1. So-called "cost of living" adjustments. The increases shown are in addition to merit pay or step increases, if any, to which individual employees were entitled in the fiscal year. Through FY 1980, merit increases of between 4 percent and 5 percent were typical until an employee reached the top of his range. There were no separate merit increases in FY 1981 when a new pay plan was implemented (classified personnel were assigned to specific ranges and steps on the new plan). Merit increases were approved in the budget for FY 1982, ranging from 5 percent to 7.5 percent for those entitled to such increases. A merit increase of about 1.25 percent for FY 1983, as authorized by the 1982 Legislature, was first deferred by order of the Governor and then was eliminated by the 1983 Legislature. No money was appropriated for merit increases in FY 1984 and 1985. The pay plan adopted in 1985 permitted step increases of approximately 2.5 percent for eligible employees in FY 1986 and thereafter (no "cost of living" increase in FY 1986, but implementation of the new plan included a "catch-up" feature to compensate for step increases not granted in the prior three years). The 1989 Legislature revised the pay plan, effective in FY 1990, to establish an annual bonus payment of \$40 per year of service (if ten or more but not to exceed 25 years or \$1,000), to reduce the three-year time-on-step requirement for employees on upper salary steps to a one-year requirement for the 2.5 percent step increase, and to add two steps to each salary range. No "cost-of-living" adjustment was approved for FY 1992, but money was appropriated to finance step movement and bonus payments for eligible employees, and such appropriations were made again for FY 1993 and FY 1994.

ATTACHMENT 1d

2. The percentage of increase to base salary budgets which is designated for salary increases for unclassified positions. Institutions under the Board of Regents allocate their appropriations for salary increases on a merit basis, not by a uniform or flat percentage increase. Thus, some faculty members received a higher percentage increase than shown in this column while others received less.
 3. Statewide average increase (excluding fringe benefits) for teachers in all unified school districts as reported by the State Department of Education. Beginning in FY 1988, the figures represent the total increase, including federal Section 125 salary reduction plans. Thus, these figures are not strictly comparable with those for prior years.
 4. Consumer Price Index – All Urban Consumers (1982-84 equals 100): the increase in the average index for the fiscal year (July-June).
 5. Source: Kansas Department of Human Resources. Data are for contributing employers to unemployment insurance coverage; prior to FY 1989, essentially for the private sector but includes some governmental units although not Kansas state government; for FYs 1989-FY 1992, includes only the private sector. Data are not available prior to FY 1977.
- a) Also, \$900,000 was appropriated for allocation among faculty in specified curricula at all institutions.
 - b) In addition, salary upgrades for the clerical job series were approved beginning in the last six months of FY 1987. (Phase I of salary upgrade program.)
 - c) The state's contribution for faculty retirement was increased from 5 percent to 6 percent in FY 1986, to 7 percent in FY 1987, to 8 percent in FY 1988, to 8.5 percent in FY 1994.
 - d) Plus salary upgrades for the mechanics, repairers, and operators job classes, and for registered nurses and licensed therapists; all effective mid-FY 1988. (Phase II of salary upgrade program.)
 - e) Plus salary upgrades for employees in direct care and other service worker classes (effective mid-FY 1989) and for security and law enforcement personnel (effective FY 1990). (Phase III of salary upgrade program.)
 - f) Systemwide average, with increases among the Regents' institutions ranging from 7.3 percent to 9.2 percent. Includes 5 percent basic increase plus percentage equivalent of the amount of the Margin of Excellence program appropriation allocated to salaries. Source: Board of Regents.
 - g) Systemwide average, with increases among the Regents' institutions ranging from 7.3 percent to 10.2 percent. Includes 5 percent basic increase plus percentage equivalent of the amount of the Margin of Excellence program appropriation allocated to salaries. Source: Board of Regents.
 - h) Plus salary upgrades for licensed practical nurses.
 - i) WSU, 2.00 percent; KU, 2.03 percent; FHSU, 2.25 percent; KSU, 2.30 percent; PSU, 2.44 percent; KUMC, 2.70 percent; ESU, 2.75 percent; KCT, 3.00 percent; KSU-VMC, 4.00. Source: Board of Regents. The range of increases reflects variations in applying the 1.75 percent General Fund appropriation reductions and other budget adjustments, rather than explicit legislative policy with regard to average salary increases. Prior to the 1.75 percent reduction and irrespective of other budget adjustments, appropriation amounts were based upon 4 percent faculty salary increases.
 - j) Financing was provided to give unclassified health care workers at the Medical Center an average increase of 6.5 percent.
 - k) Also, the 1993 Legislature approved reclassification of employees in health, scientific, and engineering job classes (effective 6/18/93) and in information technology job classes (effective 12/18/93).
- * Not possible to compute percentage increase because comparable data are not available for FY 1973.

Kansas Legislative Research Department
June 25, 1993

DEMAND TRANSFERS FROM STATE GENERAL FUND

Transfer to	In Thousands							
	Actual FY 1991*	Actual FY 1992**	Actual FY 1993	Revised Est. FY 1994***	Current Law Est. FY 1995	Increase Over FY 1994	Legislature As of 4/8/94 FY 1995 Est.	Increase Over FY 1994
School Dist. Inc. Tax Fund	\$ 191,904	\$ 206,116 ^(a)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
School Dist. Fin. Fund	--	54,549	170,005	--	--	--	--	--
State Highway Fund	74,371	78,025	75,501 ^(b)	79,079	86,272	7,193	81,451 ^(d)	2,372
Local Ad Valorem Tax Reduction Fund	37,164	38,576	39,324 ^(b)	40,293	43,982	3,689	43,982	3,689
Co.-City Rev. Sharing Fund	28,351	29,166	30,218 ^(b)	30,629	33,375	2,746	33,375	2,746
City-Co. Highway Fund	9,052	9,768	9,631 ^(b)	9,743	11,250	1,507	10,036 ^(d)	293
Water Plan Fund	5,895	5,940	5,820 ^(b)	5,760	6,000	240	5,933 ^(d)	173
Workers Comp. Fund	3,930	4,000 ^(c)	4,000 ^(c)	--	--	--	--	--
School Dist. Capital Improvements Fund	--	--	4,561	7,429	14,500	7,071	14,500	7,071
State Fair	--	148	108	117	118	1	118	1
Regents Center	1,000	--	--	--	--	--	--	--
TOTAL	351,667	426,289	339,168	173,050	195,497	22,447	189,395	16,345

* 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.

*** All are actual transfers but for the School District Capital Improvements Fund (SDCIF). Transfers were reduced by 4.0 percent, except to the SDCIF and the State Fair, and the transfer to the Workers Compensation Fund was eliminated. Also, 1993 H.B. 2505 eliminated the transfer to the School District Finance Fund, but transfers were made in January and March of FY 1993 before the bill became law.

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 H.B. 2892.

b) Reflects 3 percent reduction per 1992 Sub. H.B. 3215. Also, the transfer to the State Highway Fund included 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) 3.0 percent increase over FY 1994 actual transfers (FY 1994 was reduced 4.0 percent).

Kansas Legislative Research Department
April 8, 1994

EXPENDITURES FROM THE RESOURCES OF THE STATE WATER PLAN FUND

<u>Bill No.</u>	<u>Agency/Program</u>	<u>Governor's Rec. FY 94</u>	<u>Governor's Rec. FY 95</u>	<u>House Rec. FY 95</u>	<u>Senate Rec. FY 95</u>	<u>Conference Committee</u>
H.B. 2753	State Conservation Commission					
	Conservation District Aid	\$ 778,700	\$ 780,171	\$ 780,171	\$ 780,171	\$ 780,171
	Watershed Dam Construction	1,261,102	1,865,000	1,865,000	1,865,000	1,865,000
	Multipurpose Small Lakes	1,171,151	--	--	--	--
	Nonpoint Source Pollution Asst.	1,687,327	1,000,000	1,400,000	1,163,513	1,163,513
	Land Treatment Cost Share	5,725,896	5,400,000	5,400,000	5,400,000	5,400,000
	Riparian and Wetland Program	100,000	150,000	150,000	150,000	150,000
	Conservation District Prog. Coord.	--	--	--	39,121	--
	Total - Conservation Commission	\$ 10,724,176	\$ 9,195,171	\$ 9,595,171	\$ 9,397,805	\$ 9,358,684
H.B. 2753	Kansas Water Office					
	Water Related Research	\$ 557,700	\$ 495,000	\$ 495,000	\$ 495,000	\$ 495,000
	GIS Resource Manager	47,815	50,103	50,103	50,103	50,103
	GIS Data Base Development	300,000	280,000	280,000	280,000	280,000
	GIS Data Support Center	120,000	120,000	120,000	120,000	120,000
	Geography Resource Center	50,000	--	--	--	--
	Natural Resource Education	--	50,000	50,000	50,000	50,000
	Conservation Educational Asst.	--	75,000	75,000	75,000	75,000
	Conservation Plan Technical Asst.	75,000	150,000	150,000	150,000	150,000
	Stream Gaging Program	3,928	--	--	294,372	294,372
	Total - Kansas Water Office	\$ 1,154,443	\$ 1,220,103	\$ 1,220,103	\$ 1,514,475	\$ 1,514,475
H.B. 2753	Wildlife and Parks					
	Cheyenne Bottoms Renovation	\$ 1,839,568	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
	Hillsdale Reservoir Facilities	29,651	--	--	--	--
	Dam Maintenance & Repair	--	500,000	--	--	--
	Cheney Reservoir Riprap	275,000	--	--	--	--
	Lake Crawford Dam	39,108	--	--	--	--
	Easement Aquisition	100,000	50,000	50,000	50,000	50,000
	Biological Assessment	13,400	74,200	74,200	74,200	74,200
	Total - Wildlife and Parks	\$ 2,296,727	\$ 1,624,200	\$ 1,124,200	\$ 1,124,200	\$ 1,124,200
S.B. 590	University of Kansas Dakota Aquifer Study	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
H.B. 2753	Board of Agriculture					
	Conservation Plan Coordination	\$ 118,640	\$ --	\$ --	\$ --	\$ --
	Interstate Water Issues	136,071	142,959	133,641	133,641	133,641
	Subbasin Management Plan	575,286	904,759	697,801	697,801	697,801
	Water Res. Info. Sys. Conversion	--	--	216,276	216,276	216,276
	Total - Board of Agriculture	\$ 829,997	\$ 1,047,718	\$ 1,047,718	\$ 1,047,718	\$ 1,047,718
S.B. 633	Health and Environment					
	Contamination Remediation	\$ 2,489,579	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
	Local Environmental Protection	1,620,000	2,150,000	2,150,000	2,100,000	2,150,000
	Nonpoint Source Program	256,352	466,661	466,661	466,661	466,661
	Total - Health and Environment	\$ 4,365,931	\$ 4,116,661	\$ 4,116,661	\$ 4,066,661	\$ 4,116,661
TOTAL EXPENDITURES		\$ 19,571,274	\$ 17,403,853	\$ 17,303,853	\$ 17,350,859	\$ 17,361,738

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

STATUS OF THE STATE WATER PLAN FUND

	<u>Governor's Rec. FY 94</u>	<u>Governor's Rec. FY 95</u>	<u>House Rec. FY 95</u>	<u>Senate Rec. FY 95</u>	<u>Conference Committee</u>
BEGINNING BALANCE	\$ 857,433	\$ 947,752	\$ 947,752	\$ 947,752	\$ 947,752
RECEIPTS:					
State General Fund	\$ 5,760,000	\$ 5,932,800	\$ 6,000,000	\$ 5,932,800	\$ 5,932,800
EDIF	1,980,000	2,000,000	2,000,000	2,000,000	2,000,000
Public Water Supply Fees	3,000,000	3,200,000	3,200,000	3,200,000	3,200,000
Industrial Water Use Fees	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
Stock Water Use Fees	275,000	275,000	275,000	275,000	275,000
Fertilizer Inspection Fees	2,300,000	2,012,500	2,012,500	2,012,500	2,012,500
Pesticide Registration Fees	764,500	749,200	749,200	749,200	749,200
Fines	57,277	51,541	51,541	51,541	51,541
Subtotal - Receipts	\$ 15,436,777	\$ 15,521,041	\$ 15,588,241	\$ 15,521,041	\$ 15,521,041
TOTAL AVAILABLE	\$ 16,294,210	\$ 16,468,793	\$ 16,535,993	\$ 16,468,793	\$ 16,468,793
LESS TRANSFERS:					
State Conservation Commission	\$ 9,654,544	\$ 8,495,171	\$ 8,731,658	\$ 8,534,292	\$ 8,495,171
Kansas Water Office	1,152,981	1,219,731	1,219,731	1,514,103	1,514,103
Wildlife and Parks	995,000	1,574,200	1,074,200	1,074,200	1,074,200
University of Kansas	200,000	200,000	200,000	200,000	200,000
Board of Agriculture	600,000	1,047,718	1,047,718	1,047,718	1,047,718
Health and Environment	2,743,933	3,616,661	3,616,661	3,566,661	3,616,661
Subtotal - Transfers	\$ 15,346,458	\$ 16,153,481	\$ 15,889,968	\$ 15,936,974	\$ 15,947,853
ENDING BALANCE	\$ 947,752	\$ 315,312	\$ 646,025	\$ 531,819	\$ 520,940

STATUS OF THE ECONOMIC DEVELOPMENT INITIATIVES FUND

FY 1994

	<u>ORIGINAL GOV. REC.</u>	<u>REVISED GOV. REC.</u>	<u>LEGISLATIVE APPROVED</u>
BEGINNING BALANCE	\$ 16,165,230	\$ 12,571,410	\$ 12,571,410
REGULAR LOTTERY TRANSFERS	34,706,914	37,800,000	37,761,504
SPECIAL LOTTERY TRANSFERS	1,800,000	1,800,000	1,800,000
RACING COMMISSION TRANSFERS	5,266,501	5,400,000	5,438,496
SUBTOTAL – TRANSFERS IN*	<u>\$ 41,773,415</u>	<u>\$ 45,000,000</u>	<u>\$ 45,000,000</u>
OTHER INCOME**	645,793	870,000	645,793
TOTAL AVAILABLE	<u>\$ 58,584,438</u>	<u>\$ 58,441,410</u>	<u>\$ 58,217,203</u>
EXPENDITURES AND TRANSFERS OUT	50,806,822	50,806,822	51,106,822
ENDING BALANCE	<u>\$ 7,777,616</u>	<u>\$ 7,634,588</u>	<u>\$ 7,110,381</u>

FY 1995

BEGINNING BALANCE	\$ 7,777,616	\$ 7,634,588	\$ 7,110,381
REGULAR LOTTERY TRANSFERS	33,971,538	34,910,480	34,706,914
SPECIAL LOTTERY TRANSFERS	—	—	1,636,317
RACING COMMISSION TRANSFERS	4,860,000	4,680,000	4,471,967
SUBTOTAL – TRANSFERS IN	<u>\$ 38,831,538</u>	<u>\$ 39,590,480</u>	<u>\$ 40,815,198</u>
OTHER INCOME	125,000	300,000	125,000
TOTAL AVAILABLE	<u>\$ 46,734,154</u>	<u>\$ 47,525,068</u>	<u>\$ 48,050,579</u>
EXPENDITURES AND TRANSFERS OUT	46,253,769	46,253,769	47,172,360
ENDING BALANCE	<u>\$ 480,385</u>	<u>\$ 1,271,299</u>	<u>\$ 878,219</u>

* – Maximum transfer under current law is \$45.0 million. Amounts in excess of that are credited to the State General Fund. This amount was estimated in the April Consensus Estimate to be \$105,000. Based on receipts to date the credit to the State General Fund now would appear to be substantially higher in FY 1994.

** – Includes interest earnings, released prior year encumbrances, and recovered expenditures.

ATTACHMENT
3

STATUS OF THE ECONOMIC DEVELOPMENT INITIATIVES FUND

Bill No.	Agency/Program	Governor's Rec. FY 94	Governor's Rec. FY 95	House Rec. FY 95	Senate Rec. FY 95	Conference Committee
H.B.2731	Department of Commerce and Housing					
	Salaries and Wages	\$ 1,364,250	\$ 1,411,335	\$ 1,705,435	\$ 1,411,335	\$ 1,411,335
	Other Operating Expenditures	3,693,640	3,755,737	3,830,737	3,870,737	3,850,737
	Small Business Development Centers	321,750	325,000	325,000	325,000	325,000
	Certified Development Companies	470,250	475,000	475,000	475,000	475,000
	Kansas Industrial Training/Retraining	2,227,500	2,227,500	2,727,500	2,727,500	2,727,500
	Trade Show Promotion Grants	272,420	247,420	247,420	247,420	247,420
	Strategic Planning/Action Grants	440,550	440,550	440,550	690,550	600,000
	Kansas Quality Improvement Network	64,300	65,000	65,000	65,000	65,000
	Capital Resource Network	5,000	--	--	--	--
	Economic Initiative Opportunity Fund	1,485,000	--	--	1,500,000	800,000
	High Performance Incentive Grants	--	--	75,000	75,000	75,000
	Boot Hill Tourism Grant	--	--	--	100,000	100,000
	Tourism Grants	1,029,600	279,600	279,600	429,600	379,600
	Mid-America World Trade Center	--	--	--	100,000	100,000
	Kansas Partnership Fund	990,000	--	--	--	--
H.B.2653	Travel Information Center Repairs	--	24,000	24,000	24,000	24,000
H.B.2653	Olathe Travel Center	267,300	750,000	750,000	750,000	750,000
	Subtotal - KDCH	\$ 12,631,560	\$ 10,001,142	\$ 10,945,242	\$ 12,791,142	\$ 11,930,592
H.B.2731	Kansas Technology Enterprise Corporation					
	Agency Operations	\$ 764,736	\$ 830,681	\$ 830,681	\$ 830,681	\$ 830,681
	Centers of Excellence	4,392,333	4,267,386	4,267,386	4,267,386	4,267,386
	Research Matching Grants	1,259,613	1,259,613	1,259,613	1,259,613	1,259,613
	Business Innovative Research Grants	25,000	25,000	50,000	75,000	75,000
	Training Equipment Grants	150,000	150,000	150,000	150,000	150,000
	Industrial Liaison Program	300,000	300,000	300,000	300,000	300,000
	Seed Capital	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
	Special Projects	173,000	103,000	103,000	103,000	103,000
	Commercialization	500,000	520,218	900,000	900,000	900,000
	Innovative Technology Program (ITEC)	50,000	120,000	95,000	95,000	95,000
	Agricultural Value Added Center	875,048	880,281	880,281	880,281	880,281
	Mid-America Manufact. Tech. Center	990,000	1,000,000	1,000,000	1,000,000	1,000,000
	Telecommunications Grants	125,000	125,000	125,000	100,000	100,000
	EPSCoR	See Kan Inc	See Kan Inc	See Kan Inc	2,000,000	2,000,000
	Subtotal - KTEC	\$ 11,104,730	\$ 11,081,179	\$ 11,460,961	\$ 13,460,961	\$ 13,460,961
H.B.2731	Kansas, Inc.					
	Agency Operations	\$ 104,935	\$ 116,889	\$ 116,889	\$ 123,480	\$ 116,889
	EPSCoR	1,500,000	2,000,000	2,000,000	See KTEC	See KTEC
	Subtotal - Kansas, Inc.	\$ 1,604,935	\$ 2,116,889	\$ 2,116,889	\$ 123,480	\$ 116,889
H.B.2731	Department of Revenue - Appraisal Aid	\$ 2,970,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 2,927,709
H.B.2753	Board of Agriculture					
	Market Promotion and Development	\$ 321,744	\$ 321,707	\$ 321,707	\$ 321,707	\$ 321,707
	Equine Industry Survey	--	--	--	45,000	45,000
	Hog Marketing	24,750	--	--	--	--
	Subtotal - Agriculture	\$ 346,494	\$ 321,707	\$ 321,707	\$ 366,707	\$ 366,707
H.B.2753	State Fair - Agency Operations	\$ 99,000	\$ 99,000	\$ 99,000	\$ 134,000	\$ 114,000
H.B.2753	Department of Wildlife and Parks					
	Capital Improvements	\$ 1,393,511	\$ 402,337	\$ 602,337	\$ 602,337	\$ 602,337
	Wildscape	--	--	--	50,000	50,000
	Subtotal - Wild. & Parks	\$ 1,393,511	\$ 402,337	\$ 602,337	\$ 652,337	\$ 652,337
H.B.2701	Department of Education					
	At-Risk/Innovative Program Assist.	\$ 1,485,000	\$ 1,485,000	\$ 1,485,000	\$ 1,485,000	\$ 1,485,000
	Matching Grants - AVTS	495,000	495,000	495,000	495,000	495,000
	Postsecondary Aid - AVTS	4,962,870	11,850,000	11,850,000	5,000,000	5,700,000
	Capital Outlay Aid - AVTS	990,000	1,500,000	1,500,000	1,500,000	1,500,000
	Cultural Arts Center	24,750	--	25,000	25,000	25,000
	Foundation for Agriculture	24,750	--	25,000	25,000	25,000
	Subtotal - Education	\$ 7,982,370	\$ 15,330,000	\$ 15,380,000	\$ 8,530,000	\$ 9,230,000
H.B.2640	School for the Blind - Accessible Arts	\$ 148,500	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
H.B.2640	Kansas Arts Commission - Prog. Grants	\$ 1,024,650	\$ 1,024,650	\$ 1,024,650	\$ 1,124,650	\$ 1,124,650
H.B.2640	Historical Society					
	Agency Operations	\$ 29,700	\$ 19,700	\$ 19,700	\$ 19,700	\$ 19,700
	Funston Home	--	--	24,500	24,500	24,500
	Capital Improvements	682,959	--	--	--	--
	Humanities Council Grant	--	--	--	80,000	75,000
	Subtotal - Historical	\$ 712,659	\$ 19,700	\$ 44,200	\$ 124,200	\$ 119,200
H.B.2640	State Library					
	Literacy Grants	\$ 277,200	\$ 277,200	\$ 277,200	\$ 277,200	\$ 277,200
	Library Grants	973,077	--	429,965	973,077	973,077
	Talking Book Equipment Grant	105,668	--	--	--	--
	Operating Grant	3,663	--	--	--	--
	Kansas Library Catalog Grant	--	429,965	--	--	--
	Subtotal - State Library	\$ 1,359,608	\$ 707,165	\$ 707,165	\$ 1,250,277	\$ 1,250,277
SUBTOTAL - PAGE 1		\$ 41,378,017	\$ 44,253,769	\$ 45,852,151	\$ 41,707,754	\$ 41,443,322

STATUS OF THE ECONOMIC DEVELOPMENT INITIATIVES FUND

H.B.2640	Dept. of Administration – Public Broadcasting Grants	\$	420,327	\$	--	\$	588,776	\$	588,776	\$	588,776
S.B. 590	Board of Regents and Regents Institutions										
	Council on Economic Education	\$	39,600	\$	--	\$	40,000	\$	40,000	\$	40,000
	Centers of Excellence		642,391		--		664,535		664,535		664,535
	KSU – ESARP		1,355,200		--		1,395,856		--		1,395,856
	University General Research		942,187		--		967,580		--		967,580
	Ag. Land Use Value Support		--		--		--		--		72,291
	Subtotal – Regents Institutions	\$	2,979,378	\$	--	\$	3,067,971	\$	704,535	\$	3,140,262
79–4804	State Water Plan Fund	\$	1,980,000	\$	2,000,000	\$	2,000,000	\$	2,000,000	\$	2,000,000
	Other State Agencies (details below)	\$	4,049,100	\$	--	\$	--	\$	--	\$	--

TOTAL TRANSFERS AND EXPENDITURES	\$ 50,806,822	\$ 46,253,769	\$ 51,508,898	\$ 45,001,065	\$ 47,172,360
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EDIF Resource Estimate

	Revised Governor's Rec. FY 94	Revised Governor's Rec. FY 95	House Rec. FY 95	Senate Rec. FY 95	Conference Committee
Beginning Balance	\$ 12,571,410	\$ 7,634,588	\$ 7,110,381	\$ 7,110,381	\$ 7,110,381
Lottery Transfers	39,600,000	34,910,480	34,871,538	34,421,538	36,343,231
Racing Transfers	5,400,000	4,680,000	4,471,967	4,471,967	4,471,967
Other Income	870,000	300,000	125,000	125,000	125,000
Total Available	\$ 58,441,410	\$ 47,525,068	\$ 46,578,886	\$ 46,128,886	\$ 48,050,579
Less: Expenditures and Transfers	50,806,822	46,253,769	51,508,898	45,001,065	47,172,360
ENDING BALANCE	\$ 7,634,588	\$ 1,271,299	\$ (4,930,012)	\$ 1,127,821	\$ 878,219

OTHER STATE AGENCIES (NO FY 1995 EDIF FINANCING)

Agency/Program	Governor's Rec. FY 94
Dept. of Social and Rehab. Services – KanWork	\$ 2,475,000
KDFA – Enterprise Loan Guarantee Fund	\$ 990,000
Board of Regents and Regents Institutions	
Study of KUMC	\$ 49,500
KUMC Integrated Computer System	346,500
KSU – Forest Survey	188,100
Subtotal – Regents Institutions	\$ 584,100
TOTAL – OTHER STATE AGENCIES	\$ 4,049,100

FY 1994 SUPPLEMENTAL APPROPRIATIONS

	Governor's Rec. FY 94	House Rec. FY 94	Senate Rec. FY 94	Conference Committee
Department of Commerce and Housing				
Kansas Industrial Training/Retraining	\$ --	\$ 300,000	\$ 300,000	\$ 300,000
Kansas, Inc.				
EPSCoR	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000

STATE OF KANSAS



OFFICE OF THE GOVERNOR

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

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April 19, 1994

The Honorable Gus Bogina, Chairperson
Senate Committee on Ways and Means
Room 120-S, Statehouse

and

The Honorable Rochelle Chronister, Chairperson
House Committee on Appropriations
Room 514-S, Statehouse

Dear Senator Bogina:

With this memorandum, I submit the attached amendments to my budget recommendations. Expenditure increases total \$919,758, \$4,967 of which is from the State General Fund, for FY 1994 and \$7,790,833, with \$170,691 from the State General Fund, for FY 1995.

Sincerely yours,

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

Joan Finney

Attorney General

1. Kansas v. Colorado Litigation Expenses

The Attorney General has submitted revised estimates pertaining to litigation costs in the case of *Kansas v. Colorado*. The emergency supplemental appropriation from the State General Fund of \$271,035, which I recommended in 1994 SB 556, should be reduced by \$52,657. For continued litigation in the matter in FY 1995, the revised schedule submitted by the Attorney General will require a FY 1995 appropriation from the State General Fund of \$608,500.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ (52,657)	\$ 608,500
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (52,657)	\$ 608,500

Osawatomie State Hospital

2. Retirement Restorations

The FY 1995 Governor's Budget Report does not include funding for 8.0 FTE positions that retired at Osawatomie State Hospital. The positions were deleted because they had not been through the position restoration appeals process. The positions have subsequently been restored. I amend my budget to fund the positions. This would include \$29,788 from the State General Fund and \$29,789 from the federal Title XIX Fund in FY 1994. For FY 1995, this includes \$113,259 from the State General Fund and \$113,260 from the federal Title XIX Fund.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ 29,788	\$ 113,259
All Other Funds	<u>29,789</u>	<u>113,260</u>
All Funds	\$ 59,577	\$ 226,519

Kansas State Fair

3. Construction of Horse Barn

The Kansas State Fair has informed me that it has received approval for a Tourism Attraction Development Grant of \$37,125 from the Kansas Department of Commerce and Housing, which requires an additional match of \$62,875 from the State Fair Capital Improvements Fund. The funds will be used to construct a 28-stall horse barn to enhance and expand the stalling capacity of the horse

exhibition facilities used for horse shows, rodeos, sales, and special events. Therefore, I amend my FY 1995 budget to provide \$100,000 for this project by increasing the expenditure limitation of the State Fair Capital Improvements Fund by \$80,000 and reducing rehabilitation and repair projects by \$20,000.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>80,000</u>
All Funds	\$ --	\$ <u>80,000</u>

Kansas Animal Health Department

4. Professional Services

To expedite the efforts of the Kansas Animal Health Department in seeking compliance with animal health laws, I amend my budget to provide \$20,000 from the State General Fund in FY 1995. The funds will be used for the professional services of an attorney and veterinarians. The attorney would handle legal matters for all enforcement activities, and the private veterinarians would supplement the agency's veterinarians in the inspection of kennels and in the effort to eradicate brucellosis in the state.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ 20,000
All Other Funds	--	<u>--</u>
All Funds	\$ --	\$ <u>20,000</u>

5. Merge State General Fund Accounts

My original budget recommendation included merging the three State General Fund accounts of the Kansas Animal Health Department into one account for FY 1995. To allow the Kansas Animal Health Department greater flexibility in funding its various programs in the current fiscal year, I amend my budget to allow this action to take place also in FY 1994.

6. No Limit Authority on Fee Funds

The Kansas Animal Health Department has informed me that fee receipts to the agency may vary from the original estimates. In order to allow the agency to manage its fee funds effectively in FY 1994 and FY 1995, I amend my budget to provide a no limit appropriation to the Animal Disease Control Fee Fund, the Livestock Market Brand Fee Fund, and the Livestock Brand Fee Fund. All other fee funds used by the Kansas Animal Health Department already contain no limit provisions.

Department of Administration

7. Budget Stabilization Fund Expenditure Authorization

I amend my budget to include a proviso on the State Budget Stabilization Fund in the Department of Administration to allow the monies remaining in the fund to be used only for direct or matching expenditures related to natural disasters, such as floods or tornados.

8. Consolidation of Office Space

I recommend the Department of Administration initiate a project to examine the consolidation of office space used by state agencies in the Topeka area. I therefore amend my FY 1995 budget recommendations to include \$75,000 from the State General Fund for such a study.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ 75,000
All Other Funds	--	--
All Funds	<u>\$ --</u>	<u>\$ 75,000</u>

9. Claims Audit of Blue Cross and Blue Shield

I recommend the expenditure limitation on the Cafeteria Benefits Fund be increased by \$50,000 in FY 1995 to perform a claims audit of Blue Cross and Blue Shield. The objective of this audit will be to verify that Blue Cross is reimbursing claims in accordance with the plan and to identify any deficiencies in administrative procedures, systems, and controls.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	50,000
All Funds	<u>\$ --</u>	<u>\$ 50,000</u>

10. Maintenance and Housekeeping of Statehouse

I recommend the addition of \$88,445 from the State General Fund in FY 1995 to increase the level of maintenance and housekeeping performed in the Statehouse. Staff would be reallocated from other buildings to the Statehouse to clean and perform routine maintenance in the Statehouse.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ 88,445
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ --	\$ 88,445

State Treasurer

11. Transfer Staff to Accounts and Reports

At the request of the State Treasurer, I amend my budget to decrease the position limitation in the State Treasurer's Office by 1.0 FTE position and reduce the agency's budget by \$4,784 in FY 1994 and \$19,537 in FY 1995. The 1.0 FTE position and the funding in both years would transfer to the Department of Administration, Division of Accounts and Reports as a result of a shift in responsibilities between these two agencies in the area of warrant processing.

<u>State Treasurer</u>	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ (4,784)	\$ (19,537)
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (4,784)	\$ (19,537)

<u>Department of Administration</u>	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ 4,784	\$ 19,537
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 4,784	\$ 19,537

Department of Education

12. General and Supplemental State Aid Adjustment

I amend my budget for FY 1994 to decrease General State Aid by \$3,641,000 from the State General Fund and for FY 1995 to decrease General State Aid by \$5,330,000 and Supplemental State Aid by \$101,000. These changes reflect the most recent estimates of statewide enrollments. This amendment includes a technical correction of \$23,000 in FY 1995 to conform the Governor's recommendation with the most recent school finance estimates. Also included in FY 1995 is a reduction of \$207,360 to account for the passage of HB 2975 to change the enrollment date from September 1 to August 31.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$(3,641,000)	\$(5,431,000)
All Other Funds	--	--
All Funds	<u>\$(3,641,000)</u>	<u>\$(5,431,000)</u>

13. Property Tax on Office Building

Because the recent renewal of the lease agreement for the office building of the Department of Education involved an unexpected cost increase for property taxes, I amend my budget recommendation in both FY 1994 and 1995 to add \$37,917 from all funding sources, including \$22,845 from the State General Fund.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ 22,845	\$ 22,845
All Other Funds	<u>15,072</u>	<u>15,072</u>
All Funds	<u>\$ 37,917</u>	<u>\$ 37,917</u>

14. KPERS-School Employer Contribution Costs

I amend my budget to address the revised estimates for the KPERS-School employer contribution in FY 1994 and FY 1995 from the State General Fund. Although my original recommendation fully funded the requested amount, the latest estimate indicates that an additional \$1,410,327 would be required in FY 1994 and \$2,644,023 in FY 1995.

<u>KPERS</u>	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ 1,410,327	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	<u>\$ 1,410,327</u>	<u>\$ --</u>

<u>Department of Education</u>	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ 2,644,023
All Other Funds	<u>--</u>	<u>--</u>
All Funds	<u>\$ --</u>	<u>\$ 2,644,023</u>

15. Transfer School Bus Regulation from KDOT to the Department of Education

I amend my budget to transfer the regulation of school bus safety from the Department of Transportation to the Department of Education (SB 499) in FY 1995. This transfer would involve the exchange of 4.0 FTE positions and \$160,000 from the State Highway Fund between the two agencies.

<u>Department of Transportation</u>	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	(160,000)
All Funds	\$ --	\$ (160,000)
 <u>Department of Education</u>	 <u>FY 1994</u>	 <u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	160,000
All Funds	\$ --	\$ 160,000

16. Establishment of the Kansas Postsecondary Review Board

I amend my budget to provide for administrative costs in the Department of Education associated with establishing the Kansas Postsecondary Review Board (KPR) as required by federal law and provided for in HB 2566. The federal government will provide approximately \$68,000 in FY 1995 to administer the KPR program. I recommend establishment of the Federal Student Aid Fund with no limit on expenditures to provide for this program.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	68,000
All Funds	\$ --	\$ 68,000

Regents Institutions

17. General Fee Fund Adjustments

I amend my budget to adjust the recommended level of expenditure from each Regents institution's General Fees Fund for both FY 1994 and FY 1995. My original recommendations have been revised on the basis of headcount and average receipts for the spring semester of FY 1994. The adjustments are detailed by year and by institution in the tables below. In instances where there is a negative number in the final column, I amend my budget to replace that shortfall with State General Fund appropriations. In instances where there is a positive number in the last column, I amend my budget to replace State General Fund appropriations with General Fee Fund revenue.

	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Surplus/ (Shortfall)</u>
<u>FY 1994</u>			
University of Kansas	\$59,708,114	\$59,391,288	\$ (316,826)
KU Medical Center	9,004,365	9,004,365	--
Kansas State	33,381,457	33,163,937	(217,520)
KSU--Vet. Med.	3,816,294	3,816,294	--
KSU--Salina	650,291	650,291	--
Wichita State	21,219,553	21,219,553	--
Fort Hays State	7,129,166	7,129,166	--
Emporia State	7,561,999	7,561,999	--
Pittsburg State	9,877,522	9,877,522	--
Total	\$152,348,761	\$151,814,415	\$ (534,346)

<u>FY 1995</u>			
University of Kansas	\$66,038,763	\$65,707,769	\$ (330,994)
KU Medical Center	9,345,663	9,291,473	(54,190)
Kansas State	36,832,601	36,638,065	(194,536)
KSU--Vet. Med.	4,073,218	4,073,218	--
KSU--Salina	793,132	753,601	(39,531)
Wichita State	23,543,797	23,847,885	304,088
Fort Hays State	7,594,999	7,577,394	(17,605)
Emporia State	8,017,846	8,042,168	24,322
Pittsburg State	10,796,020	10,973,980	177,960
	\$167,036,039	\$166,905,553	\$ (130,486)

The revisions require the substitution of \$534,346 from the State General Fund for a shortfall in general fee funds in FY 1994 and \$130,486 in FY 1995. The net change for both fiscal years is a shift of \$664,832 in expenditures from general fee funds to the State General Fund.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ 534,346	\$ 130,486
All Other Funds	(534,346)	(130,486)
All Funds	\$ --	\$ --

18. Utility Adjustments

I amend my budget to adjust funding for utility costs at the Regents' institutions for both FY 1994 and FY 1995. The Board of Regents annually submits revised estimates of utility costs based on the most recent data on actual expenditures and revised projections for the remainder of the fiscal year. Recommended funding adjustments for each institution for FY 1994 are as follows:

<u>FY 1994</u>	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Additions (Savings)</u>
University of Kansas	\$ 5,478,585	\$ 5,881,040	\$ 402,455
KU Medical Center	4,926,626	5,701,578	774,952
Kansas State	6,191,763	7,031,406	839,643
KSU--Salina	178,834	203,381	24,547
Wichita State	3,281,211	3,549,531	268,320
Fort Hays State	876,217	931,462	55,245
Emporia State	700,340	786,612	86,272
Pittsburg State	<u>1,021,274</u>	<u>1,081,372</u>	<u>60,098</u>
Total	\$22,654,850	\$25,166,382	\$2,511,532

I recommend the following adjustments for FY 1995:

<u>FY 1995</u>	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Additions (Savings)</u>
University of Kansas	\$ 5,678,546	\$ 6,081,001	\$ 402,455
KU Medical Center	5,140,739	5,808,634	667,895
Kansas State	6,764,579	7,604,222	839,643
KSU--Salina	178,834	203,381	24,547
Wichita State	3,315,097	3,583,417	268,320
Fort Hays State	939,967	995,212	55,245
Emporia State	703,131	789,403	86,272
Pittsburg State	<u>1,021,274</u>	<u>1,081,372</u>	<u>60,098</u>
Total	\$23,742,167	\$26,146,642	\$2,404,475

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ 2,511,532	\$ 2,404,475
All Other Funds	--	--
All Funds	\$ 2,511,532	\$ 2,404,475

Kansas State University

19. Bramlage Parking

I amend my budget to include \$950,000 from the Coliseum Repair, Equipment and Improvement Fund to make repairs to the west Bramlage parking lot in FY 1995. The project will include installation of an underground water drainage system and the application of an asphalt overlay of the existing parking lot.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>950,000</u>
All Funds	\$ --	\$ 950,000

20. Helium Storage Facility

I amend my budget to include \$150,000 from a federal Department of Energy grant to design, construct, and equip a 500 gross square foot building to house a helium compressor and related equipment. The University indicates it will not request funds for servicing of new buildings for this facility.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>150,000</u>
All Funds	\$ --	\$ 150,000

KSU--Veterinary Medical Center

21. Medical Waste Incinerator

I amend my budget for FY 1995 to include \$500,000 from restricted fee funds for construction of a free-standing medical waste incinerator for the College of Veterinary Medicine. This incinerator will replace an existing incinerator that is no longer useful.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>500,000</u>
All Funds	\$ --	\$ 500,000

University of Kansas

22. Watkins Health Center

I amend my budget for FY 1995 to include \$4,969,000 from bond revenues for renovation and expansion of Watkins Health Center. The number of students seeking health services has grown significantly in recent years. The project will renovate 17,205 gross square feet and add 17,425 gross square feet. The Student Senate and the student body have approved the use of student fees to repay the bond issue.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>4,969,000</u>
All Funds	\$ --	\$ 4,969,000

23. Hoch Auditorium

I amend my budget to add \$3.8 million from one-time receipts to the State General Fund in FY 1995 for the Hoch Auditorium reconstruction project. The project was approved by the 1992 Legislature at \$18.0 million from the Kansas Special Capital Improvements Fund. The lowest bid on the project, however, was significantly above the approved amount. Without the additional funds, the University will likely forgo the portion of the project which would add needed underground library space between Hoch Auditorium and Anschutz Science Library. The addition of \$3.8 million will permit the inclusion of underground library space. Adding the additional space in the future would result in higher total costs.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ 3,800,000
All Other Funds	--	<u>--</u>
All Funds	\$ --	\$ 3,800,000

Wichita State University

24. Neighborhood and Community Service Efforts

I amend my budget for FY 1995 to include \$249,809 from the State General Fund and 4.5 unclassified FTE positions to support the University's Neighborhood and Community Service efforts. With its urban mission, Wichita State University has an opportunity and an obligation to contribute toward improving community safety. The funds will be used for the following programs: Crime Prevention Institute, Grow Your Own Police Officer Program, Special Liaison for Community Safety, Student Neighborhood Service Corps, Student Employment for Neighborhood Development, and Neighborhood Student Placement Coordinator.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ 249,809
All Other Funds	--	<u>--</u>
All Funds	\$ --	\$ 249,809

25. FTE Position Shift

I amend my budget for FY 1995 to adjust the position limitation for the University. My recommendations included separate limitations on general use positions for classified and unclassified positions. I recommend a shift of 2.0 FTE positions from unclassified to classified. The revised recommendations are 528.9 classified positions and 893.6 unclassified positions.

Fort Hays State University

26. Fringe Benefit Adjustment

I amend my budget to include \$101,436 in FY 1995 from the State General Fund to correct an error in unclassified retirement in the initial agency budget submission. The actual unclassified retirement rate for FY 1993 was 8.7 percent. Adjusted for the increase approved for FY 1994 and the projected increase for FY 1995, the rate for FY 1995 should be approximately 9.3 percent. The agency erroneously budgeted a rate of 8.6 percent in its budget submission.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ 101,436
All Other Funds	--	--
All Funds	\$ --	\$ 101,436

Department of Commerce and Housing

27. Increase Expenditure Limitation on CDBG Administrative Fund

I amend my budget to increase the expenditure limitation on the administrative portion of the Community Development Block Grant Fund by \$54,116 in FY 1995 for the addition of a Business Finance Specialist. The Department of Housing and Urban Development (HUD) has recently expanded the financial tools available to states through the use of the CDBG allocation for float loans, Section 108 loan guarantees, and third party loan guarantees. I recommend this staff position, because these financial relationships are more complex than current arrangements and they require in-house expertise. I also amend my budget to establish a Business Financing Fee Fund with a no limit appropriation, because it is possible that the arrangements could involve collection of fees if this is determined to be allowable by HUD. Any fees generated would be used to offset legal expenses and possibly the salary costs for the special project position.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>54,116</u>
All Funds	\$ --	\$ <u>54,116</u>

Selected Agencies

28. Demand Transfers

Current statutes require that several demand transfers be made from the State General Fund to specific special revenue funds. These transfers are required to be made at various intervals during the year. Two of those transfers, the Local Ad Valorem Tax Reduction Fund transfer and the County-City Revenue Sharing Fund transfer, are based on sales and use tax receipts. The State Highway Fund transfer is based on sales tax receipts, and the Special City-County Highway Fund transfer depends on motor carrier property tax revenues. The last time an estimate of the FY 1994 cost of these transfers was made was in connection with the November revenue estimate by the Consensus Revenue Estimating Group. Those estimates now need to be revised to reflect the most recent information available. State Highway Fund expenditures will remain the same as the original recommendations because reductions of \$825,000 for FY 1994 and \$849,000 for FY 1995 from the State Highway Fund will offset the increase in the State General Fund demand transfer. To maintain the original recommendation of the Governor to provide a 3.0 percent increase above the FY 1994 amount for the LAVTR Fund and CCRS Fund, a technical adjustment to the percentages contained in SB 772 is necessary.

<u>FY 1994</u>	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Difference</u>
Local Ad Valorem			
Tax Reduction Fund	\$ 40,330,000	\$ 40,293,000	\$ (37,000)
State Highway Fund	78,254,000	79,079,000	825,000
Special City-County			
Highway Fund	<u>9,637,000</u>	<u>9,743,000</u>	<u>106,000</u>
	\$128,221,000	\$129,115,000	\$894,000

My recommendation for demand transfers in FY 1995, as included in the *FY 1995 Governor's Budget Report*, is based on a 3.0 percent increase in demand transfer expenditures above the FY 1994 levels. Because some of the FY 1994 demand transfer estimates have been revised, I amend my FY 1995 budget in order to continue to finance a 3.0 percent increase above the FY 1994 expenditure levels for all demand transfers. To implement this amendment, technical changes to SB 772 are necessary.

<u>FY 1995</u>	<u>Original Recommendation</u>	<u>Revised Recommendation</u>	<u>Difference</u>
Local Ad Valorem			
Tax Reduction Fund	\$ 41,540,000	\$ 41,502,000	\$(38,000)
State Highway Fund	80,602,000	81,451,000	849,000
Special City-County Highway Fund	<u>9,926,000</u>	<u>10,036,000</u>	<u>110,000</u>
	\$132,068,000	\$132,989,000	\$921,000

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ 894,000	\$ 921,000
All Other Funds	<u>(825,000)</u>	<u>(849,000)</u>
All Funds	\$ 69,000	\$ 72,000

Kansas Lottery

29. Sales Estimate

I amend my budget to reflect revised estimates in ticket sales receipts for the Kansas Lottery. Based on actual receipts through March, it appears that the lottery ticket sales estimates included in the *FY 1995 Governor's Budget Report* for FY 1994 and FY 1995 are too low. Receipts from the Powerball game and from instant ticket sales were higher than anticipated. Therefore, I amend my estimate of net ticket sales for the Lottery to \$142,272,000 in FY 1994 and to \$130,000,000 in FY 1995. These estimates represent an increase of \$16,899,486 in FY 1994 and \$4,000,000 in FY 1995 above my original estimates.

Expenditures by the Kansas Lottery for the contract with the on line vendor, prize payments, and commissions paid to retailers are related directly to ticket sales. Therefore, I amend my budget to include additional expenditures of \$11,475,465 in FY 1994 and \$3,569,482 in FY 1995 to reflect these costs. The revised ticket sales estimate results in increased receipts to the Gaming Revenues Fund and, in turn, to the Economic Development Initiatives Fund.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>11,475,465</u>	<u>3,569,482</u>
All Funds	\$11,475,465	\$ 3,569,482

30. Economic Development Initiatives Fund Revenue Estimate

The Director of the Budget, in a letter to me dated January 26, 1995, indicated that, in order to correct a technical error in the *FY 1995 Governor's Budget Report*, I would submit for legislative consideration a revised expenditure plan for the

Economic Development Initiatives Fund (EDIF). I therefore amend my budget to correct the error. This amendment is based on revised revenue estimates for the Lottery and Racing Commission and includes a revised estimate of outstanding encumbrances. The revised estimates finance my original expenditure recommendations and allow for an adequate balance in the fund at the end of FY 1995.

A comparison of the plan included in the FY 1995 Governor's Budget Report and the plan included in this budget amendment is displayed below. The amended plan is based on the actual unencumbered balance as of June 30, 1993, in the EDIF, encumbrances estimated to be liquidated in FY 1994, and revised estimates of receipts to the EDIF from the Lottery Operating Fund and the Racing Fund.

My amendment assumes Lottery ticket sales to be approximately \$142.3 million in FY 1994 based on sales to date. Actual receipts from Powerball and instant ticket sales were higher through March than originally estimated. Based on this experience, I am also amending my budget to increase the Lottery ticket sales estimate in FY 1995 from \$126.0 to \$130.0 million. These changes result in an anticipated increase in transfers to the EDIF in FY 1994 and FY 1995.

The receipts to the Racing Fund are also anticipated to be higher in FY 1994 than originally anticipated. Therefore, a slight increase in transfers to the EDIF from that source is estimated for FY 1994. However, in FY 1995 a decrease below the estimate included in my original recommendations for the Racing Fund is necessary in order to maintain an appropriate cash balance in that fund.

Economic Development Initiatives Fund Revenues

	FY 1994	FY 1994	FY 1995	FY 1995
	Gov. Rec.	GBA	Gov. Rec.	GBA
Beginning Balance	\$16,165,230	\$12,571,410	\$7,827,114	\$7,634,588
Lottery	36,506,914	39,600,000	33,971,538	34,910,480
Racing	5,266,501	5,400,000	4,860,000	4,680,000
Liquidated Encumbrances	--	470,000	--	--
Interest	<u>645,793</u>	<u>400,000</u>	<u>125,000</u>	<u>300,000</u>
Total Available	\$58,584,438	\$58,441,410	\$46,783,652	\$47,525,068
Transfers	<u>50,757,324</u>	<u>50,806,822</u>	<u>46,253,703</u>	<u>46,253,703</u>
Balance Forward	\$7,827,114	\$7,634,588	\$529,949	\$1,271,365

31. Instant Ticket Printing

I amend my budget to include \$78,500 in FY 1994 and \$471,530 in FY 1995 to print additional instant game lottery tickets. The

Lottery has experienced a 25 percent increase in instant ticket sales for the period of November 1993 to March 1994 compared to the same period in 1992 and 1993. This increase in sales is reflected in my revised sales estimates for FY 1994 and FY 1995.

The FY 1994 amount will be used to print an additional instant game in FY 1994, which will allow the Lottery to enter FY 1995 with a ticket inventory sufficient to maintain the current instant game sales level. The FY 1995 amount will allow the agency to continue the current expanded level of instant ticket sales by allowing the printing of more tickets and the implementation of a bar coding program, which will allow for the automation of ticket sales, validation, and inventory control.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>78,500</u>	<u>471,530</u>
All Funds	\$ 78,500	\$ 471,530

32. Move to Wichita State Office Building

I amend my budget to include \$15,000 in FY 1994 and \$30,000 in FY 1995 to move the Lottery office in Wichita to the Wichita State Office Building. At the time my FY 1994 and FY 1995 budget estimates were made the cost of the move of the Lottery office in Wichita was not known. The expenditures in FY 1994 will finance the construction of a security screen/counter, while the FY 1995 amount will finance additional rental costs of \$25,000 and the moving of equipment to the new facility of \$5,000.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>15,000</u>	<u>30,000</u>
All Funds	\$ 15,000	\$ 30,000

33. Post Audit

I amend my budget to include \$40,000 in FY 1994 to finance the cost of an audit of the Lottery and its on-line games vendor G-Tech. The Legislative Post Audit Committee has expanded the scope of the proposed audit to include G-Tech. My budget recommendations did not include funding for the expanded scope of the audit.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>40,000</u>	<u>--</u>
All Funds	\$ 40,000	\$ --

34. Promotional Materials

I amend my budget to include \$36,500 in FY 1995 to finance the cost of additional promotional brochures and promotional signs. The Lottery has experienced an unanticipated growth in the number of existing retailers. In order to cover this growth in FY 1995, monies for materials originally budgeted for new retailers will be used for those currently participating in the program. In order to maintain the growth in participation by retailers that was originally anticipated by my budget estimates, I amend my budget to include an additional \$36,500 for promotional materials.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>36,500</u>
All Funds	\$ --	\$ <u>36,500</u>

Racing Commission

35. Frontenac Race Track

I amend my budget to add \$508,574 and 11.0 FTE positions to monitor operations of the new track in Frontenac. The exact opening date for the facility has yet to be determined. Therefore, I recommend that the expenditures and FTE positions associated with this amendment be made subject to State Finance Council approval. Of the 11.0 FTE positions dedicated to the facility, 7.0 are funded with \$225,383 from the Racing Reimbursable Fund. The positions include two veterinary assistants, a senior assistant animal health officer, an assistant animal health officer, a chief judge, and two associate judges. The balance of the FY 1995 operation at Frontenac of \$283,191 would be financed from the Racing Fund. A total of \$100,417 would finance 4.0 FTE positions at the central office. These would include an Office Assistant III, an Office Assistant I, a Special Investigator, and an Auditor. The remaining expenditures of \$182,774 for the program would be other operating expenditures. Of that amount, \$25,395 would be capital outlay expenditures.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>508,574</u>
All Funds	\$ --	\$ <u>508,574</u>

Kansas Department of Transportation

36. Construct Wash Bays at Sub-Area Headquarters

I amend my budget to include \$1,239,055 from the State Highway Fund for FY 1995 to begin the process of constructing environmentally safe wash bays at sub-area offices. This amount will allow KDOT to begin this process and to determine the best design for the wash bays. KDOT indicates that the present wash bay facilities at sub-area shops are too small to wash equipment effectively and that EPA rules have placed limits on wash bay drainage that preclude the outside washing of vehicles and equipment. KDOT proposes to construct either pre-cast concrete or prefabricated metal wash buildings approximately 45 feet long and 18 feet wide at various sub-area headquarters.

	<u>FY 1994</u>	<u>FY 1995</u>	
State General Fund	\$ --	\$ --	
All Other Funds	--	<u>1,239,055</u>	
All Funds	\$ --	\$ 1,239,055	

37. Construct Storage Buildings at Various Shop Locations

I amend my budget to include \$470,461 from the State Highway Fund for FY 1995 to construct metal prefabricated storage buildings to store office supplies at various KDOT shop locations. These buildings would be constructed at various office locations that have sub-area shops. Presently, sub-area shop bays are used to house equipment areawide. This equipment would best be stored at area offices, and these buildings would permit such storage. The sub-area shop bays currently used to store this equipment are needed for their intended use, which is for storage of sub-area equipment. These monies would be utilized to build the storage facilities at eight area offices.

	<u>FY 1994</u>	<u>FY 1995</u>	
State General Fund	\$ --	\$ --	
Other Funds	--	<u>470,461</u>	
All Funds	\$ --	\$ 470,461	

38. Regular Maintenance -- Capital Outlay

I amend my budget to include \$1,358,018 from the State Highway Fund for capital outlay for the Regular Maintenance Program for FY 1995. In its original budget request, KDOT requested \$9,373,142 for capital outlay expenditures. I recommended \$7,944,130 for the program. In order to maintain the agency's replacement equipment plan, I recommend this funding.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>1,358,018</u>
All Funds	\$ --	\$ 1,358,018

39. Construct District Four Storage Building at Chanute

I amend my budget to include \$145,771 from the State Highway Fund for FY 1995 to construct a prefabricated metal building of 9,000 square feet to replace a wood frame storage building at the Chanute District Office and Shop. The existing building was constructed in 1941.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>145,771</u>
All Funds	\$ --	\$ 145,771

40. Purchase of Buildings and Land to Relocate Paola Sub-Area Shop

I amend my budget for FY 1994 to include \$179,500 from the State Highway Fund to purchase land and buildings that would be used to relocate the Paola Sub-Area Shop. The agency has approval to purchase land for this project but does not have sufficient funds or approval to purchase land with buildings on the property. The purchase of this parcel of land with existing buildings will allow the agency to use the existing buildings and thereby save approximately \$500,000 of the projected \$715,000 in construction costs that it had planned to request in FY 1996 to construct a shop.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>179,500</u>	--
All Funds	\$ 179,500	\$ --

Department of Corrections

41. Debt Service

I amend my budget for FY 1994 to reduce the State General Fund expenditures for payment of debt service on the Ellsworth, Wichita, and Revenue Refunding bond issues by \$448,919. The debt service expenditures can be financed from principal and interest special revenue funds using balances that became available subsequent to the preparation of the FY 1995 Governor's Budget Report.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ (448,919)	\$ --
All Other Funds	<u>448,919</u>	<u>--</u>
All Funds	\$ --	\$ --

42. Health Care

I amend my budget for FY 1994 to reduce State General Fund expenditures by \$150,000 and to shift \$170,000 from the inmate medical and mental health care contract to the operations account. This reduction is the result of \$320,000 in savings in the inmate medical and mental health care contract because of adjustments in inmate average daily population estimates.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ (150,000)	\$ --
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (150,000)	\$ --

43. Operating Expenditures

I amend my budget for FY 1995 for the Department of Corrections to shift \$160,000 from the facilities operations account of the State General Fund to the Department of Corrections operating expenditures State General Fund account. The shifting of monies will allow the Department to reduce shrinkage rates for the Parole Services and Central Management Programs.

Kansas Highway Patrol

44. Funding Adjustment

I amend my budget to reduce State General Fund expenditures for the Operations subprogram of the Highway Patrol's FY 1995 budget by \$202,000. This amount will be offset with \$202,000 of federal monies that will be available in FY 1995. In FY 1994, \$88,000 has become available and will be reappropriated to FY 1995. In FY 1995, this reappropriation will be added to \$114,000 in new federal monies that are anticipated to be available for expenditure.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ (202,000)
All Other Funds	<u>--</u>	<u>202,000</u>
All Funds	\$ --	\$ --

45. Capitol Area Security Patrol Fund Expenditure Limitation Increase

I amend my budget to increase the expenditure limitation on the Capitol Area Security Patrol (CASP) Fund in the Highway Patrol's budget in FY 1994 from \$789,124 to \$803,821, an increase of \$14,697. The increase is needed to finance unanticipated expenditures associated with the January 15 Ku Klux Klan demonstration and provision of Capitol Police services to various state agencies. The agency will utilize available CASP Fund balances to meet its obligations in FY 1994.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>14,697</u>	<u>--</u>
All Funds	\$ 14,697	\$ --

University of Kansas Medical Center

46. Salary Correction

I amend the amounts included in my budget for FY 1994 and FY 1995 for the University of Kansas Medical center to correct salary amounts recommended previously.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ 2,690	\$ 141,590
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 2,690	\$ 141,590

Department of Human Resources

47. Increase to the Federal OSHA Fund Limitation

The Department of Human Resources has received notice from the Occupational Safety and Health Administration (OSHA) that \$19,000 in additional OSHA funds will be available to the state during the federal Fiscal Year 1994. The Department intends to use \$9,500 of the increased funding for inspection equipment in the Industrial Safety Program in FY 1994. For FY 1995, the remaining \$9,500 would provide increased travel associated with safety and health training. In both years, existing state resources would be used to provide the 10.0 percent state match. Therefore, I amend my budget in both FY 1994 and FY 1995 to increase the federal OSHA Fund expenditure limitation by \$9,500.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>9,500</u>	<u>9,500</u>
All Funds	\$ 9,500	\$ 9,500

48. Additional Positions for Workers Compensation Reform

As the Division of Workers Compensation has implemented the various provisions of workers compensation reform contained in 1993 SB 307, certain administrative units have shown a need for additional personnel to meet the new service demands. The volume and complexity of the fraud and abuse complaints received by the Division have exceeded expectations; therefore, I amend my budget to provide 2.0 additional Special Investigator positions for the Fraud and Abuse Unit in FY 1995. Likewise, the original recommendation of 12.0 FTE positions for regional ombudsman and benefit review offices assumed that some existing clerical positions could be shifted from the Topeka office to regional offices. However, a continued emphasis on data collection efforts will prevent a shifting of clerical staff in FY 1995. As a result, I amend my budget to provide 4.0 clerical personnel to support the regional ombudsman and benefit review officers in FY 1995. The budget amendment as a whole provides \$226,600 from the Workmen's Compensation Fee Fund, which includes \$148,582 in salaries for 6.0 FTE positions and \$78,018 for other operating expenditures.

The Legislature has reduced the number of ombudsman/benefit review positions in order to provide clerical support in the regional offices. This proposal would bring the total number of personnel added for workers compensation reform to 62.0 FTE positions, including 43.0 staff added by the 1993 Legislature. The fiscal note for 1993 SB 307 originally estimated a need for 62.0 FTE positions in the Department of Human Resources.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>226,600</u>
All Funds	\$ --	\$ 226,600

49. Unemployment Insurance Automation Grant Proposals

The Department of Human Resources has submitted a grant proposal to the U.S. Department of Labor for two Unemployment Insurance Automation projects in FY 1995. One proposal concerns the implementation of a voice response project to allow clients phone-to-computer access to their individual unemployment insurance files. The other project proposal involves replacing the central processing unit of the Human Resources mainframe computer. If either project is approved, a maximum state match of \$210,000 will be needed to access approximately \$700,000 in federal funds. The Department states that approval of both projects is unlikely;

therefore, I amend my budget to add \$210,000 from the Special Employment Security Fund (a.k.a. Penalty and Interest Fund) to provide the state matching amount for one automation project. An amendment to the proviso attached to the Special Employment Security Fund limitation is recommended to ensure that the monies will remain in the Special Employment Security Fund, if neither project is approved.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>910,000</u>
All Funds	\$ --	\$ 910,000

50. Addition of Advisory Committee on African American Affairs

A year ago, the *FY 1994 Governor's Budget Report* contained funding to implement an advisory committee on African American Affairs. Although the Kansas Advisory Committee on Hispanic Affairs (KACHA) has existed since 1974, the 1993 Legislature believed that a needs assessment study of the state's Hispanic and African American communities was needed before establishing a new program. Wichita State University (WSU) conducted the study during FY 1994 and outlined its findings and recommendations in a report issued March 1994. WSU concluded that, although members of minority groups share many interests with other Kansans, unique interests exist because of historic patterns of discrimination and/or language barriers. In addition, the WSU report found that:

"Extraordinary processes are necessary in Kansas state government to assure that the unique interests of persons from racial/ethnic minority groups are considered in the policy process."

In response to the WSU findings, I amend my FY 1995 budget to provide \$146,131, including \$142,131 from the State General Fund, to establish an Advisory Committee on African American Affairs within the Department of Human Resources. The recommended amount funds 3.0 FTE positions and associated other operating expenditures to support the activities of the new committee. I note that KSA 75-5727 authorizes the Secretary of Human Resources to create advisory boards with the approval of the Governor. The first priority of both the KACHA and African American committees in FY 1995 will be to evaluate fully the findings presented in the WSU report and make recommendations concerning any legislative or administrative changes needed to improve the effectiveness of minority representation in the state policy process.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ 142,131
All Other Funds	--	<u>4,000</u>
All Funds	\$ --	\$ 146,131

Department of Social and Rehabilitation Services

51. Consensus Caseload Estimates

I amend my budget to reflect the findings of the consensus caseload estimating group that met April 7. This group, including officials of the executive and legislative branches, agreed upon caseloads and expenditure estimates for several programs, including Aid to Families with Dependent Children, General Assistance, and Adult Care Homes. The group estimates that, based on current expenditure trends and economic conditions, expenditures for the programs noted above will be less than my original budget recommendations by \$13,105,094 in FY 1994 and \$18,996,748 in FY 1995. The amounts include State General Fund reductions of \$5,630,745 and \$8,186,147 in each respective year. The group also reached agreement on overall expenditures for the Regular Medical Program and Adoption Assistance, which were not changed from amounts included in my original budget recommendations for FY 1994 and FY 1995.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ (5,630,745)	\$ (8,186,147)
All Other Funds	<u>(7,474,349)</u>	<u>(10,810,601)</u>
All Funds	\$(13,105,094)	\$(18,996,748)

52. Medicaid Management Information Systems Changes

I amend my budget to reflect changes in funding for information systems in the Department of Social and Rehabilitation Services. In FY 1994 and FY 1995, the Department anticipates reduced expenditures because of changes in federal requirements for computer and software development in support of the Medicaid program. In FY 1994, changes associated with three new software packages are proceeding at a slower rate than originally thought, and some funding will not be needed until FY 1995. Also, upgrades needed to implement the electronic pharmacy claims management project will be postponed until a new Medicaid Management Information System contract is let in FY 1996. In all, FY 1994 expenditures will be reduced \$1,523,082, including \$182,524 from the State General Fund. Of that amount, \$414,594, including \$71,675 from the State General Fund, will be shifted to FY 1995. Also in FY 1995, expenditures will be reduced \$1,525,049, including \$222,032 from the State General Fund, to reflect the delay in implementing the pharmacy electronic claims management system.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ (182,524)	\$ (150,357)
All Other Funds	<u>(1,340,558)</u>	<u>(960,098)</u>
All Funds	\$(1,523,082)	\$(1,110,455)

53. Family Support Act of 1988

I amend my budget for FY 1995 to add \$3,564,465, including \$270,000 from the SRS Fee Fund, to enhance Child Support Enforcement data collection services. The recommendation will accelerate funding that would have otherwise occurred in FY 1996. Providing the expenditure in FY 1995 will allow the agency to access 90 percent federal funding, instead of the 75 percent match that will be available after September 30, 1995. The changes included in the recommendation will bring the state into compliance with federal requirements contained in the Family Support Act of 1998.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>3,564,465</u>
All Funds	\$ --	\$ 3,564,465

54. Home and Community Based Services Waivers

I amend my budget for FY 1994 to provide additional funding for Home and Community Based Services for the mentally retarded. The recommendation includes \$658,214, \$268,617 of which is from the State General Fund, to provide funds the agency needs to place clients.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ 268,617	\$ --
All Other Funds	<u>389,597</u>	--
All Funds	\$ 658,214	\$ --

55. Nursing Facility Match Rate

I amend my budget for FY 1994 to add state funds needed to provide nursing home services for the mentally ill. The agency reports that these amounts are being billed incorrectly by Electronic Data Systems (EDS) and that earlier expenditure estimates understated the level of State General Fund support required to fund nursing home activities.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$2,139,867	\$ --
All Other Funds	<u>(2,139,867)</u>	--
All Funds	\$ --	\$ --

56. Shifting Kansas Legal Services Contract Funds

After reviewing the projected FY 1994 workload for the Kansas Legal Services contract, the Department of Social and Rehabilitation Services reports that an unavoidable backlog in

cases will result in a FY 1994 contractual services savings of \$250,000 from the State General Fund. The Department intends to clear the backlog in FY 1995; therefore, I amend my budget to shift \$250,000 in State General Fund monies from the FY 1994 budget to the FY 1995 budget.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ (250,000)	\$ 250,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ (250,000)	\$ 250,000

57. Youth Services Funding Gap

The consensus caseload estimating group also studied the foster care issue on April 7, 1994. The conclusion reached by the consensus group is that FY 1994 foster care placements as a whole appear to be near or under the estimates included in the FY 1995 Governor's Budget Report. However, a recent increase has been shown in Level V, Level VI, and therapeutic foster care categories. Because these categories of foster care receive federal Title XIX monies and the expenditures are processed with other Medicaid expenditures, SRS believes the recent increase may reflect an accounting error in which mental health services for youth are being charged to foster care. Likewise, an additional \$2.4 million has been spent on family services above the amount included in the FY 1995 Governor's Budget Report and has been charged to the wrong subprogram. As a result, these family services expenditures have until now been interpreted as an increase in cost per caseload. Regardless whether the current year funding gap can be attributed to mental health reform or legitimate youth services expenditures, SRS states that other assistance expenditures in the Youth Services Program are showing a shortfall of \$5,627,086 from all funding sources in FY 1994 and a projected shortfall of \$6,412,616 in FY 1995.

In response to the caseload information received, I amend my budget for FY 1994 and FY 1995 to include an additional \$2.4 million from the State General Fund for family services. The child tracking system is showing a downward turn on the daily number of children in state custody, which may be attributed to family services shortening the stay of out-of-home placements. Furthermore, the recommended addition to family services would bring the SRS budget in line with actual FY 1994 experience. Additional expenditures for youth services cannot be recommended until SRS has thoroughly investigated the accounting questions over mental health and foster care expenditures.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ 2,400,000	\$ 2,400,000
All Other Funds	<u>--</u>	<u>--</u>
All Funds	\$ 2,400,000	\$ 2,400,000

58. ADAS SAMHSA Block Grant

I amend my budget to include \$162,401 from the State General Fund and \$604,343 in federal drug and alcohol treatment block grants to the Division of Alcohol and Drug Services program. The increase of \$604,343 in the federal block grant would be used for funding treatment and prevention services throughout the state, and the State General Fund amount allows compiling with the federal grant requirements so that the state can maintain a funding level equal to an average of the previous two years.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ 162,401
All Other Funds	--	604,343
All Funds	\$ --	\$ 766,744

59. Shift ADAS Aid to Capital Outlay

I amend my budget to shift \$46,560 from the other assistance, grants and benefits category of expenditure to capital outlay in the Division of Alcohol and Drug Services budget. My amendment is technical and reflects the Division's decision to shift the administration of this item from the local treatment and prevention sites to the agency's budget.

60. Raze Industrial Building at Winfield State Hospital

I amend my budget to include razing authority for the Industrial Building on the Winfield State Hospital campus. Damage resulting from high winds and rain have rendered the structure unstable, presenting it as a safety hazard to the public. The cost for razing the building would come from existing expenditure authority.

Department on Aging

61. Shift Healthy Lifestyles Funding to Case Management

I amend my budget to shift \$115,298 from the State General Fund from the Healthy Lifestyle Demonstration Project to case management in FY 1995. My recommendation had included \$230,596 for the Healthy Lifestyles program, of which half, or \$115,298, was to be matched by the Kansas Health Foundation. Kansas State University has since been awarded the grant and the Department would retain \$19,313 of the Foundation grant for a half-time special project position to help with the program. The remaining \$95,985 of the matching grant would be reduced from my FY 1995 budget recommendation for the Department on Aging.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	(95,985)
All Funds	\$ --	\$ (95,985)

Adjutant General's Department

62. Emergency Preparedness Fee Fund Expenditure Limitation

I amend my budget for FY 1994 to allow a \$242,312 increase in the expenditure limitation for the Adjutant General's Emergency Preparedness (DEP) Fee Fund. The current expenditure limitation of the DEP Fee Fund is \$257,688. Unanticipated administrative expenses resulting from the flood of 1993 were charged to this fund. Receipts from the Federal Emergency Management Agency to finance these additional administrative expenses have been credited to this funding source. The expenditure limitation needs to be increased to give the agency the ability to continue normal operations of the DEP program.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	242,312	--
All Fund	\$ 242,312	\$ --

Department of Health and Environment

63. Lab Renovation at Forbes Field

I amend my FY 1994 budget by adding \$206,800 from the State General Fund to complete renovation of the laboratories at Forbes Field. The Department had planned originally to use State General Fund monies it had encumbered from its FY 1993 appropriation. However, it was determined that the agency could not use the encumbered funds because no contract with a "named" vendor was completed during FY 1993. This supplemental appropriation will replace the encumbered monies, which will lapse upon release of the encumbrance.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ 206,800	\$ --
All Other Funds	--	--
All Funds	\$ 206,800	\$ --

64. Increased Vaccine Replacement Mailings

I am amending my FY 1994 budget by increasing the expenditure limitation on the Physician Vaccine Supply--Federal Fund by \$10,000, from \$30,839 to \$40,839. The additional funds, transferred from the Department of Social and Rehabilitation Services, will be used to support the mailings of replacement physician vaccine supplies by the Bureau of Disease Control. The increase is based on the Department's revised estimate for the cost of mailing the replacement vaccines.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>10,000</u>	<u>--</u>
All Funds	\$ 10,000	\$ --

65. Title X Fund Limitation Increase

I am amending my budget for FY 1995 to increase expenditures from the Federal Title X Family Planning Fund by \$120,455. Included in the amendment is an increase in the expenditure limitation on state operations for the Federal Title X Family Planning Fund of \$46,665. These monies will be used to support 1.0 FTE limited term staff position in the Bureau of Family Health to expand the agency's efforts in family planning and coordination of the state Adolescent Health Program. The Department has applied for the additional monies from the Department of Health and Human Services to provide training, technical assistance, and monitoring of local health agencies.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>--</u>	<u>120,455</u>
All Funds	\$ --	\$ 120,455

66. Additional Federal Funding for AIDS Program

I amend my budget to increase expenditures from the AIDS Project--Education and Risk Reduction--Federal Fund by \$93,795 for FY 1994 and \$281,375 for FY 1995. Included in the amendment is an increase in the expenditure limitation on the state operations account of the AIDS Project--Education and Risk Reduction--Federal Fund by \$16,500 for FY 1994 and \$53,759 for FY 1995. The Department will use the funds to hire a limited term FTE Health and Environment Planning Consultant and a limited term FTE Office Assistant III to work in the HIV Prevention Community Planning process. The Department was informed in January of 1994 that it would receive a supplemental award by the Centers for Disease Control and Prevention. The total award is \$375,180. The duties of the new positions will include facilitating a federal initiative of making an assessment of federally-funded HIV prevention

activities in the state. The remaining monies will be used to increase services for persons with the HIV infection.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>93,795</u>	<u>281,385</u>
All Funds	\$ 93,795	\$ 281,385

67. Additional Federal Venereal Disease Control Funding

I amend my budget to increase expenditures from the Venereal Disease Control Project--Federal Fund by \$106,304 for FY 1994 and \$206,355 for FY 1995. As part of the overall increase, the state operations expenditure limitation on the Venereal Disease Control Project Fund--Federal Fund will be increased by \$17,812 for FY 1994 and \$40,681 for FY 1995. These funds will be used to support an additional limited term FTE staff position in the Bureau of Disease Control to expand efforts to reduce the incidence of Chlamydia, which is the fastest growing sexually transmitted disease in Kansas. The Department has reported that it was awarded a total of \$312,659 by the Centers for Disease Control and Prevention to fund the Chlamydia Project. The monies are to be used by the Sexually Transmitted Disease Program in conjunction with the Family Planning Program to support the expansion of testing for Chlamydia. The new staff person will be responsible for coordinating the Chlamydia Project.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>106,304</u>	<u>206,355</u>
All Funds	\$ 106,304	\$ 206,355

68. State Indoor Radon Grant

I am amending my budget recommendation for FY 1994 to increase the expenditure limitation on the State Indoor Radon Grant--Federal Fund from \$117,400 to \$177,861. This increase of \$60,461 will allow the Department to fulfill its contractual agreement for services provided by Engineering Extension at Kansas State University. The Department recently received additional federal EPA funding for radon investigations, which allows it to fund the program fully.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>60,461</u>	<u>--</u>
All Funds	\$ 60,461	\$ --

69. Use of District Coroner's Fund

I amend my budget for FY 1995 to allow the Department of Health and Environment to use the District Coroner's Fund to pay for autopsies of children's deaths that are considered to be of a "suspicious nature." Currently, the Department makes payments from the State General Fund for autopsies performed to determine the cause of child deaths. The amendment allows the Department to utilize the District Coroner's Fund to pay these new costs.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	--	<u>50,000</u>
All Funds	\$ --	\$ <u>50,000</u>

Kansas Healthy Kids Corporation

70. Repeal of Healthy Kids Act

SB 746, which has been signed into law, repeals the Kansas Healthy Kids Program Act. Unfortunately, the Board of Directors of the Kansas Healthy Kids Corporation did not believe it would be able to raise the necessary funding to meet its statutory obligations for FY 1995. I am amending my budget to reduce the Kansas Healthy Kids Corporation's budget for FY 1994 by \$60,000 from the State General Fund, because of the reduced activity of the agency, and to eliminate all funding for the agency for FY 1995.

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ (60,000)	\$ (135,205)
All Other Funds	--	<u>(511,630)</u>
All Funds	\$ (60,000)	\$ (646,835)

Youth Centers

71. Arts Commission Grant

I amend my budget recommendations to increase the expenditure limitation on the general fees fund of each of the four youth centers by \$5,000 for FY 1994 and FY 1995. This will allow juveniles placed at the youth centers the opportunity to experience additional art forms. The funds would be provided by a grant from the Kansas Arts Commission for an in-residence artist.

Youth Center at Atchison

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>5,000</u>	<u>5,000</u>
All Funds	\$ 5,000	\$ 5,000

Youth Center at Beloit

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>5,000</u>	<u>5,000</u>
All Funds	\$ 5,000	\$ 5,000

Youth Center at Larned

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>5,000</u>	<u>5,000</u>
All Funds	\$ 5,000	\$ 5,000

Youth Center at Topeka

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ --	\$ --
All Other Funds	<u>5,000</u>	<u>5,000</u>
All Funds	\$ 5,000	\$ 5,000

MEMORANDUM

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April 20, 1994

ITEMS FOR OMNIBUS CONSIDERATION

Department of Wildlife and Parks

A. House Sub. for S.B. 293 (Governor). House Sub. for S.B. 293 establishes the Private Property Protection Act designed to reduce the risk of undue burdens on private property rights as the result of certain governmental actions.

Under this bill, state agencies will be required to, if anticipating or implementing governmental action, meet the following requirements:

1. If a property owner is required to obtain a specific use permit, any conditions imposed must relate directly to the purpose for which the permit is issued, must substantially and reasonably advance that purpose as well as be authorized by law.
2. Any use restrictions imposed must be proportionate to the extent to which the use of the property gives rise to the need for the restriction.
3. If an action involves a procedure limiting or prohibiting the use of public property pending the process, the limitations must not go beyond a reasonable time.

State agencies will be required to prepare a written report available for public inspection whenever any restriction of private property is effected on the basis of protection of public health or safety. No action may be taken until the report is submitted to the Governor and the Attorney General.

To implement the provisions of this Act, the Department of Wildlife and Parks requests \$120,900 in FY 1995 from the State General Fund to address the legal aspects and economic assessments required by the bill. The request includes: one Attorney I (\$38,000), one Wildlife and Parks Program Specialist II (\$38,000), and one Office Assistant (\$21,500). In addition, the agency requests \$9,500 for operating expenditures and \$13,900 for office equipment for the additional personnel.

B. H.B. 2704 (Law). H.B. 2704 amends current legislation to allow limited nonresident deer hunting within the state. The bill also authorizes special hunt-on-your-own-land permits which may be purchased by landowners and tenants and transferred to non-domiciled family members at the regular permit price plus payment of a transfer fee.

The Department states that the provisions of the bill will require it to establish procedures to distribute applications to nonresidents, receive applications, select and notify successful applicants, and distribute permits. The Department anticipates receiving approximately \$176,900 in revenue from the nonresident deer permits, \$25,000 from the nonresident application fee, and \$142,500 from the special hunt-on-your-own-land permits, for a total of \$344,400. All revenue generated by this bill would be credited to the Wildlife Fee Fund.

The Department of Wildlife and Parks estimates that \$21,000, from the Wildlife Fee Fund, will be needed in FY 1995 to implement the provisions of H.B. 2704. Expenditures will provide for postage, printing, computer usage, and seasonal and temporary salaries required to process forms.

C. As a technical adjustment, amend the agency's State Water Plan appropriation in H.B. 2753 to clarify the Governor's recommendation.

Kansas Animal Health Department

A. Governor's Budget Amendment No. 3, Item 4 -- Professional Services. The Governor amends her recommendation to include \$20,000, from the State General Fund, in FY 1995 to provide professional services of an attorney and veterinarians. The attorney would handle legal matters for all enforcement activities, and the private veterinarians would supplement agency veterinarians in the inspection of kennels and in the effort to eradicate brucellosis in the state.

B. Governor's Budget Amendment No. 3, item 5 -- Merge State General Fund Accounts. The Governor's FY 1995 recommendation included merging the three State General Fund accounts of the Department into one account for FY 1995. To provide greater flexibility in the current year, the Governor amends her budget recommendation to also allow this action to take place in FY 1994.

C. Governor's Budget Amendment No. 3, item 6 -- No Limit Authority on Fee Funds. The Governor amends her budget to provide a no-limit appropriation to the Animal Disease Control Fund, the Livestock Market Brand Fee Fund, and the Livestock Brand Fee Fund in both FY 1994 and FY 1995. This action is recommended to allow the agency to manage its fee funds more effectively. All other fee funds used by the Department already contain no-limit provisions.

Youth Center at Atchison

A. Governor's Budget Amendment No. 3, Item 71 -- Arts Commission Grant. The Governor recommends a \$5,000 fee fund expenditure limitation increase in both FY 1994 and FY 1995 to allow the youth center to expend a grant from the Kansas Arts Commission. The grant would provide for an artist-in-residence to enable the juveniles placed at the youth center to experience additional art forms.

B. S.B. 657 (Governor). S.B. 657, among other things, expands the notice requirements of the Secretary of SRS regarding placement of or the release of certain juvenile offenders to include the local law enforcement agency and the school district in which the juvenile will be residing if the juvenile is still required to attend secondary school. The notice applies to juvenile offenders whose offense (if committed by an adult) would include crimes such as murder, person felonies, and the sale of drugs.

SRS is required to develop policies to involve school districts where the juvenile offender will be residing in planning for the juvenile's release or discharge.

The Youth Center at Atchison estimates that \$7,500, from the State General Fund, will be needed in FY 1995 to implement the relevant provisions of S.B. 657. Expenditures will provide for postage, xeroxing, and other related items.

C. Teacher Salary Increases. The agency requested \$32,700 (State General Fund) for a 3.7 percent increase for teacher's salaries in FY 1995. The Governor's budget recommendation does not include a salary increase for teachers. In addition, because of a statutory requirement enforced by the Division of Purchasing, education service contracts were subject to the bid process for FY 1995. Preliminary estimates indicate the contract amount may substantially increase over the FY 1995 approved amount. The House Subcommittee recommended that these issues be revisited during the Omnibus Session.

Youth Center at Beloit

A. Governor's Budget Amendment No. 3, Item 71 -- Arts Commission Grant. The Governor recommends a \$5,000 fee fund expenditure limitation increase in both FY 1994 and FY 1995 to allow the youth center to expend a grant from the Kansas Arts Commission. The grant would provide for an artist-in-residence to enable the juveniles placed at the youth center to experience additional art forms.

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SRS is required to develop policies to involve school districts where the juvenile offender will be residing in planning for the juvenile's release or discharge.

The Youth Center at Beloit estimates that \$7,500, from the State General Fund, will be needed in FY 1995 to implement the relevant provisions of S.B. 657. Expenditures will provide for postage, xeroxing, and other related items.

C. Teacher Salary Increases. The agency requested \$44,606 (State General Fund) for a 5.0 percent increase for teacher's salaries in FY 1995. The Governor's budget recommendation does not include a salary increase for teachers. In addition, because of a statutory requirement enforced by the Division of Purchasing, education service contracts were subject to the bid process for FY 1995. Preliminary estimates indicate the contract amount may substantially increase over the FY 1995 approved amount. The House Subcommittee recommended that these issues be revisited during the Omnibus Session.

Youth Center at Topeka

A. Governor's Budget Amendment No. 3, Item 71 -- Arts Commission Grant. The Governor recommends a \$5,000 fee fund expenditure limitation increase in both FY 1994 and FY 1995

to allow the youth center to expend a grant from the Kansas Arts Commission. The grant would provide for an artist-in-residence to enable the juveniles placed at the youth center to experience additional art forms.

B. S.B. 657 (Governor). S.B. 657, among other things, expands the notice requirements of the Secretary of SRS regarding placement of or the release of certain juvenile offenders to include the local law enforcement agency and the school district in which the juvenile will be residing if the juvenile is still required to attend secondary school. The notice applies to juvenile offenders whose offense (if committed by an adult) would include crimes such as murder, person felonies, and the sale of drugs.

SRS is required to develop policies to involve school districts where the juvenile offender will be residing in planning for the juvenile's release or discharge.

The Youth Center at Topeka estimates that \$7,500, from the State General Fund, will be needed in FY 1995 to implement the relevant provisions of S.B. 657. Expenditures will provide for postage, xeroxing, and other related items.

C. Teacher Salary Increases. The agency requested \$59,332 (State General Fund) for a 3.6 percent increase for teacher's salaries in FY 1995. The Governor's budget recommendation does not include a salary increase for teachers. In addition, because of a statutory requirement enforced by the Division of Purchasing, education service contracts were subject to the bid process for FY 1995. Preliminary estimates indicate the contract amount may substantially increase over the FY 1995 approved amount. The House Subcommittee recommended that these issues be revisited during the Omnibus Session.

Adjutant General

A. Governor's Budget Amendment No. 3, Item 62 -- Expenditure Limitation Increase on the Emergency Preparedness Fee Fund. The Governor amends the budget for FY 1994 to allow a \$242,312 increase in the expenditure limitation for the Adjutant General's Division of Emergency Preparedness (DEP) Fee Fund. The current expenditure limitation of the DEP Fee Fund is \$257,688. Unanticipated administrative expenses (including travel, overtime, and equipment repairs) resulting from the flood of 1993 were charged to this fund. Receipts from the Federal Emergency Management Agency to finance these additional expenses have been credited to this fund. The expenditure limitation increase would allow the agency to continue normal operations of the DEP program.

Department of Corrections

A. Governor's Budget Amendment No. 3, Item 41 -- Debt Service: State General Fund Reduction. The Governor amends the budget for FY 1994 to reduce the State General Fund expenditures for payment of debt service on the Ellsworth, Wichita, and Revenue Refunding Bond issues by \$448,919. A larger portion of the debt service expenditures can be financed from principal and interest special revenue funds, using additional balances that became available subsequent to the preparation of the *FY 1995 Governor's Budget Report*. The Governor's recommendation shifts funding of \$448,919 from the SGF to these bond reserve funds. The total debt service payments for FY 1994 remain at \$9.515 million, the level approved earlier by the 1994 Legislature. The total is composed of the following: \$7,483,000 for the Larned and El Dorado facilities (Revenue Refunding Bond); \$1,856,000 for the Ellsworth facility; and

\$176,000 for the Wichita Work Release facility. The Governor's recommendation would increase the portion of debt service paid from the bond reserve funds in FY 1994 from \$356,000 to \$804,919.

B. Governor's Budget Amendment No. 3, Item 42 -- Inmate Medical and Mental Health Care: State General Fund Reduction. The Governor amends the budget for FY 1994 to reduce State General Fund expenditures by \$150,000 and to shift \$170,000 from the inmate medical and mental health care contract to the operations account. This reduction is the result of \$320,000 in savings in the inmate medical and mental health contract because of adjustments in inmate average daily population estimates.

The Governor's original recommendation for inmate health care in FY 1994 was \$16,377,432; the revised amount is \$16,057,432.

C. Governor's Budget Amendment No. 3, Item 43 -- Funding Shift to Reduce Shrinkage Rates. The Governor amends the budget for FY 1995 for the Department of Corrections to shift \$160,000 from the facilities operations account of the State General Fund to the Department of Corrections operating expenditures State General Fund account. The shifting of monies will allow the Department to reduce shrinkage rates for the Parole Services and Central Management programs. The shrinkage rates approved by the 1994 Legislature for these two programs are as follows: Parole Services (5.3 percent in FY 1995 and 5.7 percent in FY 1994) and Central Management (3.8 percent in FY 1995 and 4.2 percent in FY 1994). With the Governor's recommendation, the FY 1995 shrinkage rates will be 2.5 percent for Central Management and 3.0 percent for Parole Services. The Department plans to shift this \$160,000 from those correctional facilities which are best meeting shrinkage during FY 1995.

D. H.B. 2578 (Governor). H.B. 2578 establishes the death penalty as a sentencing option for persons 18 years of age and older who are convicted of capital murder. The bill specifies lethal injection as the method of execution. It is estimated that the cost to prepare or renovate a waiting room, an execution room, and adjacent rooms for staff preparations at the El Dorado Correctional Facility will total \$40,000. In addition, the estimate cost for acquisition of a lethal injection machine is \$40,000. *Because of the lengthy time that will likely pass before the first execution, these expenditures could be delayed until a later date.*

E. S.B. 500 (Governor). S.B. 500 provides that a person 16 and 17 years of age with one prior felony adjudication as a juvenile offender will automatically be tried as an adult for any subsequent felony charge. The bill also makes handgun possession by juveniles a crime, authorizes driver's license suspension or revocation as a disposition option for all juvenile offender adjudications, and opens to the public the official record of all 14 and 15 year old offenders. The Department anticipates that by the end of FY 1995 an additional 142 offenders will be incarcerated in DOC facilities as a result of this bill. At the end of FY 1997, the additional population is projected to total 426 offenders.

The cumulative impact of the population growth projected by the Department to occur under existing law and the impact of this legislation will result in a population that exceeds the facility capacity if the West Unit of the Topeka Correctional Facility (TCF) is closed as provided in H.B. 2689. At the end of FY 1997, the Department estimates that the male population would exceed available capacity by 54 inmates. In view of the Department of Social and Rehabilitation Services' position that the West Unit not be used to house juvenile offenders under its jurisdiction, the Department states that one option to maintaining sufficient capacity would be to keep the West Unit on line. To continue to operate the unit, additional resources of \$978,696 and 35.0 FTE positions would need to be restored in FY 1995 for facility operations of the Department of Corrections.

The Department also estimates that the passage of S.B. 500 will result in an increase of 100 offenders in community corrections caseloads. The additional FY 1995 program costs will total between \$245,600 and \$572,800, depending upon whether these offenders participate in the intensive supervision program or the day reporting program. The Department is requesting that additional resources be appropriated for FY 1995 to finance these additional costs.

Given the shift of juvenile offenders that will occur as a result of the passage of S.B. 500, there will be an offsetting impact on the budget for SRS. However, there is no information to determine what this impact would be.

F. S.B. 525 (Conference). S.B. 525 authorizes and establishes procedures for the civil commitment of sexually violent predators. In order to implement provisions of the bill, the DOC and SRS are jointly involved, and will incur additional costs. The legislation calls for the commitment of those determined to be predators to a facility separate from those housing mentally ill hospital patients. A joint agency proposal is in preparation and will include operating cost estimates for both DOC and SRS.

G. H.B. 2788 (Conference). H.B. 2788 amends the sentencing guidelines non-drug grid by doubling the presumptive sentences in the A and B criminal history categories for severity levels 1 through 5. Offenders affected by this change are those whose criminal history includes two or more prior person felonies. H.B. 2788 also requires that offenders convicted of premeditated murder must serve 25 years before being eligible for parole and establishes aggravating departure factors for use in cases where judges wish to impose a departure sentence based on a finding that the offender used a person under 16 in commission of a crime, committed the crime in furtherance of criminal gang activity, or committed a crime of extreme sexual violence.

With the extended sentences, the Department anticipates that one result of H.B. 2788 will be to increase the number of inmates that present management problems, thereby increasing the need to expand the capabilities with which to manage disruptive, high-risk inmates. Accordingly, the Department is renewing its request for additional staff at the El Dorado Correctional Facility to allow for conversion of an additional housing unit for special management inmates (two housing units are currently designated for special management inmates). To provide adequate staff for the additional special management unit, 14.0 FTE additional positions will be required in FY 1995, at a cost of \$358,000. The additional staff includes 12.0 correctional officer positions and 2.0 counselor positions.

Department of Human Resources

A. Governor's Budget Amendment No. 3, Item 47 -- Increase to the Federal OSHA Fund Limitation. The Governor recommends increases of \$9,500 in both fiscal years on the Occupational Health and Safety -- Federal Fund due to increased federal resources. The recommendation would increase FY 1994 expenditures from \$330,744 to \$340,244 and FY 1995 expenditures from \$337,063 to \$346,563. In both fiscal years, existing agency resources would be used to provide the 10 percent state match.

B. Governor's Budget Amendment No. 3, Item 48 -- Additional Positions for Workers Compensation Reform. The Governor recommends the addition of \$226,600 from the Workmen's Compensation Fee Fund and 6.0 FTE positions in FY 1995 to support workers compensation reform efforts. The recommendation includes \$148,582 for salary expenses for 2.0 additional Special Investigator and 4.0 clerical positions and \$78,018 for other operating expenses. The recommendation is in addition to the 13.0 new Special Investigator positions included in the initial budget recommendation. In reviewing the agency's budget, the Legislature reduced funding for new positions by \$29,258 to reflect the conversion

of 3.0 new Special Investigator positions to clerical support staff. Thus, it would require a total increase of \$255,858 to concur with the Governor's recommendation.

C. Governor's Budget Amendment No. 3, Item 49 – Unemployment Insurance Automation Grant Proposals. The Governor recommends increased FY 1995 expenditures of \$910,000 from federal funds (\$700,000) and the Penalty and Interest Fund (\$210,000). The agency has submitted a grant proposal to the U.S. Department of Labor for two Unemployment Insurance Automation projects in FY 1995. One proposal concerns the implementation of a voice response project to allow clients phone-to-computer access to their individual unemployment insurance files. The other project proposal involves replacing the central processing unit of the Human Resources mainframe computer. If either project is approved, a maximum state match of \$210,000 will be needed to access approximately \$700,000 in federal funds. The Department states that approval of both projects is unlikely; therefore the Governor recommends the state matching amount for one automation project. An amendment to the proviso attached to the Special Employment Security Fund limitation is also recommended to ensure that the monies will remain in the Penalty and Interest Special Employment Security Fund if neither project is approved.

D. Governor's Budget Amendment No. 3, Item 50 – Addition of Advisory Committee on African American Affairs. The Governor recommends the addition to the FY 1995 budget to provide \$146,131, including \$142,131 from the State General Fund, to establish an Advisory Committee on African American Affairs within the Department of Human Resources. The recommended amount funds 3.0 FTE positions and associated other operating expenditures to support the activities of the new committee. The Governor notes that K.S.A. 75-5727 authorizes the Secretary of Human Resources to create advisory boards with the approval of the Governor. The first priority of both the Kansas Advisory Commission on Hispanic Affairs and African American Affairs Committee in FY 1995 will be to evaluate fully the findings presented in the Wichita State University (WSU) report and make recommendations concerning any legislative or administrative changes needed to improve the effectiveness of minority representation in the state policy process. The Governor's recommendation is reportedly based on a recent WSU study entitled *Special Needs of Minority Groups in Kansas*. The House Appropriations Subcommittee for this agency recommended that the study be the topic of review during the upcoming interim. H.B. 2543, which would statutorily create the Advisory Commission on African-American Affairs, is currently in the Senate Governmental Organization Committee.

E. S.B. 639 (Governor). S.B. 639 creates within Kansas, Inc. a nine-member Work Force Survey Oversight Committee which shall oversee the development of occupational projections, wage survey collection, and underemployment data. The fiscal note submitted by Kansas, Inc. recommends \$300,000 be appropriated for the three studies to the Department of Human Resources in FY 1995. The Department of Human Resources has been responsible for producing the first two studies for over 20 years, utilizing federal resources which have been discontinued. The third study, according to Kansas, Inc., is desirable for the design and targeting of workforce training and retraining programs. The fiscal note submitted by the Department of Human Resources of S.B. 639 is the same as that submitted by Kansas, Inc., with the exception that the Department of Human Resources assumes that Kansas, Inc. would be responsible for the underemployment data survey (\$40,000).

F. H.B. 2948 (Governor). H.B. 2948 creates the Neighborhood Improvement and Youth Employment Act. Under the Act, the Secretary of Human Resources may provide grants for the employment of youth in the summers and after school for the repair, maintenance, and renovation of essential community facilities. The provisions of the Act expire on December 31, 1995. Information from the agency indicates that administrative expenses of \$23,000 would be required in FY 1995 to develop youth eligibility guidelines, project monitoring, and evaluation criteria. The total amount available for grant distribution would be subject to legislative appropriations.

Department of Commerce and Housing

A. Governor's Budget Amendment No. 3, Item 27 -- Increase Expenditure Limitation on CDBG Administrative Fund. The Governor recommends the addition of \$54,116 from federal funds and 1.0 special project position in FY 1995 in order to take advantage of recent federal changes which have expanded the financial tools available to states through the use of the Community Development Block Grant (CDBG) allocation for float loans, Section 108 loan guarantees, and third party loan guarantees. The staff position is recommended because these financial relationships are more complex than current arrangements and they require in-house expertise. The Governor also recommends the creation of a Business Financing Fee Fund with a no limit appropriation, because it is possible that the arrangements could involve collection of fees if this is determined to be allowable by HUD. Any fees generated would be used to offset legal expenses and possibly the salary costs for the special project position.

B. S.B. 230 (Law). S.B. 230 requires the Director of Community Development to review and approve or disapprove proposals from providers of community services to become eligible under the act to receive contributions from businesses that may then claim the contributions as an income tax credit. The Director is charged with promulgating rules and regulations and establishing priorities with the assistance and approval of the Secretary of Revenue. The agency estimates that it could receive as many as 10,000 proposals annually and requests \$50,701 and 1.0 FTE position in FY 1995 to support this program. The request includes \$45,151 for the salary expenses for an Economic Development Representative III position, \$2,500 for capital outlay, and \$3,050 for other operating expenses.

C. H.B. 2966 (Law). H.B. 2966 charges the Department of Commerce and Housing with disseminating information to the public about all economic development programs administered by the state. It also requires the Department to make this information available in written and audio-visual form to local chambers of commerce, economic development organizations, banks, and public libraries. Based on estimates by production companies, the Department requests \$46,000 in FY 1995 to produce a 30-minute video and for copying and distribution costs.

D. S.B. 183 (Governor). S.B. 183 extends the eligibility for strategic planning and action grants from nonmetropolitan counties to include neighborhood revitalization organizations in metropolitan counties. Neighborhood revitalization organizations would be eligible for planning grants of up to \$15,000 and action grants of up to \$25,000 for urban economic development strategy plans. The approved FY 1995 budget for the agency includes separate line items from the EDIF of \$400,000 for nonmetropolitan grants and \$200,000 for metropolitan grants.

E. H.B. 2576 (Governor). H.B. 2576 statutorily creates the Kansas Economic Opportunity Initiatives Fund. The new fund is similar in scope to the current Kansas Economic Initiative Opportunity Fund account of the Economic Development Initiatives Fund (EDIF); *i.e.*, expenditures may be made to address expenses involved in securing economic benefits or avoiding or remedying economic losses related to: (1) a major expansion of an existing Kansas commercial enterprise; (2) the potential location in Kansas of the operations of a major employer; (3) the award of a significant federal or private sector grant which has a financial matching requirement; (4) the departure from Kansas or the substantial reduction of the operations of a major employer; and (5) the closure of a major federal or state institution or facility.

The main differences between the statutory fund and the current account include the authorization for the statutory fund to make loans, the requirement for the statutory fund that a unanimous vote of the five-member review panel be required for projects involving the relocation within the state of an existing firm, and the final release mechanism. After review by the five-member panel, project funding

under the current account requires the approval of the State Finance Council or the Legislature while the statutory fund provides for approval by the Governor for final release.

The bill as introduced and testimony by supporters of the bill envisioned initial fund capitalization of \$5,000,000 from the EDIF. The approved FY 1995 budget for the agency includes \$800,000 EDIF for the current account plus the reappropriation of any unexpended current year resources.

F. Technical Adjustment. The approved FY 1995 budget for the agency still includes \$2,000 from the EDIF for support of the Governor's satellite office.

Kansas, Inc.

A. H.B. 2557 (Law). H.B. 2557 directs Kansas, Inc. to develop, adapt, or adopt a uniform cost-benefit model for purposes of statewide data collection and for evaluating industrial revenue bond and economic development property tax exemptions. The model is to be made available to all cities and counties free of charge. Kansas, Inc. requests \$100,000 in FY 1995 for the development, testing, and reproduction of the model capable of being used on a personal computer. Complimentary copies, including software and user manuals, would be distributed to Kansas cities and counties. Should the funding requested by the agency be recommended, the Legislature may wish to consider if Kansas, Inc.'s statutory 33 percent private sector match should be applied to the appropriation.

Department of Revenue

A. S.B. 480 (Law). S.B. 480 adjusts the interest rate on certain delinquent, unpaid, or overdue taxes to phase in conformity with the federal internal revenue code. The agency indicates that \$8,703 would be required in FY 1995 for software modifications (\$4,089) and education and training expenses (\$4,614) to implement the bill.

B. S.B. 503 (Law). S.B. 503 amends the statutes governing penalties and interest rates on delinquent and unpaid motor fuel taxes and brings into conformity the penalty language of several types of taxes. The agency indicates that implementation of the bill requires FY 1994 funding of \$20,703 would be required for printing and mailing new informational materials (\$12,000), education and training expenses (\$4,614), and software modifications (\$4,089).

C. H.B. 2425 (Law). H.B. 2425 authorizes distinctive license plates of recipients of the purple heart medal. The agency estimates additional Division of Vehicles (DOV) Operating Fund expenditures for implementation of the bill to be \$5,045 in FY 1994 for computer programming costs and \$29,055 in FY 1995 to produce 6,500 plates.

D. H.B. 2556 (Law). H.B. 2556 requires the agency to develop a questionnaire to be completed by corporate income tax filers regarding the use of economic development tax incentives. This information, along with sales tax exemption certificates, would be submitted to Kansas, Inc. in order to allow Kansas, Inc. to evaluate on an annual basis the cost effective uses of income tax credits and sales tax exemptions given for economic development related investments. The agency estimates that implementation of H.B. 2556 would cost \$2,200 in FY 1995 for printing and mailing questionnaires.

E. H.B. 2664 (Law). H.B. 2664 authorizes the issuance of "educational institution" license plates. Any educational institution alumni association or foundation which can provide a guarantee of at

least 500 plates may authorize the use of their emblem for use on a license plate. The agency estimates that 30,000 requests for such plates will be received in FY 1995, requiring \$62,176 from the DOV Operating Fund for 2.0 FTE Office Assistant III positions (\$42,176) and computer program modifications (\$20,000).

F. H.B. 2809 (Law). H.B. 2809 exempts from state special fuel tax the sale or delivery of fuel dyed in conformity with federal regulations which is used for non-highway purposes. The agency indicates that FY 1994 expenditures of \$45,313 would be required to implement the bill, including \$24,113 for software modifications, \$20,200 for temporary staff, and \$1,000 for postage and mailing supplies.

G. House Sub. for S.B. 324 (Governor). House Sub. for S.B. 324 would phase in an expansion of the property tax credit allowed in the severance tax on natural gas production. The agency estimates that implementation of S.B. 324 would require \$3,097 in FY 1995 for modifications to the Minerals Tax System to reflect the revised rates.

H. S.B. 494 (Governor). S.B. 494 makes modifications to the Kansas Inheritance Tax Act. The agency estimates that it would cost \$1,000 in FY 1995 for printing new tax forms and supplemental instructions.

I. Technical Adjustment. The approved FY 1995 budget for the agency still includes \$2,000 (\$1,000 State General Fund and \$1,000 DOV Operating Fund) for support of the Governor's satellite office.

Department of Revenue -- Homestead Property Tax Refunds

A. House Subcommittee Recommendation. The House Subcommittee on Department of Revenue -- Homestead Property Tax Refunds recommended that year-to-date expenditures for the program be reviewed during the Omnibus session. S.B. 718 includes a current year supplemental appropriation of \$1,572,021. The agency reports that approximately 8,000 returns are on hand awaiting the supplemental appropriation and that an additional 2,000 returns are likely to be received by the end of FY 1994, resulting in an estimated shortfall of \$400,000 for the program in the current year. The following compares actual FY 1993 data to the approved and revised FY 1994 estimates and the approved FY 1995 budget.

	Homestead Property Tax Refunds FY 1993-FY 1995			
	Actual FY 93	Approved FY 94	Revised Est. FY 94	Approved FY 95
Number of Refunds	47,405	45,900	47,000	44,700
Average Refund	\$ 194.49	\$ 187.80	\$ 197.00	\$ 187.92
Amount of Refunds	\$ 9,219,798	\$ 8,620,000	\$ 9,259,000	\$ 8,400,000
Receivables and Setoffs	45,787	300,000	61,000	300,000
TOTAL Expenditures	<u>\$ 9,265,585</u>	<u>\$ 8,920,000</u>	<u>\$ 9,320,000</u>	<u>\$ 8,700,000</u>

State Conservation Commission

A. S.B. 374 (Law). S.B. 374 provides for an increase from \$7,500 to \$10,000 in the maximum amount of matching funds the state may provide for state aid to conservation districts. The State Conservation Commission indicates that an additional \$201,475 in FY 1995 would be required to provide matching funds for the 86 counties which currently provide in excess of \$7,500 to their respective conservation districts. The approved FY 1995 budget for the agency includes \$780,171 from the State Water Plan Fund for conservation district aid. The FY 1995 ending balance in the State Water Plan Fund is currently projected to be \$520,940.

S.B. 169 (Law). S.B. 169 enacts the Surface-Mining Land Conservation and Reclamation Act and makes it the policy of the state to provide for the reclamation and conservation of land affected by surface mining.

Under the provisions of the Act, all individuals, firms, partnerships, governments, corporations, or other entities would be required to obtain an operator's license from the Director of the State Conservation Commission before engaging in any surface mining or operation of an underground mine or mines. The initial license fee would be \$300. Licenses would expire one year from the date of issue and would be renewed by the payment of a license renewal fee set by rules and regulations of the Director of the State Conservation Commission. Fees imposed by this bill would be deposited in the Land Reclamation Fee Fund, which also would be created by this bill. The bill would exempt all political subdivisions of the state from payment of any of the fees imposed by the bill.

The Act does not affect the operator of a mining operation which was mined prior to the effective date of the bill and applies only to those areas of land mined after the effective date. In addition, the Act does not affect or control the stockpiling, method of stockpiling, or mining from stockpiles of gypsum, clay, shale, stone, sandstone, sand, silt, gravel, volcanic ash, or other minerals; does not apply to operations which involve the removal of sand and gravel from streams and which are already subject to the provisions of K.S.A. 82a-301 through 305a; and does not apply to operations of an operator whose affected lands do not exceed an aggregate of two acres.

The agency indicates that administration of S.B. 169 in FY 1995 would require \$86,767 from the Land Reclamation Fee Fund and 2.0 FTE positions. The funding request includes \$68,627 for salary costs of 1.0 unidentified professional position and 1.0 clerical position, \$11,140 for other operating expenses, and \$7,000 for one-time startup costs.

Board of Agriculture

A. Senate Subcommittee Recommendation. The Senate Subcommittee noted that the agency, in its FY 1995 budget submission, requested 1.0 FTE Economic Development Representative II position. The position would be utilized to continue implementation of a hog market reporting system. The reporting system had been funded, on a contractual basis, through federal funds. The 1993 Legislature provided funding from the Economic Development Initiatives Fund (EDIF) for FY 1994 to replace the discontinued federal funds. The Governor's recommendation for FY 1995 included funding of \$30,000 to continue the project on a contractual basis. The Subcommittee indicated that the need for an FTE position could be magnified with the passage of corporate swine production facility legislation, and recommended that the issue be revisited during the Omnibus session. That legislation, S.B. 554, has been approved by the Governor. The agency indicates that total funding of \$67,601 from the State General Fund is necessary to implement the provisions of S.B. 554. The request includes: \$40,806 (including

fringe benefits) for 1.0 new FTE Economic Development Representative II; \$21,834 for contractual services; \$500 for commodities; and \$4,461 in capital outlay.

B. H.B. 3012 (Law). H.B. 3012 creates a five-member dairy marketing advisory board within the Board of Agriculture. The bill requires the board to study and evaluate the need for establishing a statewide milk marketing order and make recommendations as to the implementation of milk marketing orders. In addition, the Board is to prepare and submit to the standing Agriculture committees a report of its findings and recommendations on or before February 1 of each year.

The agency estimates that it will need additional expenditures of \$5,806 from the State General Fund in FY 1995. The request includes \$4,676 for travel, \$300 for office supplies, \$580 for communications, and \$250 for printing.

C. H.B. 3024 (Law). H.B. 3024 makes several amendments to the commercial feeding stuffs law. Among other provisions, the bill requires the licensure of any manufacturer, importer, jobber, firm, association, corporation, or person selling, offering, or exposing for sale or distribution any commercial feeding stuffs in Kansas. The annual license fee is \$10. The agency indicates that the provisions of the bill will generate additional revenue of \$11,120 to the feeding stuffs fee fund, and will require additional expenditures of \$1,226 from the feeding stuffs fee fund in FY 1995.

D. Substitute for S.B. 293 (Governor). Substitute for S.B. 293 establishes to the Private Property Protection Act designed to reduce the risk of undue burdens on private property rights as the result of certain governmental actions.

State agencies will be required to, if anticipating or implementing governmental action, follow these actions:

1. If a property owner is required to obtain a specific use permit, any conditions imposed must relate directly to the purpose for which the permit is issued, must substantially and reasonably advance that purpose, and must be authorized by law.
2. Any use restrictions imposed must be proportionate to the extent to which the use of the property gives rise to the need for the restriction.
3. If an action involves a procedure limiting or prohibiting the use of public property pending the process, the limitations must not extend beyond a reasonable time.

State agencies will be required to prepare a written report available for public inspection whenever any restriction of private property is imposed on the basis of protection of public health or safety. No action may be taken until the report is submitted to the Governor and the Attorney General. The report may be delayed whenever there is an emergency that constitutes an immediate threat to public health and safety.

The Board of Agriculture indicates that the provisions of the bill would apply to stop sale, stop use, and similar orders annually issued in the inspection of meat and poultry products, dairy products, livestock feeds, fertilizers, seeds, and weighing and measuring devices. In addition, according to the agency, the bill would apply to application and certificates involving water rights, dams, levees, and channel changes, and to complaints concerning impairment of water rights and illegal structures. The agency indicates that total FY 1995 expenditures of \$901,926 from the State General Fund are necessary

to implement the provisions of Substitute for S.B. 293. The request includes: \$661,753 (including fringe benefits) for 19.0 FTE new positions (4.0 Attorney B positions, 6.0 Environmental Scientists II, 2.0 Engineering Associates II, 2.0 Secretaries II, 1.0 Office Assistant IV, 2.0 Office Assistants III, and 2.0 Keyboard Operators II); \$121,736 for contractual services; \$12,735 for commodities; and \$105,702 for capital outlay.

Kansas State Fair

A. Governor's Budget Amendment No. 2, Item 2 -- Renovation of the 4-H Encampment Building. The 1994 Legislature has approved total FY 1995 expenditures of \$1,500,000 (\$1,000,000 from the State Budget Stabilization Fund and \$500,000 from private funds) for the first phase of renovation of the 4-H Encampment Building. The Governor's amended recommendation provides funding totaling \$2,034,000 (\$1,800,000 from the State General Fund, and \$234,000 from private funds) for the renovation project. This represents the full amount requested for the entire project.

B. Governor's Budget Amendment No. 3, Item 3 -- Construction of Horse Barn. The Kansas State Fair has received approval for a Tourism Attraction Development Grant of \$37,125 from the Kansas Department of Commerce and Housing, which requires an additional match of \$62,875 from the State Fair Capital Improvements Fund. The funds will be used to construct a 28-stall horse barn to enhance and expand the stalling capacity of the horse exhibition facilities used for horse shows, rodeos, sales, and special events. The Governor amends her FY 1995 budget recommendation to provide \$100,000 for the project by increasing the expenditure limitation on the State Fair Capital Improvements Fund by \$80,000 and reducing other rehabilitation and repair projects by \$20,000. The Joint Committee on State Building Construction voted on April 8, 1994 to recommend a total increase of \$100,000 for the project.

Department on Aging

A. Governor's Budget Amendment No. 3, Item 61 -- Shift Healthy Lifestyles Funding to Case Management. The Governor recommends shifting funding of \$115,298 from the State General Fund from the Healthy Lifestyle Demonstration Project to case management in FY 1995. The Governor's original recommendation included total funding of \$230,596, with half of the funding from the State General Fund and the other half to come from a matching grant from the Kansas Health Foundation. Kansas State University has been awarded the grant and the Department on Aging will retain \$19,313 of the foundation grant for a half-time special project position to help with the program. The remaining \$95,985 of the matching grant is reduced under the Governor's recommendation.

The 1994 Legislature, in S.B. 633, reduced \$37,161 of the State General Fund amount recommended for the program, and shifted the remaining \$78,137 to case management services. The Legislature made no adjustment to expenditures from other funds for the program to allow the agency to seek alternative sources of funding for the Healthy Lifestyle Demonstration Project.

B. Technical Adjustment. To correct a posting error, the sum of \$24,432 from the State General Fund should be added to the administration line item, and the same amount should be lapsed from the program grants line item.

C. House Subcommittee Recommendation -- Medicaid Matching Funds for Expanded Case Management Services. The 1993 Legislature approved a shift of funding totaling \$2,272,727

(including \$1,000,000 from the State General Fund) from the Department of Social and Rehabilitation Services (SRS) to the Kansas Department on Aging (KDOA) for the expansion of community-based, long-term care services provided by KDOA. The SGF financing was to have been matched with Medicaid funding. During its review of the agency's budget, the House Subcommittee was informed that KDOA and SRS had been unable to work out the details of the match, and that no Medicaid funding has yet been provided for the expansion. The House Subcommittee requested that KDOA and SRS work again to secure the Medicaid matching funding and report on their progress during the Omnibus session.

D. House Subcommittee Recommendation -- Medicaid Waiver for Senior Care Act Program. The House Subcommittee recommended that KDOA and SRS plan for the submission of a Medicaid waiver to seek federal funding for the Senior Care Act program of KDOA. The Subcommittee noted that, based on an evaluation of the program, the state was saving approximately \$1.40 for every \$1.00 spent on the program. Based on the Medicaid match rates, and the fact that the Senior Care Act is targeted at those most at risk of institutionalization, federal Medicaid savings could amount to \$1.95 for every \$1.00 spent. The House Subcommittee requested that the agency be prepared to discuss the plan for submission of the waiver request during the Omnibus session.

E. Substitute for H.B. 2581 (Law). Substitute for H.B. 2581 replaces the current long-term care assessment and referral program with a new program to be known as client assessment, referral, and evaluation (CARE), to be administered by KDOA. Prior to January 1, 1995, each individual is to receive assessment and referral services provided by SRS before being admitted to a nursing facility as a resident. After January 1, 1995, the responsibility for assessment and referral services is shifted to KDOA. The agency estimates full-year expenditures totaling \$1,985,598 (including \$681,366 from the State General Fund). Aside from the salaries and wages of 1.0 FTE Social Service Administrator III position and one-time capital outlay expenditures, however, the agency indicates that only half of the full-year estimate would be needed for FY 1995. As a result, the agency estimates FY 1995 expenditures of \$1,045,163, including \$362,000 from the State General Fund, to implement the provisions of the bill.

The expenditures requested by the agency are set out below.

		All Funds	State General Fund
Ongoing Expenditures:			
State Project Director	1.0 Social Service Administrator III	\$ 38,922	\$ 9,731
Program Staff	1.0 Social Service Administrator II	35,313	8,828
	1.0 Programmer Analyst II	38,922	19,461
	1.0 Programmer Analyst I	35,313	17,657
	1.0 Registered Nurse IV	40,893	10,223
	1.0 Secretary I	19,668	9,834
	2.0 Secretary II	43,380	16,268
	1.0 Education Inform. Rep. II	29,055	14,528
Other Operating Costs	Rent	15,188	7,594
	Marketing	35,909	17,955
	All Other	5,000	2,500
Level II Assessments	Contract with Mental Health Consortium	700,000	175,000
Review Coordination	Data Entry Keyboard Ops.	207,966	103,983
Community Based Assessors/AAA		594,060	194,799
AAA Administration		80,203	40,102
Total Ongoing Costs		\$ 1,919,792	\$ 648,463
One-time Expenditures:			
Equipment	20 Personal Computers	\$ 33,000	\$ 16,500
	PC Software	1,600	800
	Local Area Network Upgrade	6,000	3,000
	Server	8,000	4,000
	Modem Pool (dial up to LAN)	10,000	5,000
	Office Equipment	7,206	3,603
Total One-time Expenditures		\$ 65,806	\$ 32,903
Full Year Expenditures		\$ 1,985,598	\$ 681,366
Amount Requested FY 95*		\$ 1,045,163	\$ 362,000

* Includes funding for 1.0 FTE Social Service Administrator III and one-time expenditures for a full year, and funding of the remaining items for six months.

State Corporation Commission

A. S.B. 760 (Law). S.B. 760 provides for state licensure of motor transportation brokers -- persons who act as intermediaries between shippers of materials and goods and common carriers. The legislation authorizes the State Corporation Commission to adopt rules and regulations to implement the act; develop application forms; grant licenses to qualified applicants; at its discretion, require new applications for a license from a motor transportation broker that is a corporation when there has been a change in the control of the corporation; and, at its discretion, inspect records kept by motor transportation brokers. In addition, brokers are required to file annual reports with the Commission.

The legislation establishes a one-time licensure fee of \$500. There is no requirement that licenses be renewed. The Commission estimates that 100 brokers will be licensed in FY 1995, generating revenues of \$50,000 which would be credited to the Motor Carrier Fee Fund. According to the Commission, its new duties under the act will require the expenditure of an additional \$41,117 from the Motor Carrier Fee Fund. The expenditure includes \$31,256 for the salary and fringe benefits of a new

Special Investigator I position, \$9,156 for travel, and \$705 for equipment. The position would be used to perform background investigations on applicants for licensure and to perform audits of the records of licensees. The position also would be required to document violations and to prepare testimony for hearings.

According to the Commission, the number of motor transportation brokers who operate in Kansas is unknown. The fiscal impact of S.B. 760 is based on the assumption that 100 brokers will become licensed in FY 1995, but no estimate is available as to the number of applications that might be made in subsequent years.

Office of the Attorney General

A. Governor's Budget Amendment No. 3, Item 1 -- Water Litigation Expenses. The Governor reduces her recommended supplemental appropriation for water litigation with Colorado by \$52,657 (from \$271,035 to \$218,378) in FY 1994 to reflect the most recent estimates. In addition, she recommends that \$608,500 be appropriated for water litigation in FY 1995. **Both of these actions already have been taken by the Legislature.**

B. House Sub. for S.B. 615 (Governor). House Sub. for S.B. 615 incorporates provisions from several bills that generally establish policies relating to child care, including the regulation of child care facilities. One part of the bill includes provisions relating to the State Child Death Review Board, which would have a fiscal consequence for the Office of the Attorney General.

The Child Death Review Board was created in 1992. The legislation that created it sets forth the duties of the Board, which include adopting a protocol to be used by coroners in identifying suspicious deaths of children, developing procedures to be used by the Board in investigating child deaths, identifying methods to ensure coordination and cooperation among agencies involved in child deaths, and adopting procedures for facilitating prosecution in cases of the death of a child from abuse or neglect. The ten-member Board is composed of five members who represent the Attorney General, the Director of the Kansas Bureau of Investigation, the Secretary of Social and Rehabilitation Services, the Secretary of Health and Environment, and the Commissioner of Education; a district coroner; two physicians; one representative of a child abuse advocacy group; and one county or district attorney.

The original statute creating the Board is silent as to which agency is responsible for administering the activities of the Board. However, because the chairperson of the Board is the member who represents the Attorney General, it was assumed that staff support would be provided by the Attorney General's Office. It is estimated that professional and clerical staff time devoted to staffing the Board by the Attorney General's Office equates to 0.6 FTE position. In addition, approximately \$1,000 per year is spent for printing and mailing expenses of the Board.

Provisions contained in House Sub. for S.B. 615 were requested by the Board and make it clear that the Board is attached to the Attorney General's Office for the purposes of budgeting, purchasing, and related management functions. All expenditures and payroll vouchers have to be approved by the chairperson of the Board and by the Attorney General. The legislation requires the Board to establish and maintain an office in Topeka and, within the limits of available appropriations, appoint an executive director in the unclassified service whose salary is fixed by the Board. The Board also is authorized to employ other classified staff, within the limits of available appropriations.

The Attorney General estimates the impact of the bill in FY 1995 to be \$96,603 from the State General Fund. The amount consists of \$36,178 for the salary and fringe benefits of an executive director, \$24,225 for the salary and fringe benefits of a clerical employee, \$11,200 for office rent, \$15,000 for other operating expenses, and \$10,000 for one-time costs associated with buying furniture and computer equipment.

State Department of Education

A. Governor's Budget Amendment No. 3, Item 13 -- Payment for Property Taxes on the State Department's Office Building. The Governor recommends the expenditure of \$37,917 in both FY 1994 and FY 1995 for the payment of property taxes on the State Department's office building. Of the amounts in both years, \$22,845 would be from the State General Fund. **The Legislature already has added this funding.**

B. Governor's Budget Amendment No. 3, Item 14 -- KPERS-School Employer Contribution Costs. The Governor recommends the addition of \$2,644,023 from the State General Fund in FY 1995 for the KPERS employer contribution for school members, for a total of \$59,704,401. (In the Senate-passed version of the State Department's FY 1995 appropriations, an additional amount of \$2,833,622 was included for KPERS-School, which was deleted by the Conference Committee. The \$2.8 million amount was calculated earlier in the Session by the State Department of Education as the amount that would be needed to fully fund the employer contribution for KPERS school members in FY 1995. The \$2.6 million amount is a recent calculation by the Division of the Budget.)

C. Revised School Finance Estimates. The 1994 Legislature has adjusted FY 1994 funding (in H.B. 2752) and made the FY 1995 appropriation (in H.B. 2701) for basic and supplemental general state aid on the basis of estimates of school district budgets and revenues that were made in December, 1993. On April 11, 1994, staff from the State Department of Education, the Division of the Budget, and the Legislative Research Department met to consider revisions of the earlier estimates.

Based on current information, it appears possible that the Legislature could lapse an additional \$3,641,000 in FY 1994 and reduce the appropriation for FY 1995 by \$5,408,000 (for a combined total of \$9,049,000) and still fully fund the state aid programs for both years. (The reduction of \$3.6 million in the current year would still leave a cushion of \$1,250,000 in case the estimates are wrong, which was the policy both houses adopted during the Session.) Specifically, basic general state aid could be reduced by \$3,641,000 in FY 1994 and by \$5,307,000 in FY 1995 and supplemental general state aid could be reduced by \$101,000 in FY 1995. In Governor's Budget Amendment No. 3, Item 12, the Governor recommends that these reductions be made for both FY 1994 and FY 1995. In addition, the Governor recommends a further reduction of \$23,000 in general state aid in FY 1995 as a technical adjustment which the Legislature already has made.

A main reason for the revision is that school district enrollments in the current year are 1,011 weighted pupils less than what had been estimated. In addition, the estimate of local resources in FY 1995 was increased by \$1.4 million. The combination of lower enrollments in FY 1994, which were projected forward into FY 1995, and increased local resources in FY 1995 makes the anticipated reductions possible.

Note: The revised estimates made on April 11 took into account only 1994 legislation that had been signed by the Governor. The enactment of pending legislation that affects expenditures under the School District Finance and Quality Performance Act has not been taken into account.

D. S.B. 785 (Law). S.B. 785 concerns inservice education and establishes a link between inservice education programs and school improvement plans and requires that approved inservice education plans include a measure for assessing the impact of the inservice program on improving skills that will result in better academic performance of pupils.

In addition, the bill increases the amount of program costs for inservice education that could be paid for by state aid for inservice education. Presently, state aid is limited to 50 percent of actual approved program costs or 0.25 percent of a school district's general fund budget, whichever is less. S.B. 785 raises the percentage of costs the state could fund from 50 to 60 percent for the 1994-95 and 1995-96 school years only. (Thereafter the percentage would revert to 50 percent.) In addition, the bill increases from 0.25 to 0.50 the percentage of a school district's general fund budget that state aid for inservice education may not exceed.

The \$4.0 million appropriation for inservice education contained in H.B. 2701 would fully fund the state's share of the actual costs of approved programs under current law. The impact of S.B. 785 would be an additional \$1.4 million in FY 1995, of which an estimated \$900,000 would be due to the increase from 50 to 60 percent for approved programs costs and \$500,000 would be due to the increase from 0.25 to 0.50 percent of general fund budgets. (The Senate Subcommittee that reviewed the State Department's budget recommended that if S.B. 785 passed consideration be given to funding the provisions of the bill that would be effective only for two years from resources dedicated to nonrecurring expenditures.)

E. H.B. 2566 (Law). H.B. 2566 designates the State Board of Education as the Kansas Postsecondary Review Board. Under amendments to the federal Higher Education Act of 1965, each state is required to designate one entity to enter into an agreement with the U.S. Secretary of Education relating to duties the states must perform that are intended to address student loan defaults. Failure to comply with the mandate jeopardizes a state's federal student aid funding. The Kansas Postsecondary Review Board will have responsibilities that relate to all postsecondary institutions that are eligible to participate in federal student aid programs.

The bill also creates an 11-member oversight committee comprised of members appointed by the State Board of Education, the Board of Regents, the Board of Barbering, the Board of Cosmetology, the Board of Regents of Washburn University, and the Executive Committee of the Kansas Independent College Association. Duties of the oversight committee include monitoring the implementation and operation of the Kansas Postsecondary Review Program.

The Postsecondary Review Board is responsible for developing and publicizing standards and criteria that govern how postsecondary institutions will be reviewed by the U.S. Secretary of Education and by the Board, reporting institutions that are not eligible for participation in federal student aid programs after conducting a review and providing the institution with the opportunity for a hearing, establishing and publicizing the availability of procedures for receiving and responding to complaints, and making annual reports to the Governor, the Legislature, and other parties.

The administrative functions of the Board are assigned to the State Department of Education, which is responsible for all budgeting, purchasing, and related management functions. In addition, the State Department must provide office space and necessary professional and clerical staff. Federal funding is available to states to fund program operations. Kansas' allocation in FY 1995 is expected to be \$68,000, which could increase in subsequent years if promised additional funding becomes available to carry out program activities.

The State Department estimates it will cost \$76,168 in FY 1995 to implement the program. Costs include \$60,000 for the salaries and fringe benefits for two new positions (\$42,000 for an Education Program Consultant and \$18,000 for a Secretary I), \$7,000 for associated other operating expenses (staff travel and communication) and \$9,168 for per diem compensation, travel, and subsistence expenses for members of the oversight committee. Of the total, \$68,000 would be from federal funds and \$8,168 would be from the State General Fund. In Governor's Budget Amendment No. 3, Item 16, the Governor recommends the establishment of the Federal Student Aid Fund with a "no limit" expenditure limitation. The Governor recommends only the expenditure of federal money for this program.

F. H.B. 2975 (Law). H.B. 2975 changes from September 1 to August 31 the date by which a child must reach age five in order to be eligible to attend kindergarten and age six in order to attend elementary school.

According to the State Department, the law will reduce enrollments in school year 1994-95 by 96 students. Assuming a weighting of .5 for kindergarten students and .2 for all other weightings, the enrollment reduction would save \$207,360 in state aid in FY 1995.

Note: Because this bill had been signed when the revised school finance estimates were made on April 11, these savings have already been taken into account in the new estimates.

G. S.B. 499 (Law). S.B. 499 transfers the school bus safety program from the Kansas Department of Transportation to the State Board of Education, effective July 1, 1994. The bill provides for an annual demand transfer totaling \$160,000 from the State Highway Fund to the School Bus Safety Fund, which is created by the act, to be made in quarterly payments of \$40,000, beginning on July 1, 1994. The bill also extends from six years to 12 (or, in some cases, until July 1, 1998) the period of time from the date of manufacture during which a bus is exempt from complying with new safety rules and regulations.

The Department of Transportation has assigned 4.0 FTE positions to the school bus safety program. The positions are responsible for developing and enforcing bus safety regulations, for training bus drivers and supervisors, and for working with the Kansas Highway Patrol, which performs bus safety inspections. According to the State Department of Education, it also expects to use 4.0 FTE positions to administer the program -- a program supervisor, two employees who will spend most of their time traveling to school districts, and a clerical employee. Of the \$160,000 annual transfer, approximately \$120,000 will be for salaries and \$40,000 will be for other operating expenses. Because funding for the program already is provided for in S.B. 499, the action that is necessary in the Omnibus Bill is to appropriate the School Bus Safety Fund in the State Department's budget. In Governor's Budget Amendment No. 3, Item 15, the Governor recommends the transfer of regulatory authority and funding for this program from the Department of Transportation to the Department of Education.

H. S.B. 586 (Law). S.B. 586 would allow area vocational schools to become technical colleges with the authority to grant associate of applied science degrees. The conversion from an area vocational school to a technical college would be initiated by the area vocational school's governing board and would have to be approved by the State Board of Education.

In its consideration of an application to become a technical college, the State Board must take into account projections of the need for and possible changes in programs currently being offered, the types of programs other postsecondary institutions in the area are offering, projected enrollments, the effect the creation of a technical college would have on secondary vocational education students, and the general operation and accreditation of the proposed technical college.

The State Department is requesting \$2,500 from the State General Fund in FY 1995, primarily for travel expenses associated with providing technical assistance to any area vocational school that wants to become a technical college.

I. S.B. 803 (Governor). S.B. 803 authorizes local school district boards of education to establish charter schools that operate within the school district structure, but which are independent from other school programs. The purpose of the legislation is to encourage innovation by allowing schools to waive certain state and local board policies and regulations that otherwise would govern their operations. Under the bill, there could be no more than 15 charter schools in the state and no more than two in any school district.

A petition to become a charter school would be made to a local school district board of education. If the local board approves the petition, it would be submitted to the State Board of Education. The State Board would approve the establishment of the charter school if it finds that the school is in compliance with applicable state and federal laws and rules and regulations. Other duties to be performed by the State Board include designing and prescribing the format of the petition for establishing charter schools; selecting from among petitions those that will be approved in the event more than 15 petitions are received; reviewing and approving, amending, or denying applications by charter schools to waive State Board rules and regulations or statutory requirements; considering renewal applications for charter schools to continue operating; and providing technical assistance to school districts that wish to establish a charter school.

The State Department requests \$10,000 from the State General Fund in FY 1995 to carry out its responsibilities under the bill. The funding would be for communications, printing, and travel.

J. H.B. 2768 (Governor). As introduced, H.B. 2768 concerned pupil suspensions and expulsions from school and had no fiscal impact. In its final version, provisions from three other bills were amended into it. Those portions of the final bill that have fiscal implications are the following:

1. **Flood Relief Enrollment Adjustment.** Several school districts were not fully operational last fall when the September 20, 1993, enrollment count was made because of the 1993 floods. Consequently, their enrollment count was lower than it would have been otherwise. H.B. 2768 contains provisions that originally were in S.B. 601 which would allow three school districts to use the higher of the September 20, 1993, or September 20, 1992, enrollment as the basis for determining their general state aid for FY 1994. (The districts are U.S.D. 321, Kaw Valley; 406, Wathena; and 486, Elwood.) The State Department estimates that this provision will require an additional \$272,880 from the State General Fund for general state aid in FY 1994.
2. **Grants to School Districts for Services Provided to Juvenile Detention Facilities and the Flint Hills Job Corps Center.** Provisions of H.B. 2768 that originally were in S.B. 784 would make state grants available to school districts as reimbursement for educational services they provide to students who reside in juvenile detention facilities and at the Flint Hills Job Corps Center. Districts would receive reimbursement equal to the lesser of their actual expenses in providing the services or an amount equal to the state aid that would be generated if the pupils were counted as two pupils under the School District Finance and Quality Performance Act.

The State Department estimates that there will be 260 students in juvenile detention facilities during the 1994-95 school year. Services that will be provided to these students by school districts are estimated to cost \$1,872,000. In addition, services provided for the Flint Hills Job Corps Center in school year 1994-95 are estimated to cost \$148,580. The total of these costs is \$2,020,580. It is assumed that the state already is paying \$1,008,000 for students in juvenile detention facilities as a consequence of the students being counted as part of the school district's enrollment where they resided on September 20. Therefore, the additional cost to the state would be \$1,012,580 from the State General Fund in FY 1995. If this item is approved as requested, the necessary action in the Omnibus Bill would be to appropriate \$2,020,580 for the new grant program and reduce the appropriation for general state aid by \$1,008,000.

3. **Special Education Catastrophic State Aid.** Provisions of H.B. 2768 that originally were in H.B. 3029 establish a new state aid program for school districts that provide special education services to exceptional children that exceed \$25,000 per student in a school year. Under the program, a district could apply for a grant that would pay 75 percent of the costs of special education services for each student that exceed \$25,000.

The State Department estimates that the grants would total \$1.5 million in FY 1995. This estimate is based on the assumption that there are 200 students who receive special education services in excess of \$25,000 and that the state's 75 percent share per student would be \$7,500.

Board of Nursing

A. H.B. 2602 (Law). H.B. 2602 would allow licensed practical nurses, under the supervision of registered professional nurses, and under certain conditions set out in the statute, to perform intravenous fluid therapy. The Board of Nursing states that it would require 0.5 FTE Administrative Officer I in order to approve IV therapy courses both in- and outside of Kansas (completion of an approved course is one of the conditions referred to above). The statute also mandates the formation of an advisory committee with two Board members and five non-Board members to oversee rules and regulations relating to the new statute. The Board states that it would require \$17,850 for salaries and wages, and \$650 for advisory committee meetings, for a total of \$18,500 in FY 1995. The money would come from the Board of Nursing Fee Fund.

B. H.B. 2641 (Technical Adjustment). The Governor recommended FY 1995 expenditures from the Board of Nursing Fee Fund of \$877,513 in FY 1995. H.B. 2641 limits expenditures from the Fund to \$877,013. As a technical adjustment, the expenditure limitation needs to be raised by \$500.

State Mental Retardation Institutions -- Systemwide Issues

A. Categorical Aid. In FY 1995 the budgeted school contracts for each of the institutions include categorical aid based on a rate of \$17,810 (the amount set for FY 1994 by the 1993 Legislature). Currently, the FY 1995 categorical-aid rate per eligible teaching unit is \$19,400. If this rate is maintained,

the school contracts at the hospitals would be over-funded. To avoid this, the following amounts (State General Fund) would have to be deleted from the hospitals' budgets in FY 1995:

<u>Hospital</u>	<u>Amount</u>
KNI	\$ (38,300)
Parsons	(28,800)
Winfield	(45,000)

The 1994 Legislature has made a current-year adjustment to the FY 1994 categorical-aid rate, reducing the rate per eligible teaching unit from the \$17,810 set by the 1993 Legislature to \$17,400. For the education contracts at the institutions to be fully funded in FY 1994, the following amounts (State General Fund) would have to be added to the institutions' budgets:

<u>Hospital</u>	<u>Amount</u>
KNI	\$ 19,200
Parsons	11,400
Winfield	11,500

B. Teacher Salary Increases. The amounts recommended by the Governor for FY 1995 school contracts do not include funding for teacher salary increases. This is a question traditionally decided by the Legislature during Omnibus. The following table shows the amount of State General Fund dollars needed to fund teacher salary increases of varying amounts:

<u>% Increase</u>	<u>KNI</u>	<u>Parsons</u>	<u>Winfield</u>
2.0%	\$ 24,800	\$ 18,800	\$ 20,500
2.5	30,900	23,500	25,600
3.0	37,100	28,200	30,800
3.5	43,300	32,900	35,900
4.0	49,500	37,700	41,000
4.5	55,700	42,400	46,200
5.0	61,900	47,100	51,300
5.5	68,100	51,800	56,400
6.0	74,300	56,500	61,600
6.5	80,500	61,200	66,700
7.0	86,600	65,900	71,800

Kansas Neurological Institute

A. S.B. 585 (Governor) -- New Transitional Diagnostic/Treatment Center for Juvenile Offenders. S.B. 585 provided funding to convert the Comprehensive Evaluation and Treatment Unit (CETU) at Topeka State Hospital into a Transitional Diagnostic/Treatment Center for Juvenile Offenders. The added funding would also expand the capacity from 30 to 45 beds. Kansas Neurological Institute provides food to Topeka State Hospital. To cover the extra food costs brought about by the facility's expanded bed capacity, \$24,000 from the State General Fund needs to be added to KNI's FY 1995 appropriation.

Winfield State Hospital and Training Center

A. Governor's Budget Amendment No. 3, Item 60 -- Razing of Industrial Building at Winfield State Hospital and Training Center. The Governor authorizes the razing of the industrial building at Winfield State Hospital. The razing will be financed within the existing expenditure authority of the Department of Social and Rehabilitation Services.

Kansas Highway Patrol

A. Governor's Budget Amendment No. 3, Item 44 -- Substitution of Federal Funds for Money from the State General Fund. The Governor recommends substituting \$202,000 in federal funding for \$202,000 from the State General Fund in FY 1995. The \$202,000 in federal funding consists of \$88,000 that has become available in the current year and will be reappropriated to FY 1995, and \$114,000 that will in all likelihood become available during FY 1995.

B. Governor's Budget Amendment No. 3, Item 45 -- Increase in Expenditure Limitation on Capitol Area Security Fund. The Governor recommends an increase in the expenditure limitation on the Capitol Area Security Fund in the amount of \$14,697 in FY 1994. The extra funding would come from fund balances, and would allow the Capitol Area Security Patrol to finance unanticipated expenditures in the current year, caused chiefly by the KKK rally at the Capitol on 15 January.

C. S.B. 585 (Technical Adjustment). The expenditure limitation on the Kansas Highway Patrol Training Center Fund found in S.B. 585 is incorrect and needs to be adjusted downward by \$500.

Kansas Bureau of Investigation

A. H.B. 2661 (Law). H.B. 2661 would require any person convicted of a sexually violent crime to register with the KBI for ten years; conviction for a second sexual offense would require the person to be registered for the rest of his life. The law amended by H.B. 2661 required registration only for second and subsequent offenses. The bill would also make information contained in the registered person's dossier available to anyone; heretofore it has been available to law-enforcement and corrections personnel, along with prosecuting and defense counsel. The KBI states that it would need, in FY 1995, a 1.0 FTE Office Specialist position (\$26,292 State General Fund, including fringe benefits) and equipment and supplies (\$2,657 State General Fund) because of the enactment of H.B. 2661.

B. S.B. 585 (Technical Adjustment). The Governor recommended FY 1994 expenditures of \$69,000 from the State Asset Forfeiture Fund. L. 1993, Ch. 206, §6 limits expenditures from that fund to \$45,000. The expenditure limitation on the fund needs to be raised by \$24,000.

C. S.B. 585 (Technical Adjustment). To correct a posting error, the sum of \$65,250 needs to be lapsed from the Operating Expenditures account of the State General Fund in this agency's appropriation.

All Agencies

A. Governor's Budget Amendment No. 2, Item 1 -- Base Salary Adjustment. The Governor has recommended for FY 1995 a base salary adjustment of three percent for state classified and unclassified employees, including judges, employees whose salaries are tied to judges' salaries, and Regents unclassified personnel, both faculty and nonfaculty. Excluded from the base increase are legislators and other elected officials. The amount recommended by the Governor includes a slight adjustment to take into account the base salary adjustment on the recommended employee reclassification as part of Stage 3 and Stage 4 employees under the Comprehensive Classification and Job Rate Study. The total cost for the base salary adjustment in FY 1995 is \$44,381,675, of which \$27,642,818 is from the State General Fund.

Legislative Coordinating Council

A. S.C.R. No. 1627 (Law). S.C.R. No. 1627 establishes a Telecommunications Strategic Planning Committee which shall develop a statewide plan for telecommunications. The resolution requires that the Legislative Coordinating Council shall contract for the development of a report to identify trends in telecommunications technologies and services. The Committee must provide two written reports to the Legislature -- an interim report to be submitted to the 1995 Legislature and a final report to be submitted by January 1, 1996. Topics to be addressed by the Committee include: a definition of the term "telecommunications infrastructure" and a procedure for possible modification of the definition; a statewide inventory of the existing telecommunications infrastructure and an assessment of the telecommunications needs of end users; identification of applications for telecommunications of importance to the state and a method of setting development priorities; and an evaluation of the retention and creation of jobs within the telecommunications industry in Kansas.

The Telecommunications Strategic Planning Committee will consist of 17 members. There will be nine representatives from various industries, providers and users appointed by the Legislative Coordinating Council, a person from the Kansas Department of Administration designated by the Secretary of Administration and a member of the staff of the Corporation Commission designated by the Chairperson of the Commission. In addition, six legislators will be appointed by the Legislative Coordinating Council to serve on the Committee. Legislative members are authorized to receive compensation and mileage; nonlegislative members could receive travel and other expenditures upon approval of the Legislative Coordinating Council. The Kansas Legislative Research Department will provide Committee staff, as needed. In addition, the Committee may request other advisory staff assistance as it deems necessary. Subject to appropriations, the Legislative Coordinating Council is authorized to hire a consultant to provide technical assistance, frame policy issues, and draft necessary committee reports.

In addition to developing a telecommunications strategic plan, the resolution provides for the development of a report on trends in telecommunications technologies and services. The Legislative Coordinating Council is authorized to contract for the development of a report identifying present and

anticipated trends in telecommunications technologies and services and their economic impact on end users in Kansas. This report will be submitted to the 1995 Legislature.

The estimated costs associated with the Committee in FY 1995 total \$89,612 (State General Fund). Based on 12 one-day meetings during FY 1995, salaries and wages for legislators would total \$4,464, travel and per diem expenses for legislative and four public members would total \$12,648, consultant services would total \$60,000 (\$30,000 for the facilitator and \$30,000 for the trends report), and \$12,500 for printing costs.

Insurance Department

A. S.B. 830 (Conference). S.B. 830 relates to the Workers' Compensation Fund. The House version of the bill, among other things, would discontinue a current practice within the Insurance Department where by attorneys who defend claims against the Workers' Compensation Fund are hired on a contractual basis. Instead, the Insurance Commissioner would be required to hire the attorneys as employees of the state. An attorney could be hired on a contractual basis to defend the Workers' Compensation Fund only when there is a conflict of interest or other circumstance when attorneys employed by the Commissioner could not provide the legal services necessary to defend the Fund.

The Insurance Department estimates that 104.0 additional FTE positions in FY 1995 will be necessary should the bill be enacted into law. Of the total number of positions, 78.0 positions would be unclassified attorney staff positions to allow for an estimated 110 active cases per position. The remaining 26.0 positions would be support staff, consisting of 18.0 Secretary II and 8.0 Secretary III positions. Costs of the additional positions would be \$552,506 more than the moneys already approved for contractual services in the regular appropriations bill (S.B. 510). A total of \$4,602,748 was approved in S.B. 510 for contractual services and estimated costs of the 104.0 new positions total to \$5,155,254 (\$4,052,776 for salaries expenses, \$586,486 for on-going other operating costs, and \$515,992 for one-time capital outlay expenses.) All of the additional moneys would come from the Workers' Compensation Fund.

With regard to position limitations, the regular appropriations bill contains a proviso which excludes from the established position limitation of 174.2 for FY 1995 any attorney positions established for the purpose of defense of the Workers' Compensation Fund. (The agency reports that, even though this proviso has existed in prior fiscal years, attorneys to defend the Workers' Compensation Fund have been hired on a contractual basis rather than as FTE positions.)

Finally, there are no provisions in the bill which relate to if and when all existing claim cases should be shifted from those attorneys who have been hired on a contractual basis to those who are to be hired as in-house staff. Information from the Department indicates that there are no written contracts for the attorney services, but a shift in an attorney to settle a claim could impact the final cost of a settlement. The bill becomes effective upon its publication in the *Kansas Register*.

B. S.B. 487 (Law). S.B. 487 creates new law to regulate organizations that conduct utilization reviews with respect to health care services being delivered or proposed for delivery to Kansas residents. The bill directs the Insurance Commissioner, with the advice of a 13-member advisory committee created by the bill, to establish standards governing the conduct of utilization review activities performed by utilization review organizations. Unless granted an exemption by the Commissioner, no utilization review organization may conduct such review services in this state or affecting residents of Kansas on or after May 1, 1995, without first obtaining a certificate from the Commissioner.

The Insurance Department requests for FY 1995 2.0 additional FTE positions to implement provisions of the bill (1.0 unclassified Policy Examiner Trainee and 1.0 classified Office Assistant III). The agency reports that, in addition to establishing new regulations to implement the legislation, the agency will have to conduct examinations of utilization review organizations and perform other administrative functions required in regulating the utilization review organizations. Based on a 1992 study by the Department, there are around 294 organizations that may fall under this new licensing requirement. The requested 2.0 new positions would not need to begin until the last half of FY 1995 since the agency would have until May 1, 1995 to fully implement the licensing requirements being imposed on utilization review organizations. Costs of the new positions for the last half of FY 1995 are estimated at \$32,019, of which \$22,796 is for salaries, \$1,969 is for other operating costs, and \$7,254 is for one-time capital outlay expenses. All financing would come from the Insurance Department Service Regulation Fund.

C. S.B. 522, S.B. 563, and S.B. 569 (Law). S. B. 522, as well as S.B. 563, and S.B. 569 require additional reporting of information to the Insurance Commissioner, which the Commissioner says will in turn require additional staff time to review and evaluate the information. Specifically, S.B. 522 requires all domestic insurers to file a report disclosing material transactions to the Commissioner which relate to the acquisition or disposition of assets. In addition, transactions involving transferred (ceded) reinsurance agreements are to be reported. Certain exclusions from these required filing are provided for in the bill. The Department indicates that review of the new reports must be done to determine if there is compliance with applicable Kansas insurance laws and regulations.

S.B. 563 requires that, for the year ending December 31, 1995, and for each subsequent calendar year, life insurance companies and accident and sickness companies must file with their annual statement the opinion of a qualified actuary as to whether the reserves and related actuarial items held in support of the policies and contracts in force are computed appropriately, are based on assumptions which satisfy contractual provisions, are consistent with prior reported amounts, and comply with applicable Kansas law. A supporting memorandum of the opinion also must be filed with the Insurance Commissioner. The Department says that the newly required actuarial opinions and memorandums will need to be reviewed in order to ensure compliance with requirements that are established by the bill.

S.B. 569 requires domestic life insurance companies, and foreign companies upon request, to submit with their annual statement to the Insurance Commissioner a report of their risk-based capital levels as of the end of the calendar year for the purpose of requiring insurers to maintain an amount of capital and surplus proportionate with the perceived riskiness of their respective assets, liabilities, and off-balance sheet activities. Based upon the risk-based capital level report, increasingly serious regulatory actions are authorized against a deficient company, ranging from the company filing a plan of action identifying the factors contributing to the deficient level and proposing actions to eliminate the deficiency to the Commissioner taking action under the Kansas Insurers Supervision, Rehabilitation and Liquidation Act. The Department relates that each company's risk-based capital level report will need to be reviewed, and, in the event that a company's risk-based capital is inadequate, staff of the Department will have to undertake administrative proceedings to provide for corrective actions.

The Insurance Department requests a new 1.0 Financial Analyst Trainee position in FY 1995 to perform the additional duties being imposed by the three bills described above. The Department reports that the additional workload that will be generated by the combination of all three bills cannot be absorbed by existing personnel. Costs of the additional position are estimated at \$34,993, of which \$29,100 is for salary expenses, \$1,969 is for other operating expenses, and \$3,924 is for one-time capital outlay costs. All financing would be from the Insurance Department Service Regulation Fund.

D. H.B. 2730 (Law). H.B. 2730 abolishes as of January 1, 1995, the existing Health Care Stabilization Board of Governors, which is advisory to the Commissioner of Insurance, and replaces it with an independent Health Care Stabilization Board of Governors. The new Board is responsible for administering and managing the Health Care Stabilization Fund, which is presently administered by the Insurance Commissioner. Under the bill, the Commissioner's only duty is to provide technical and administrative assistance to the new Board of Governors if requested and to provide expertise as the Board may request with regard to evaluation of claims or potential claims against the Health Care Stabilization Fund. The Board is authorized to appoint any employees necessary to carry out its duties and is responsible for all budgeting, personnel, purchasing, and related management functions. The estimated budget of the Board, as approved by the Board, is to be submitted as part of the budget of the Insurance Department. (No provisions are made in the bill for the submission of the Board's budget for FY 1996. A potential problem with the bill is that the FY 1996 budget must be submitted in the fall of 1994, but the Board is not actually formed until January 1, 1995. An option that the Committee may wish to consider is including direction by proviso that the Insurance Commissioner prepare the Board's FY 1996 budget, which would be subject to the review of the existing Board of Governors.)

Since passage of this legislation, several policy issues have been raised at the agency and staff level which were not discussed when the bill was being debated by the 1994 Legislature. Because a section of the bill says that the new Board of Governors is to be attached to and be within the Insurance Department, the Insurance Department initially thought that there would be no fiscal impact to the bill since the employees in the Insurance Department who perform duties related to the Health Care Stabilization Fund's activities would continue to work for the Insurance Department, but would be assigned to the Board. However, in another section of the bill, the new Board of Governors is established as the sole administrator of the Health Care Stabilization Fund and independent of the Insurance Commissioner, with the authorization to appoint any employees necessary to carry out its duties for budgeting and management functions.

Therefore, the Department has come to realize that, as of January 1, 1995, moneys will no longer be available from the Health Care Stabilization Fund to pay for several of the Department's current employees. The Department has 16.0 FTE positions that are fully or partially funded from the Health Care Stabilization Fund. Of these positions, the Department has determined that 13.0 FTE positions are associated with the Health Care Stabilization Fund and therefore would no longer be employed by the Insurance Department as of January 1, 1995. The remaining 3.0 FTE positions which are partially funded from the Health Care Stabilization Fund would be retained by the Department to perform various departmental duties. At least two of the three positions will still be involved with the Health Care Stabilization Fund to the extent that they would coordinate insurance regulatory matters relating to the Fund's Board of Governors and the Fund's self-insured health care providers. Since the Department will no longer have available moneys from Health Care Stabilization Fund, the Department is requesting additional expenditure authority of \$64,691 in FY 1995 from the Insurance Department Service Regulation Fund to pick up the salaries and other associated costs of the 3.0 FTE positions. Also, additional expenditure authority of \$7,394 from the Insurance Department Service Regulation Fund is being requested to cover what has been in the past the apportioned share of the Health Care Stabilization Fund for an existing certificate of participation for the Department's minicomputer payment and for the Department's building repair and debt service costs. The amount of additional expenditure authority being requested for FY 1995 totals to \$72,085, all of which would be from the Insurance Department Service Regulation Fund.

With regard to FY 1995 funding for the new Board of Governors, because the Board and its staff will no longer be part of the Insurance Department, it will be necessary for the Board to rent office space and pay other expenses associated with maintaining an office, in addition to paying staff salaries. The Insurance Department estimates that, based on the salaries it currently pays staff associated with

administering the Health Care Stabilization Fund, the cost to the Board for staff salaries and wages for the last six months in FY 1995 would be \$234,608. There would be a corresponding reduction in salaries and wages for the Insurance Department.

Other expenditures estimated by the Insurance Department for the Board the second half of FY 1995 total to at least \$123,843 and include \$21,348 for office rent and utilities, \$66,164 for filing and other equipment for a new office, \$32,208 for data processing equipment, and \$4,123 for other items. There would be no corresponding reduction in the Insurance Department's budget for these items.

The Insurance Department notes that the above figures are rough estimates and that it is not in a position to estimate what the Board may need or request. For example, the estimate of \$32,208 for data processing equipment is conservative in that the equipment that could be purchased for that amount of money is not comparable to the main computer system used by the Insurance Department and would not have the same capacity as the system now used for Health Care Stabilization Fund activities. In addition, other costs have not been estimated, such as travel and other expenses for the Board. There also would be expenses for contracts for attorneys and court reporters, which were approved at almost \$2.7 million in the Insurance Department's FY 1995 budget and would become an expense of the Board when H.B. 2730 becomes effective.

Finally, as previously stated, the bill requires on one hand that the Board be funded as a separate agency but on the other requires that its budget be submitted as part of the Insurance Department's budget. Because this provision is contradictory, a decision must be made by the Legislature to either fund the Board as a separate agency or continue to appropriate the Health Care Stabilization Fund as a part of the Insurance Department's budget, even though the Insurance Department will have no control or authority over the Fund. (Either option appears to contradict specific provisions of the bill.) Further, the Legislature must decide whether to put an operating expenditure limitation on the Fund and whether to establish a position limitation for the Board. (There presently is no limit on operating expenditures from the Fund. There is an overall position limitation on the Department of Insurance, but no specific limitation on the number of positions funded from the Health Care Stabilization Fund.)

Department of Health and Environment

A. House Sub. for S.B. 293 (Governor). House Substitute for S.B. 293 establishes the Private Property Protection Act designed to reduce the risk of undue burdens on private property rights as the result of certain governmental actions.

Before taking governmental action (which is defined by the bill), state agencies will be required to prepare a written report available for public inspection whenever any restriction of private property is effected on the basis of protection of public health or safety. No action is to be taken until the report is submitted to the Governor and the Attorney General.

The Department of Health and Environment indicates that it will need in FY 1995 11.0 new FTE positions (1.5 Attorneys I, 5.0 Attorneys II, 2.5 clerical staff, 1.0 Environmental Geologist II, and 1.0 Professional Environmental Engineer) to prepare written reports for all permits and to implement other provisions of the bill. The Department's request is based on the assumption that it will need to research and file reports on its several thousand environmental permits and licenses as well as on its hundreds of enforcement and other remedial actions done each year. Costs of the new positions are estimated at \$562,426 from the State General Fund. Included in the request is \$404,682 for salary expenses, \$73,300 for other operating costs, and \$84,444 for capital outlay purchases.

B. S.B. 487 (Law). S.B. 487 amends two insurance statutes relating to statistical plans for accident and sickness loss and expense data. The bill designates the Secretary of Health and Environment as the statistical agent responsible for gathering, receiving, and compiling the data required to form a statistical plan or plans that will be used by each insurer in the recording and reporting of its premium, accident, and sickness insurance loss, and expense experience in order to determine whether the insurance rates being charged are, in fact, reasonable. The Secretary is authorized to establish fees to cover the expenses incurred in accumulating and processing the data gathered and to report an entity not in compliance with the reporting requirements of the statutes to the Insurance Commissioner who has authority to impose penalties.

The Department of Health and Environment is requesting 4.5 new FTE positions in FY 1995 to perform the required activities. The positions would be paid for from new revenues generated by assessing insurance companies for the data gathering and compiling. The Department estimates that a total of \$522,839 will be assessed against the insurance companies in FY 1995 to cover the costs of collecting and compiling the data for the statistical plan or plans. (The bill does not specify which fund these new revenues are to be credited. However, one could assume due to references in the bill to the Secretary of Health and Environment's statutory duties with regard to administering a health care database that a new fund which was created this session with passage of S.B. 577 would be the appropriate fund for the new revenues. The new fund is called the Health Care Database Fee Fund. A proviso in the appropriations bill could be used to clarify that the new moneys are to be credited to the Health Care Database Fee Fund.)

C. S.B. 577 (Law). As discussed in the above item, S.B. 577 creates the Health Care Database Fee Fund which is to be credited with fees collected from users of health care data collected from various sources, including health care entities, health care providers, pharmacies, licensing agencies, and insurance providers. Other sources of revenue to the new Health Care Database Fee Fund are to be from private sources, interest earnings, and other moneys as provided by law. The moneys are to be used to supplement maintenance costs of the database, to provide technical assistance and training in the proper use of health care data, and to provide funding for dissemination of information from the database to the public.

The Legislature will need to appropriate this new fund. No information has been provided by the Department with regard to revenues that will be generated to the new fund or expenditures that will be made from the fund.

D. S.B. 611 (Conference). The House version of S.B. 611 establishes a revolving loan fund for the purpose of making low interest loans to local public water suppliers for construction improvements. This Public Water Supply Loan Fund would be credited with receipts from the following sources:

1. amounts received by the state from the federal government for the purposes of the Fund;
2. amounts appropriated or otherwise made available by the Legislature;
3. proceeds derived from the sale of bonds issued by the Kansas Development Finance Authority for the purposes of the Fund;
4. amounts received from repayment of loans made under this bill as well as the interest paid;
5. interest moneys attributable to investment of moneys in the Fund; and

6. amounts received from any public or private entity for the purposes of the Fund.

The Secretary of Health and Environment would be in charge of administering the Fund. Those permitted to have access to the Fund include any political or taxing subdivision authorized by law to construct, operate, and maintain a public water supply system, water districts, and political or taxing subdivisions jointly constructing, operating, or maintaining a public water supply system.

Should the above provisions found in the House version of S.B. 611 be enacted into law, the Legislature will need to appropriate the new Fund. Since the Department of Health and Environment did not make this legislation part of its fiscal impact request for the Omnibus Bill, one could assume that there will be no fiscal impact for FY 1995. However, the Department's original budget request contained a new initiative for the establishment of such a Public Water Supply Revolving Loan program. Cost of the new program was estimated at \$227,033, of which all was to be financed from the proposed new revolving fund. Also included in the request was 4.0 new FTE positions to administer the program.

E. S.B. 669 (Governor). S.B. 669 amends several sections of the law which relate to the handling and disposal of waste tires. New authority allows the Secretary of Health and Environment to undertake appropriate abatement action and to enter into contracts for the abatement of waste tire accumulations. In addition, the bill allows the Secretary to provide grants to local and private entities for abating waste tire accumulations. Finally, the bill modifies the statutory limitation on the amount of money that the Department can spend from the already established Waste Tire Management Fund for paying compensation or other expenses of hiring personnel for the administration of the state's waste tire program. Annual expenditures from the Waste Tire Management Fund currently are limited statutorily to the lesser of 9.0 percent of the receipts to the Fund or \$130,000. S.B. 669 would raise the limits to 16.0 percent (estimated at \$192,000) or \$200,000, whichever is less.

The Department of Health and Environment requests 2.0 new FTE positions in FY 1995 to more fully administer the permitting, inspection, enforcement, and grant provisions of the law. Costs of the additional staff (1.0 Environmental Technician III and 1.0 Environmental Scientist I) are estimated at \$83,790, of which \$68,790 is for salary expenses, \$10,000 is for other operating costs, and \$5,000 is for one-time capital outlay purchases. Approving the new positions requested by the Department would increase operating expenditures from the Waste Management Fund for the Department's personnel costs in FY 1995 from \$108,036 to \$191,826, which is slightly below the new statutory limit of \$192,000 established by the bill for such expenditures.

The Department also requests that \$200,000 be used to contract for the abatement of waste tire piles. Instead of asking for additional moneys to pay for these contracts and the 2.0 new FTE positions requested above, the Department indicates that it plans to reduce grant moneys to local and private entities in FY 1995 by a corresponding amount (\$283,790). Therefore, the Department is requesting only that its FTE limitation for FY 1995 be increased by 2.0 FTE positions.

F. H.B. 2633 (Conference). Based upon a Conference Committee proposal, H.B. 2633 could be amended to designate the Department of Health and Environment as the contact agency for the State of Kansas for the purposes of federal health care reform measures. The Department would be prohibited from making decisions regarding federal health care reform measures which are not otherwise authorized by the Legislature or which would be inconsistent with existing law.

The Department of Health and Environment indicates that in FY 1995 it will need to establish a staff of 2.0 new FTE positions (1.0 Health Care Planning Consultant and 1.0 Secretary II) in order to

keep abreast of the changing health care reform proposals and the information being generated. The agency says that having a staff dedicated to this activity will allow it to gather and provide information in a timely manner to legislative groups. Costs of the new positions are estimated at \$97,582 from the State General Fund. Included in the request is \$64,482 for salary expenses, \$24,000 for other operating costs, and \$9,100 for one-time capital outlay purchases.

G. H.B. 2709 (Law). H.B. 2709 establishes the procedure to be followed when a health care provider wishes to enter into a cooperative agreement with other health care providers and to bring such agreement under the purview of the state for anti-trust purposes. Parties to the agreement must apply to the Secretary of Health and Environment for a certificate of public advantage approving and governing the agreement. The Secretary must review and evaluate the agreement in accordance with the potential benefits and disadvantages set out in the legislation and must hold a public hearing. Any approved agreement must be reviewed annually by the Secretary. The new legislation does not apply to any agreement already in effect on the effective date of the legislation, to any agreement for which no application for a certificate of public advantage has been submitted, nor to any authorized activity of a rural health network. Finally, an advisory committee of not to exceed five health care providers is created by the legislation to advise and make recommendations to the Secretary on provisions in the new law.

The Department of Health and Environment reports that it will need in FY 1995 4.0 new FTE positions (1.0 Chief of Services, 1.0 Attorney II, 1.0 Office Assistant IV, and 1.0 Applications Programmer Analyst III) to carry out the provisions of the bill. Costs of the new positions are estimated at \$199,284 from the State General Fund. Included in the request is \$148,860 for salary expenses, \$32,200 for other operating costs, and \$18,224 for one-time capital outlay purchases. The Secretary is authorized by the bill to establish through rule and regulation an application fee to offset part or all of the costs of the agency in determining whether to deny or grant a certificate of public advantage. (The legislation does not specify the fund to which these new revenues are to be credited, meaning that the moneys would go to the State General Fund unless the Legislature chooses to establish a separate fund.) The Department indicates that the amount of new revenues which may be generated cannot be predicted since the Department is unable to estimate the number of applications that may be received.

H. Teen Pregnancy Prevention Funding. The House Subcommittee for the Department of Health and Environment's budget asks that further consideration be given to funding Teen Pregnancy Prevention activities in the Omnibus Bill. Moneys of \$400,627 from the State General Fund were included in the Welfare Reform bill (H.B. 2929) for Teen Pregnancy Prevention activities, with a proviso that recipients of Aid to Families with Dependent Children (AFDC) and other Medicaid-eligible teens receive highest priority for service.

With the \$400,627 from the State General Fund, the Department of Health and Environment indicates that it expects to claim \$553,921 in matching federal Medicaid funds from the Kansas Department of Social and Rehabilitation Services (SRS). The Department of Health and Environment's estimated matching moneys of \$553,921 would bring total expenditures for these additional Teen Pregnancy Prevention activities to \$954,548. The table below shows the information provided by the Department of Health and Environment regarding the anticipated use of the moneys:

Expenditure Item	State General Fund	Federal Funds	Total
Operating Costs			
Salary Expenses for 2.2 New FTE positions	\$ 35,344	\$ 31,977	\$ 67,321
Other Operating Costs	8,925	8,075	17,000
Aid-to-Local Units	356,358	513,869	870,227
Grant Total	<u>\$ 400,627</u>	<u>\$ 553,921</u>	<u>\$ 954,548</u>

The requested 2.2 FTE positions would consist of a 1.0 Case Management Consultant, a 1.0 Office Assistant III, and a 0.2 Epidemiologist.

I. Flood Relief Funds. The legislative subcommittees for the Department of Health and Environment's budget asks to review during the Omnibus session the amount of federal flood relief moneys that have been received and expended by the Department of Health and Environment. The expenditure authority given to the agency assumed that all moneys would be expended in the current year. However, the moneys were given on a federal fiscal year basis, which means that the grant moneys could extend over more than one state fiscal year.

The Department of Health and Environment reports that, of \$1,748,000 approved by the State Finance Council for expenditure in the current year, only \$53,052 has been expended due to the length of time that it took the federal Environmental Protection Agency to award the grants. Information from the Department indicates that, in order to expend the federal flood relief moneys, additional expenditure authority of \$1,694,948 for three different funds (\$704,000 for the Leaking Underground Storage Tank Trust--Federal Fund, \$44,000 for the Underground Storage Tank Fund--Federal, and \$946,948 for the Resource Conservation and Recovery Act--Federal Fund) will be needed for FY 1995. Included in the request is a total of \$573,850 in contingency funds. The Department reports that the contingency funds have not yet been awarded and that the amount of contingency funds to be awarded to Kansas will be based on an evaluation of needs in a regional area of four states. The total needs of Kansas are expected to be known late this fiscal year or the first part of the next fiscal year.

The Governor also approved through Executive Directive in late December, 1993, another \$750,120 in federal flood relief moneys for the current year. These moneys were credited to a new fund called Emergency Food Relief Cooperative Agreement--Federal Fund that was established by the Executive Directive. Information from the Department of Administration, Division of Accounts and Reports, indicates that year-to-date expenditures from this fund total \$101,841. The agency already has authority to expend these moneys in FY 1995 since the Executive Directive established the new fund with an expenditure limitation of "no limit." However, because it was assumed that all the moneys would be expended in the current year, the new fund was not included in the appropriations bill for FY 1995. To clarify that the agency has continued authority to expend the moneys, the Legislature may wish to appropriate the fund in the Omnibus Bill. According to early session information provided by the Division of the Budget, the \$750,120 in federal flood relief moneys are to be used to reimburse counties for flood related expenditures; to conduct water sampling, including resampling on wells that have been contaminated; to provide for contractual services on water testing sites that need special expertise for cleanup; and to monitor and control with insecticide mosquito populated areas.

J. Governor's Budget Amendment No. 3, Item 63 -- Laboratory Renovation Project at Forbes Field. The Governor amends her FY 1994 budget by adding \$206,800 from the State General

Fund to complete renovation of the laboratories at Forbes Field. The Department had planned originally to use State General Fund monies it had encumbered from its FY 1993 appropriation. However, it was determined that the agency could not use the encumbered funds because no contract with a "named" vendor was completed during FY 1993. This supplemental appropriation will replace the encumbered monies, which will lapse upon release by the agency of the encumbrance.

K. Governor's Budget Amendment No. 3, Item 64 -- Expenditure Authority on the Physician Vaccine Supply -- Federal Fund. The Governor amends her FY 1994 budget by increasing the expenditure limitation on the Physician Vaccine Supply -- Federal Fund by \$10,000. The additional funds, transferred from the Department of Social and Rehabilitation Services, will be used to support the mailings of replacement physician vaccine supplies by the Bureau of Disease Control. The increase is based on the Department's revised estimate for the cost of mailing the replacement vaccines.

L. Governor's Budget Amendment No. 3, Item 65 -- Expenditure Authority on the Federal Title X Family Planning Fund. The Governor amends her budget for FY 1995 to increase expenditures from the Federal Title X Family Planning Fund by \$120,455. Included in the amendment is an increase in the expenditure limitation on state operations for the Federal Title X Family Planning Fund of \$46,665. These monies will be used to support 1.0 FTE limited-term staff position in the Bureau of Family Health to expand the agency's efforts in family planning and coordination of the state Adolescent Health program. The Department has applied for the additional monies from the Department of Health and Human Services to provide training, technical assistance, and monitoring of local health agencies.

M. Governor's Budget Amendment No. 3, Item 66 -- Expenditure Authority on the AIDS Project -- Education and Risk Reduction -- Federal Fund. The Governor amends her budget to increase expenditures from the AIDS Project -- Education and Risk Reduction -- Federal Fund by \$93,795 for FY 1994 and \$281,385 for FY 1995. Included in the amendment is an increase in the expenditure limitation on the state operations account of the AIDS Project -- Education and Risk Reduction -- Federal Fund by \$16,500 for FY 1994 and \$53,759 for FY 1995. The Department will use the funds to hire a limited-term FTE Health and Environment Planning Consultant and a limited-term FTE Office Assistant III to work on the HIV Prevention Community Planning process. The Department was informed in January of 1994 that it would receive a supplemental award by the Centers for Disease Control and Prevention. The total award is \$375,180. The duties of the new positions will include facilitating a federal initiative of making an assessment of federally funded HIV prevention activities in the state. The remaining monies will be used to increase services for persons with the HIV infection.

N. Governor's Budget Amendment No. 3, Item 67 -- Expenditure Authority on the Venereal Disease Control Project -- Federal Fund. The Governor amends her budget to increase expenditures from the Venereal Disease Control Project -- Federal Fund by \$106,304 for FY 1994 and \$206,355 for FY 1995. As part of the overall increase, the state operations expenditure limitation on the Venereal Disease Control Project Fund -- Federal Fund will be increased by \$17,812 for FY 1994 and \$40,681 for FY 1995. These funds will be used to support an additional limited-term FTE staff position in the Bureau of Disease Control to expand efforts to reduce the incidence of Chlamydia, which is the fastest growing sexually transmitted disease in Kansas. The Department has reported that it was awarded a total of \$312,659 by the Centers for Disease Control and Prevention to fund the Chlamydia project. The monies are to be used by the Sexually Transmitted Disease Program in conjunction with the Family Planning Program to support the expansion of testing for Chlamydia. The new staff person will be responsible for coordinating the Chlamydia project.

O. Governor's Budget Amendment No. 3, Item 68 -- Expenditure Authority on the State Indoor Radon Grant -- Federal Fund. The Governor amends her budget for FY 1994 to increase the

expenditure limitation on the State Indoor Radon Grant -- Federal Fund by \$60,461. The additional moneys will allow the Department to fulfill its contractual agreement for services provided by Engineering Extension at Kansas State University. The Department recently received additional federal Environmental Protection Agency (EPA) funding for radon investigations, which allows it to fund the program fully.

P. Governor's Budget Amendment No. 3, Item 69 -- Expanded Use of the District Coroners Fund Receipts. The Governor amends her budget for FY 1995 to add \$50,000 from the District Coroners Fund. The moneys are to pay for autopsies of children's deaths that are considered to be of a "suspicious nature." Currently, the Department makes payments from the State General Fund for autopsies performed to determine the cause of child deaths. The amendment allows the Department to utilize the District Coroners Fund to pay these new costs. No corresponding reduction of \$50,000 is made to the Department's State General Fund appropriation.

The Governor's budget amendment is contrary to 1993 Supp. K.S.A. 22a-245, which provides that moneys in the District Coroners Fund are to be allocated and distributed to each county on March 15 of each year, 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 Fund was established by the 1993 Legislature to help pay for district coroner expenses due to changes in the law, which were implemented with passage of 1993 H.B. 2008. (Receipts credited to the Fund come from death certificate fees, the same amount as surcharges imposed by 1993 H.B. 2008 for death certificate copies, which are \$3 for the first copy and \$1 for each additional copy.) A proviso on the Fund would be necessary to accomplish the Governor's recommendation.

Kansas Department of Transportation

A. Governor's Budget Amendment No. 3, Item 36 -- Construct Wash Bays. For FY 1995, the Governor recommends \$1,239,055 to begin the process of constructing environmentally safe wash bays at subarea offices.

B. Governor's Budget Amendment No. 3, Item 37 -- Construct Storage Buildings. For FY 1995, the Governor recommends \$470,461 to construct prefabricated, metal storage buildings at eight area office locations in order to store office supplies.

C. Governor's Budget Amendment No. 3, Item 38 -- Capital Outlay. For FY 1995, the Governor recommends an additional \$1,358,018 for purchasing replacement equipment to support the KDOT regular maintenance program. The Governor's original recommendation funded \$7,944,130 for the program out of the agency's request for \$9,373,142.

D. Governor's Budget Amendment No. 3, Item 39 -- Chanute Storage Building. For FY 1995, the Governor recommends \$145,771 to construct a prefabricated, metal storage building to replace a wooden building constructed in 1941.

E. Governor's Budget Amendment No. 3, Item 40 -- Paola Subarea Shop. For FY 1994, the Governor recommends \$179,500 to purchase land and buildings at a site suitable for relocating its local facility. The Joint Committee on State Building Construction endorsed this acquisition. KDOT indicates that use of existing buildings may enable savings of approximately \$500,000 of the projected construction costs of \$715,000 at this site which it plans to renovate in FY 1996.

F. Governor's Budget Amendment No. 3, Item 28 -- Demand Transfers. The Governor proposed to cap in FY 1995 certain demand transfers at 3.0 percent more than the FY 1994 transfers. These recommendations were enacted by the 1994 Legislature in S.B. 511 (law). However, the April 1994 estimates by the Consensus Revenue Estimating Group for the estimated FY 1994 and FY 1995 demand transfers from the State General Fund have been adjusted from the amounts considered by the Legislature and the Governor recommends adjustments to reflect the new consensus estimates for FY 1994 and FY 1995. For expenditure reporting, increased SGF transfers to the State Highway Fund are offset by reduced expenditures of other funds. Increased SGF transfers to the Special City-County Highway Fund are treated as net growth in expenditures.

1. FY 1994 Demand Transfers. The 1993 Legislature approved 4.0 percent reductions in statutory transfers for FY 1994. The April 1994 estimates (less the 4.0 percent reductions) by the Consensus Revenue Estimating Group will increase estimated FY 1994 demand transfers from the State General Fund to the following KDOT funds:

<u>FY 1994</u>	<u>Governor's Budget Report</u>	<u>Governor's Revised Estimate</u>	<u>Difference</u>
State Highway Fund	\$ 78,254,000	\$ 79,079,000	\$ 825,000
Special City-County Highway Fund	9,637,000	9,743,000	106,000
Total--KDOT	<u>\$ 87,891,000</u>	<u>\$ 88,822,169</u>	<u>\$ 931,000</u>

2. FY 1995 Demand Transfers. The 1994 Legislature approved FY 1995 demand transfers equal to 103.0 percent of actual FY 1994 transfers for the State Highway Fund and the Special City-County Highway Fund which receive funding from the State General Fund. For FY 1995, the following estimates reflect the April 1994 Consensus Revenue Estimating Group's projections, as adjusted by the 3.0 percent cap on growth:

<u>FY 1995</u>	<u>Governor's Budget Report</u>	<u>Governor's Revised Estimate</u>	<u>Difference</u>
State Highway Fund	\$ 80,602,000	\$ 81,451,000	\$ 849,000
Special City-County Highway Fund	9,926,000	10,036,000	110,000
Total--KDOT	<u>\$ 90,528,000</u>	<u>\$ 91,487,000</u>	<u>\$ 959,000</u>

G. Governor's Budget Amendment No. 3, Item 15, and S.B. 499 (Law). The bill transfers the school bus safety program from the Department of Transportation to the Department of Education. The bill provides for a statutory (demand) transfer of \$40,000 quarterly from the State Highway Fund to the School Bus Safety Fund. KDOT estimates that 4.0 FTE positions will be transferred to staff the program and that a corresponding decrease in agency operations expenditures of \$160,000 will occur in FY 1995 when the program is moved.

H. H.B. 2614 (Law). This bill establishes the Public Use General Aviation Airport Development Fund, authorizes the Secretary of Transportation to solicit public and private monies, and directs the Secretary to establish by rule and regulations and to administer a grant program for the purpose of planning, constructing, reconstructing or rehabilitating the facilities of such public use general aviation

airports. The Legislature may wish to appropriate this new fund in order to determine the level of approved expenditures.

I. H.B. 3070 (Law). The bill renames the Elderly and Handicapped Coordinated Public Transportation Assistance Fund as the Elderly and Disabled Coordinated Public Transportation Assistance Fund. In addition, the bill provides for a statutory demand transfer of \$1.0 million annually from the State Highway Fund on July 1 to finance this fund. S.B. 511 (law) provides for an additional transfer of \$390,000 to the fund on July 1, 1994, in the regular KDOT appropriations bill. Receipts in FY 1995 would total \$1.39 million under current law. Finally, S.B. 511 appropriates the Elderly and Handicapped Coordinated Public Transportation Assistance Fund as a no limit line item in the KDOT budget for FY 1995.

H.B. 3070 provides that any expenditure from the fund shall be for the coordinated development, improvement or maintenance of transportation systems for elderly or disabled persons and shall be made in accordance with appropriations acts. The Legislature may wish to review its approved transfer amounts and the no limit appropriation for this fund in order to establish the level of approved expenditures since the revenues in FY 1995 will be greater than originally recommended in the Governor's Budget Report for FY 1995. In addition, the correct fund (title) needs to be appropriated and any monies left in the old fund at the end of FY 1994 transferred to the new fund in FY 1995.

Kansas Public Employees Retirement System (KPERS)

A. Governor's Budget Amendment No. 3, Item 14 -- KPERS School. The Governor concurs with a portion of the FY 1994 adjustment previously adopted by the 1994 Legislature and increases the state's contribution from the State General Fund by \$1,410,327 above the amount recommended in the *Governor's Budget Report*. The Legislature approved \$165,523 more than this GBA item, or a total of \$1,575,850 supplemental, based on estimates from the Department of Education and KPERS.

B. Senate Sub for H.B. 2597 (Governor). This KPERS bill includes a number of provisions modifying current law and also provides for benefits enhancements of retired members effective in FY 1995. The bill authorizes a 1.5 percent cost of living adjustment, or alternatively, \$0.50 for each year of service and each year of retirement for all members who retired prior to July 1, 1993, which ever yields the greatest increase for individuals. Estimated retirement benefits for FY 1995 as approved by the 1994 Legislature total \$293,009,653. Assuming a 1.5 percent increase (since it is not know how many retirees will receive an increased based on the second method of calculation), the projected FY 1995 retirement benefits will total \$297,404,798, or \$4,395,145 more than previously approved.

Kansas Lottery

A. Governor's Budget Amendment No. 3, Item 29 -- Lottery Sales Estimates. The Governor recommends higher lottery sales estimates for both FY 1994 and FY 1995. Total sales this fiscal year are estimated by the Governor at \$142.3 million and next fiscal year at \$130.0 million. The 1994 Legislature's current approved lottery sales estimates are \$136.8 million in FY 1994 and \$128.5 million in FY 1995.

The Governor's revised recommendations would increase current approved sales projections by \$5.5 million in FY 1994 and by \$1.5 million in FY 1995. Increased transfers to the State Gaming Revenues Fund (SGRF) resulting from the Governor's recommendations would yield approximately \$1.5

million in FY 1994 and \$ 0.6 million in FY 1995 in addition to amounts previously approved by the 1994 Legislature. Expenditures will increase \$11,475,565 in FY 1994 and \$3,569,482 in FY 1995 above the estimates in the *Governor's Budget Report*.

B. Governor's Budget Amendment No. 3, Item 31 -- Instant Ticket Printing and Prize Validation. The Governor recommends an additional \$78,500 in FY 1994 to print more instant lottery tickets. For FY 1995, the Governor recommends additional expenditures of \$471,530 for two categories of expenses: printing of instant tickets and implementation of a bar code validation system for paying instant ticket prizes at any location.

C. Governor's Budget Amendment No. 3, Item 32 -- Move to Wichita State Office Building. The Governor recommends \$15,000 in FY 1994 for constructing a security screen and counter at the new location. For FY 1995, the Governor recommends \$30,000, including \$5,000 for moving expenses and \$25,000 for additional rents at the new facility.

D. Governor's Budget Amendment No. 3, Item 33 -- Post Audit Expense. An increase of \$40,000 in FY 1994 is recommended to finance the cost of an audit of the Lottery and its on-line games vendor, G-Tech, based on the Legislative Post Audit Committee's expanded scope of the proposed audit to include G-Tech.

E. Governor's Budget Amendment No. 3, Item 34 -- Promotional Materials. For FY 1995, the Governor recommends \$36,500 to finance additional promotional brochures and signs to supply new retailers with materials.

F. S.B. 545 (Law). The bills permit instant bingo to continue after July 1, 1994. The FY 1994 fiscal note had indicated that sales of pull-tabs by the Kansas Lottery would decline due to competition with instant bingo. Accordingly, the Kansas Lottery had projected FY 1994 sales would decline from \$2,119,524 of pull-tab sales in FY 1993. The Lottery estimates of \$1,615,356 in FY 1994 were increased to \$2,000,000 in FY 1995 (apparently assuming that instant bingo would expire on July 1, 1994). The Governor's estimates in the Budget Report assumed sales of \$2,030,400 in FY 1994 and \$2,026,300 in FY 1995.

For nine months this fiscal year, pull-tab sales have totaled \$1,159,836, or an average of \$128,871 per month in FY 1994, compared with \$176,627 in FY 1993 (prior to instant bingo). If the remaining months of FY 1994 average \$128,871, then the annualized total would be \$1,546,452, or almost \$0.5 million less than the Governor's estimate for FY 1994 sales. Transfers to the State Gaming Revenues Fund would be proportionately less than estimated by the Governor in FY 1994 and FY 1995, based on these trends and the passage of 1994 S.B. 545.

Kansas Racing Commission

A. Governor's Budget Amendment No. 3, Item 35 -- Southeast Kansas Race Track. The Governor concurs with the Racing Commission's request for \$508,574 and 11.0 FTE positions to begin operations in September 1994. Expenditures are proposed from the State Racing Fund (\$283,191) and the Reimbursable Fund (\$225,383). Revenues are estimated at \$506,606 in FY 1995 for the State Racing Fund. After subtracting the estimated Racing Fund expenses, transfers of \$223,415 are projected to the State Gaming Revenues Fund in FY 1995.

B. H.B. 2519 (Law). The bill provides for an annual financial audit of the Racing Commission. Sec. 14 of 1994 H.B. 2731 provides that any transfers to pay for such an audit shall be in addition to any expenditure limitation. The cost estimate for a financial compliance audit is \$17,000 for a basic review or possibly more depending upon the scope approved by the Legislative Post Audit Committee. Revenues used for this purpose will reduce transfers to the State Gaming Revenues Fund by a proportionate amount in FY 1995.

C. H.B. 2577 (Law). This bill renames the County Fair Horse Racing Benefit Fund as the Horse Fair Racing Benefit Fund and authorizes the Racing Commission to be reimbursed from the fund for administrative expenses. The bill also prohibits this fund from supporting dog races unless the licensee conducts and equal or grater number of parimutuel horse races during the race meet. Provision is made to transfer monies from the old fund to the new fund on July 1, 1994. The Legislature may wish to appropriate this new fund and determine what limitation, if any, should be placed on expenditures. Currently, H.B. 2731 provides for no limit expenditures in FY 1995 for the old fund.

D. H.B. 2836 (Law). This bill addresses the apportionment and distribution of monies from the Horse Breeding Development Fund. Disbursement of these funds has been delayed due to litigation. The bill will require that all monies in the fund, whether from live or simulcast races, be distributed according to proportional participation of various breeds of horses in live races conducted in the state. The bill becomes effective upon publication in the *Kansas Register*.

The Governor's recommended expenditures from this fund, approved by the 1994 Legislature, total \$487,802 in FY 1994 and \$499,963 in FY 1995. For the first nine months of FY 1994, expenditures from the fund have totaled only \$56,393 for purse supplements. The fund was appropriated as no limit, so the basic question appears to be whether the expenditure estimates will be realized, especially in FY 1994, or if additional expenditures might occur in FY 1995 should funds not be expended this fiscal year as estimated.

E. Overtime and Back Pay. Both House and Senate committees asked to revisit the question about who would pay the costs of the settlement since the Racing Commission had not resolved this issue. At its meeting of April 1, 1994, the Racing Commission voted to finance the overtime and back pay as follows: licensees would be responsible for paying 40 percent and the Commission would pay the other 60 percent. Originally, the Racing Commission had billed the licensees the entire amount of \$71,000. Since the settlement costs were paid in FY 1993 from the Racing Reimbursable Expense Fund, the Commission's action will increase the balance of that fund and in FY 1994, will decrease by \$42,600 the balance of the State Racing Fund, which in turn will reduce transfers to the State Gaming Revenues Fund by a like amount.

Mental Health Hospitals -- Systemwide

A. Teacher Salary Increases. The amounts recommended by the Governor and approved by the 1994 Legislature for the school contracts do not include funding for teacher salary increases in FY 1995. The following table shows the amounts from the State General Fund that would be needed to fund salary increases of varying percentages. In addition, the chart also shows the amount of the increase in the administrative fee charged to Larned State Hospital by the local school district, which will increase from 5 percent to 6 percent. The chart does not include a teacher salary increase for Rainbow Mental Health Facility because that agency's approved budget includes full funding for an approved school contract with a 5 percent teacher salary increase. The Rainbow contract specifies that the local school district will absorb any salary increase in excess of 5 percent.

<u>% Increase</u>	<u>Osawatomie</u>	<u>Topeka</u>	<u>Larned Salary Increase</u>	<u>Larned Administrative Fee Increase</u>	<u>Larned Total</u>
1.0%	\$ 6,959	\$ 9,172	\$ 11,623	\$ 5,237	\$ 16,860
1.5	10,439	13,758	16,260	5,494	21,754
2.0	13,918	18,344	20,898	5,750	26,648
2.5	17,398	22,930	25,535	6,007	31,542
3.0	20,877	27,516	30,173	6,264	36,437
3.5	24,357	32,102	34,810	6,520	41,330
4.0	27,836	36,688	39,447	6,777	46,224
4.5	31,316	41,274	44,084	7,033	51,117
5.0	34,795	45,860	48,722	7,290	56,012

B. Categorical Aid. In FY 1995 the budgeted school contacts for each of the institutions include categorical aid based on a rate of \$17,810 (the amount set for FY 1994 by the 1993 Legislature). Currently, the FY 1995 categorical aid rate per eligible teaching unit is estimated to be \$19,400. If this rate is maintained, the school contracts at the hospitals would be over funded. The following State General Fund amounts would be deleted from each of the hospitals' budgets in FY 1995 to adjust for this difference in rates:

<u>Hospital</u>	<u>Amount</u>
Larned State Hospital	\$ (16,425)
Osawatomie State Hospital	(22,578)
Rainbow Mental Health Facility	(8,238)
Topeka State Hospital	(32,340)

The 1994 Legislature has made a current year adjustment to the FY 1994 categorical aid rate, reducing the rate per eligible teaching unit from the \$17,810 set by the 1993 Legislature to \$17,400. For the education contracts at the mental health hospitals to be fully funded in FY 1994, the following State General Fund amounts would need to be added to each of the budgets:

<u>Hospital</u>	<u>Amount</u>
Larned State Hospital	\$ 4,235
Osawatomie State Hospital	5,822
Rainbow Mental Health Facility	6,991
Topeka State Hospital	8,339

Larned State Hospital

A. S.B. 525 (Conference). S.B. 525 authorizes and establishes procedures for the civil commitment of sexually violent predators. In order to implement the provisions of the bill, the Department of Corrections (DOC) and the Department of Social and Rehabilitation Services (SRS) are jointly involved, and will incur additional costs. The legislation calls for the commitment of those determined to be predators to a facility separate from those housing mentally ill hospital patients. A joint agency proposal

is in preparation and will include operating cost estimates for both DOC and SRS. The Senate Subcommittee which reviewed the Larned State Hospital budget recommended that the closing of a unit within the Special Security Program at Larned State Hospital be further considered as an Omnibus item in light of this issue.

Larned State Hospital -- Youth Center at Larned

A. Governor's Budget Amendment No. 3, Item 71 -- Arts Commission Grant. The Governor recommends a \$5,000 fee fund expenditure limitation increase in both FY 1994 and FY 1995 to allow the youth center to expend a grant from the Kansas Arts Commission. The grant would provide for an artist in residence to allow the juveniles placed at the youth center to experience additional art forms.

B. S.B. 657 (Governor). Among other provisions, S. B. 657 would expand the notice requirements of the Secretary of SRS regarding the placement or release of certain juvenile offenders to include the local law enforcement agency and the school district in which the juvenile will be residing if the juvenile is still required to attend secondary school. The notice applies to juvenile offenders whose offense (if committed by an adult) would include crimes such as murder, person felonies, and the sale of drugs.

SRS is required to develop policies to involve school districts where the juvenile offender will be residing in planning for the juvenile's release or discharge.

The Youth Center at Larned estimates that \$7,500 from the State General Fund will be needed to implement the relevant provisions of S.B. 657. Expenditures will provide for postage, copying, and other related items.

C. FTE Limitation for the Youth Center at Larned (Technical). As introduced, the appropriation and FTE limitation for the Youth Center at Larned (YCAL) were included in S.B. 585 (Public Safety). The 1994 Legislature recommended that the FY 1995 budget for YCAL be included in the Larned State Hospital budget. Although the FY 1995 appropriation for YCAL was deleted from S.B. 585, the FTE limitation was not deleted. To reflect the recommendation of the 1994 Legislature, this FTE limitation should be deleted.

Osawatomie State Hospital

A. Governor's Budget Amendment No. 3, Item 2 -- Retirement Restorations. The Governor recommends restoration of 8.0 FTE positions which were deleted from the agency budget because of retirement reductions that had not been through the position restoration process at the time of the *Governor's Budget Report*. These positions have subsequently been restored. The Governor recommends a total of \$59,577 in FY 1994 and \$226,519 in FY 1995 to fund the positions, as noted on the table below:

	<u>FY 1994</u>	<u>FY 1995</u>
State General Fund	\$ 29,788	\$ 113,259
Title XIX Fund	29,789	113,260
TOTAL	<u>\$ 59,577</u>	<u>\$ 226,519</u>

The budget approved by the 1994 Legislature for Osawatomie State Hospital includes the restoration of 5.0 of these FTE positions in both FY 1994 and FY 1995. State General Fund financing of \$38,692 was added in FY 1994 and \$120,519 was added in FY 1995 to fund the positions. These adjustments reflect the status of these positions at the time of legislative review. The additional 3.0 FTE positions have subsequently been restored.

Topeka State Hospital

A. H.B. 2689 (Governor). H.B. 2689 would close the Topeka Correctional Facility West, which is located on the grounds of Topeka State Hospital. Topeka State Hospital uses inmates from the correctional facility for lawn maintenance and to assist with building maintenance. The agency states that the loss of the correctional facility labor will require an expansion of the Topeka State Hospital maintenance work force. The agency requests a total of 12.0 FTE positions and \$259,957 from the State General Fund in FY 1995 for this purpose. The requested positions include 1.0 FTE Carpenter, 1.0 FTE Mason, 1.0 FTE Plumber I, 5.0 FTE Utility Workers, and 4.0 FTE Equipment Operator I positions.

Kansas Commission on Veterans Affairs

A. Technical Item for FY 1995. A technical adjustment is necessary to reflect the expenditures approved for this agency from the Kansas Soldiers' Home Fee Fund in FY 1995.

State Treasurer

A. S.B. 393 (Law). S.B. 393 would amend the Unclaimed Property Act, which is administered by the State Treasurer. S.B. 393 establishes the Unclaimed Property Claims Fund, the Unclaimed Property Expense Fund, and the Unclaimed Mineral Proceeds Trust Fund; however, there is currently no expenditure authority for these funds in FY 1995. To allow the Treasurer to continue operations of the Unclaimed Property Program, including the payment of claims, and to allow the Treasurer to administer the Unclaimed Mineral Proceeds Program, no-limit expenditure authority for these three funds is necessary.

S.B. 393 also strengthens the audit functions performed by the State Treasurer. To implement this provision of S.B. 393, the agency requests a total of \$52,756 from the State General Fund in FY 1995, of which \$30,531 would fund an Auditor I position and \$22,225 would be for other expenses, including capital outlay, training expenses, and other items.

B. Governor's Budget Amendment No. 3, Item 28 -- Local Ad Valorem Tax Reduction Fund (LAVTRF) and County-City Revenue Sharing Fund (CCRSF) Demand Transfers. For FY 1994, the Governor recommends an adjustment to reflect the most recent information available regarding the amounts of the demand transfers under the LAVTRF and CCRSF, which are based on sales and use tax receipts. The FY 1994 demand transfer recommended for the LAVTRF would be revised from \$40,330,000 to \$40,293,000.

The Governor's recommendation for demand transfers in FY 1995 is based on a 3.0 percent increase in demand transfer increases above the FY 1994 level. Because the 1994 demand transfer estimates have been revised, the Governor recommends an amendment to the FY 1995 budget to continue

to finance a 3.0 percent increase above the FY 1994 expenditure levels for all demand transfers. The FY 1995 demand transfer recommended for the LAVTRF would be revised from \$41,540,000 to \$41,502,000.

To implement these recommendations, an adjustment to the percentages included in 1994 S.B. 772 would be needed.

State Treasurer/Department of Administration

A. Governor's Budget Amendment No. 3, Item 11 -- Transfer of FTE Position to the Department of Administration. The Governor concurs with a request of the State Treasurer to transfer 1.0 FTE position and related funding to the Department of Administration. The recommended transfer is the result of a shift in the responsibilities between the two agencies in the area of warrant processing. The recommendation would shift 1.0 FTE position and State General Fund financing of \$4,784 in FY 1994 and \$19,537 in FY 1995 from the budget of the State Treasurer to the budget of the Department of Administration.

Department of Administration

A. Governor's Budget Amendment No. 2, Item 3 -- Personnel/Payroll System. The Governor recommends \$2,000,000 from the State General Fund in FY 1995 for the personnel payroll system. This system is intended to be complete and in operation by FY 1997. The recommendation states that the additional funding recommended would minimize both the amount to be financed and the amount to be assessed to state agencies for the system.

The approved FY 1995 budget for the General Administration Program includes a total of \$750,000 (\$600,000 SGF and \$150,000 Accounting Services Recovery Fund) for the personnel/payroll project. In addition to these amounts, funding of \$310,000 has been identified within the Central Management Systems (CMIS) subprogram and the Department hopes to achieve savings in other areas of its budget which may be dedicated to the project. S.B. 679 authorizes expenditures of up to \$2,000,000 for the project in FY 1995. The FY 1994 budget includes \$253,000 (\$153,000 State General Fund and \$100,000 Accounting Services Recovery Fund) specifically dedicated to this project. As in FY 1995, the Secretary would dedicate some expenditures from the CMIS subprogram and any available savings to the project in FY 1994.

B. Governor's Budget Amendment No. 2, Item 4 -- Acquisition of the Former Hayden High School Building. The Governor recommends authorization and State General Fund financing of \$306,000 in FY 1994 and \$602,000 in FY 1995 for the purchase of the former Hayden High School Building, which is located at the corner of 8th and Van Buren Streets in Topeka. The recommendation would establish a no-limit Former Hayden High School Property Fund. A proviso attached to the fund would authorize the Secretary of Administration to transfer funds from the State General Fund to this fund in the amounts necessary to pay expenditures for appraisals and other related pre-purchase expenditures for the building. Any expenditures from the fund for purchase, demolition, or construction would be subject to State Finance Council approval. Prior to any State Finance Council action to approve purchase of the property, the Secretary would be required to report on the proposed project to the Joint Committee on State Building Construction and would report the Committee's recommendation to the State Finance Council.

C. Governor's Budget Amendment No. 3, Item 7 -- State Budget Stabilization Fund Expenditure Authorization. The Governor recommends that a proviso be attached to the State Budget Stabilization Fund which would allow the expenditure of any moneys remaining in the fund only for direct or matching expenditures related to natural disasters, such as floods or tornados.

1994 S.B. 679 (Governor) appropriates the State Budget Stabilization Fund as a \$0 limit fund in FY 1995. The following proviso is attached to the fund:

Provided, That no moneys shall be transferred from this fund and no expenditures shall be made from this fund except upon specific authorization by an act of the legislature, resulting from unanticipated reductions in federal fund receipts, unanticipated reductions in state general fund estimates, or an act of God: Provided further, That the state finance council shall have no authority to approve any transfer of moneys from this fund or to increase the expenditure limitation on this fund.

D. Governor's Budget Recommendation No. 3, Item 8 -- Consolidation of Office Space. The Governor recommends \$75,000 from the State General Fund in FY 1995 for a study of the possible consolidation of office space used by state agencies in the Topeka area. The consolidation study would include the following:

- a review of all existing state-owned facilities and land;
- an analysis of long-range space planning of state agencies;
- a recommendation for use of state-owned facilities;
- a recommendation of existing buildings and land available in the private sector for state offices;
- a recommendation of leasing space, purchasing an existing facility or constructing a state-owned facility; and
- a cost analysis of recommendations for leasing or owning over a 20-year period

1994 S.B. 528 (Governor) would appropriate \$75,000 from the State Budget Stabilization Fund for this study.

E. Governor's Budget Amendment No. 3, Item 9 -- Claims Audit of Blue Cross and Blue Shield. The Governor recommends \$50,000 from the Cafeteria Benefits Fund in FY 1995 to perform a claims audit of Blue Cross and Blue Shield. The objective of the audit would be to verify that Blue Cross and Blue Shield is reimbursing claims in accordance with the state health insurance plan and to identify any deficiencies in administrative procedures, systems, and controls.

F. Governor's Budget Amendment No. 3, Item 10 -- Maintenance and Housekeeping of the Statehouse. The Governor recommends \$88,445 from the State General Fund in FY 1995 to increase the level of maintenance and housekeeping performed in the Statehouse. The Governor recommends that the staff needed for the increased maintenance and housekeeping be reallocated to the Statehouse from other buildings. These positions were funded previously from nonreportable fee funds.

Of the total amount recommended, \$77,067 would be for salaries and wages, \$8,378 would be for repairing and servicing (primarily floor sealing and treatment), \$2,400 would be for capital outlay, and \$600 would be for staff training and training materials.

G. S.B. 532 (Conference). In its current form, S.B. 532 includes the provisions of H.B. 2573, which would require each state agency to submit to the Secretary of Administration an advance planning document prior to the acquisition of any data processing or telecommunications products or services estimated to cost \$250,000 or more. The Secretary of Administration would be required to monitor the activities and performance of state agencies, vendors, service providers, consultants, and all other entities involved in each information technology project.

To review the advance planning documents and approve information technology acquisitions for projects greater than \$250,000, the agency states that 5.0 FTE positions and State General Fund financing of \$280,000 would be required. The positions would include 4.0 Information Resource Managers II (\$60,000 each, including fringe benefits) and 1.0 FTE Secretary III (\$25,000, including fringe benefits). Requested equipment and office space totals \$15,000.

H. Technical Item for FY 1994. A technical amendment is needed to implement a recommendation of the 1994 Legislature. The Legislature recommended an amendment to the proviso attached to the nonreportable Dependent Care Assistance Fund; however, this amendment was not made to the bill.

Although this fund is a no-limit fund, a proviso limits expenditures for salaries and wages and other operating expenditures. Among the expenditures from this fund are payments for third-party administration of flexible spending accounts for state employees. Payments to the administrator are based on the number of reimbursement claims filed by participants. Because the number of reimbursement claims that will be made to participants of the flexible spending program is unknown until the end of each fiscal year, the precise amount of payments to the third-party administrator is also unknown. The 1994 Legislature recommended that payments to the third-party administrator be exempted from the expenditure limitation imposed in the proviso.

Board of Indigents' Defense Services

A. House Bill No. 2578 (Governor) -- State Death Penalty. In reaction to passage of the State Death Penalty, the Board requests the establishment of a Capital Defender Office with start-up costs of \$198,282 in FY 1994 and full-year expenditures of \$2,467,487 and 22.0 FTE new positions in FY 1995 based on 19 death penalty trials and 5.7 appeal cases. The Board actually projects the number of capital cases in FY 1995 could be up to 40. The Board provided a range of costs from \$2,467,487 for 19 case to \$4,288,655 for 40 cases. If assigned counsel were utilized rather than new state attorneys, the range of costs would be \$3,346,400 for 19 cases to \$7,045,050 for 40 cases. The expenditure request of \$2,467,487 from the State General Fund includes the following:

\$859,216 -- Salaries and Wages for 22.0 FTE Positions:

1.0 Chief Attorney
10.0 Deputy Defenders
1.0 Deputy Appellate Defender
1.0 Research Analyst V
1.0 Info. Technology Consultant
1.0 Chief Special Investigator
1.0 Social Worker VI
1.0 Secretary III
1.0 Secretary II
4.0 Secretaries I

\$700,000 -- Second Chair (Counsel Who Works Under the Direction of BIDS)

Expenditures for contract counsel for outlying counties.

\$600,000 -- Expert Witness Services

\$169,255 -- Capital Defender Office Start-up Costs

\$147,500 -- Capital Defender Office Operating Expenses

\$ 2,467,487	Total FY 1995 Expenditures
<u>198,282</u>	Total FY 1994 Expenditures
<u>\$ 2,665,769</u>	Total Request from the State General Fund

B. Other Crime Legislation. The Board requests a total of \$551,972 (and 13.5 FTE new positions) from the State General Fund in FY 1995 associated with nine bills which have progressed past the second house. The cumulative total provided by the Board is based upon a formula which estimates the cost per trial and appeal case, and the additional hours needed for attorneys, investigators, clerical and administrative positions. The request includes salaries and wages of \$432,120 for 9.0 FTE Attorneys, 1.5 FTE Investigators, and 3.0 FTE Secretaries I, and \$119,852 for capital outlay and other operating expenditures. (The Board submitted an alternative fiscal note with a cumulative total of \$636,597 for 6.75 FTE positions and a heavier utilization of assigned counsel). The following bills have prompted the Board to request additional funds for FY 1995:

- S.B. 500 (Governor) -- possession of guns by juveniles;
- S.B. 551 (Conference) -- several criminal matters, including DUI, firearms, landlords, sentencing guidelines;
- S.B. 603 (Amended into H.B. 2788 which is in Conference) -- increases imprisonment for adults who use juveniles or firearms in commission of person felony;
- S.B. 607 (Amended into H.B. 2788 which is in Conference) -- enhances penalties for stalking;
- S.B. 608 (Amended into H.B. 2788 which is in Conference) -- street gangs;
- S.B. 617 (Amended into S.B. 551 which is in Conference) -- increases penalty for drive-by shootings;

- H.B. 2332 (Governor) -- DUI sentencing, bootcamp, and prison;
- H.B. 2788 (Conference) -- persistent offender sentencing and provisions from S.B. 603, S.B. 607, and S.B. 608;
- H.B. 2858 (Law) -- amends Controlled Substances Act.

Judicial Branch

A. House Bill No. 2574 (Law). H.B. 2574 creates the Dispute Resolution Act and establishes the Office of Dispute Resolution in the Office of Judicial Administration. The bill provides for the appointment by the Judicial Administrator of an unclassified Director to administer the Act and to provide administrative and clerical assistance to a new 11-member Advisory Council on Dispute Resolution. The Director is responsible for approving the centers and evaluating their work, preparing an annual budget and dispensing appropriated funds to the centers, developing guidelines for a sliding scale of fees to be charged by the centers, developing curricula and initiating training sessions for mediators and staff of approved centers and of the courts, and applying for public and private funds for carrying out the purposes of the Act. An approved center may use both public and private sources of funds in addition to funds appropriated by the legislature. Approved centers may require each party to pay a fee to help defray costs based on ability to pay, but no person shall be denied mediation services because of an inability to pay a fee.

The Act creates the Dispute Resolution Fund to be administered by the Judicial Administrator. Expenditures from the Fund are limited to operating expenses of the Office and the Advisory Council, and for activities or grants authorized by the Act. Receipts to the Fund are to be made from revenue generated by a \$0.50 increase in the docket fee on certain civil, limited action and small claims actions (estimated to generate approximately \$75,000 in FY 1995). The bill reduces remittances from docket fees credited to the Judiciary Technology Fund from 5.66 percent to 5.01 percent to offset the docket fee increase. To implement the legislation, the Dispute Resolution Fund needs to be established in the Omnibus Bill. The Judicial Branch requests a "no limit" expenditure limitation be placed on the fund.

B. Senate Bill No. 320 (Law). S.B. 320 mandates an annual increase in the salaries of justices and judges in accordance with the average salary increase authorized on the basis of step movement of the state pay plan for persons in the classified service. The bill puts into statute what has been done by proviso for several years in the annual appropriation of the Judicial Branch. With the passage of the bill, the proviso on the FY 1995 appropriation on the Judicial Branch (H.B. 2652) can be removed.

C. Criminal Bills -- Request for Court Services Officers. Due to the passage of several crime bills during the 1994 Legislative Session, the Judicial Branch has submitted a cumulative total request of \$356,456 from the State General Fund for FY 1995 for 1.0 FTE Court Services Specialist (\$60,188) and 10 Court Service Officers (\$296,268). The Judicial Branch explains that the number of crime bills enacted will impact the caseloads and therefore ability of CSOs to operate effectively. The Judicial Branch provided an example indicating that the number of presentence investigation reports (seven hours each to assemble) filed during 1993 increased by an average of 151 per month from the first month of the year to the last month of 1993. The following bills have prompted the Judicial Branch to request \$356,456 and 11.0 FTE positions:

- S.B. 21 (Conference) -- proposes Criminal Justice Coordinating Council;
- S.B. 400 (Conference) -- out-of-home placement for juveniles;
- S.B. 500 (Governor) -- prohibits juveniles from possessing handguns;
- S.B. 607 (Amended into H.B. 2788 which is in Conference) -- enhances penalties for stalking;
- H.B. 2690 (Governor) -- increases statute of limitations for prosecuting certain sex offenses;
- H.B. 2788 (Conference) -- comprehensive crime measure;
- H.B. 2858 (Law) -- new crimes for possession, manufacture, and sale of controlled substance analogs and enhancing existing crimes.

D. Other Criminal and Civil Bills -- Request for Trial Court Clerks. The Judicial Branch contends that the number of crime bills passed will also effect the workload of clerks of the district courts and has submitted a cumulative total request of \$209,880 from the State General Fund in FY 1995 for 10.0 FTE new Trial Court Clerks II. The following bills have prompted the Judicial Branch to make the request:

- all of the bills listed in Item C, above;
- S.B. 530 (Governor) -- civil procedure, including increase in small claims jurisdiction amount;
- S.B. 691 (Law) -- venue in small claims actions;
- H.B. 2578 (Governor) -- Death Penalty (no fiscal impact on the Judicial Branch in FY 1995).

Fort Hays State University

A. Governor's Budget Amendment No. 3, Item 26 -- Fringe Benefit Adjustment. The Governor recommends the addition of \$101,436 from the State General Fund in FY 1995 to correct an error in unclassified retirement in the initial agency budget submission. The actual unclassified retirement rate for FY 1993 was 8.7 percent. Adjusted for the increase approved for FY 1994 and the projected increase for FY 1995, the rate for FY 1995 should be approximately 9.3 percent. The university erroneously budgeted a rate of 8.6 percent in its budget. In its review of the FHSU budget, the Senate Subcommittee reported that it "is favorably inclined towards approving the request pending receipt of a Governor's Budget Amendment."

Board of Regents

A. H.B. 3030 (Law). H.B. 3030 is designed principally to establish the existing Kansas Career Work Study program and the Youth Education Services (YES) program as individual component parts of a single work-study program enactment. These programs are available to eligible students at the Regents institutions and at Washburn University. (Under present law, Washburn students are not eligible for participation in the YES program.) The existing FY 1995 appropriation from the State General Fund in the Board Office budget for these programs includes \$477,227 in a separate line item for the Kansas "Career" Work Study Program (with a proviso authorizing the Board to transfer funds to the Kansas "Career" Work Study Program accounts of each of the institutions participating in the Kansas "Career" Work Study Program) and \$40,000 in a separate line item for the Youth Education Service Program.

Because H.B. 3030 changes the name of the program to The Kansas Work-Study Program (the word "Career" is no longer in the title), the Committees may wish to consider adding a proviso to each of the two accounts in the Board Office budget spelling out the intended use of the moneys.

Regents Institutions -- Systemwide Issues

A. General Fees Fund Adjustments. Tuition receipts are credited to the General Fees Fund of the university where the tuition is collected. General Fees Fund revenues are considered "general use" funds which along with funding from the State General Fund provide general financial support for campus operations. The Legislature appropriates the General Fees Fund for each university and sets an expenditure limitation on the Fund. The Legislature reviews the General Fees Fund estimates for the current year and the budget year based on Fall enrollment data and revisits the availability of tuition revenues to finance the operating budgets again when Spring enrollment data are available. To avoid shortfalls in university operating budgets, the Legislature has been relatively consistent in appropriating supplemental funding from the State General Fund when tuition collections have fallen below estimates. The requested increase in financing from the State General Fund and decrease in financing from the General Fees Fund is necessary to fund the operating budgets approved by the Legislature. (There is no increase in expenditures). Conversely, tuition revenues in excess of the amount necessary to fund the approved budgets are used to finance the budget and financing from the State General Fund is reduced.

Governor's Budget Amendment No. 3, Item 17 -- General Fee Funds Adjustments. Based on the Governor's estimates the Governor recommends that the General Fees Fund be adjusted in FY 1995 to utilize available additional revenues from FY 1994 and FY 1995 to increase fee fund expenditures and reduce State General Fund appropriations in FY 1995 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 1994 and FY 1995 with columns showing the net adjustments.

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

	FY 1994			FY 1995		
	Gov. Rec. Initial Expend. Limitation	Governor's Revised Rec.	GBA Net Adjustment	Gov. Rec. Initial Expend. Limitation	Governor's Revised Rec.	GBA Net Adjustment
ESU	\$ 7,561,999	\$ 7,561,999	\$ 0	\$ 8,017,846	\$ 8,042,168	\$ 24,322
FHSU	7,129,166	7,129,166	0	7,594,999	7,577,394	(17,605)
KSU	33,381,457	33,163,937	(217,520)	36,832,601	36,638,065	(194,536)
KSU-Salina	650,291	650,291	0	793,132	753,601	(39,531)
KSU-Veterinary Medical Center	3,816,294	3,816,294	0	4,073,218	4,073,218	0
KU	59,708,114	59,391,288	(316,826)	66,038,763	65,707,769	(330,994)
KU-Medical Ctr.	9,004,365	9,004,365	0	9,345,663	9,291,473	(54,190)
PSU	9,877,522	9,877,522	0	10,796,020	10,973,980	177,960
WSU	21,219,553	21,219,553	0	23,543,797	23,847,885	304,088
TOTAL	\$ 152,348,761	\$ 151,814,415		\$ 167,036,039	\$ 166,905,553	
Net Adjustment			\$ (534,346)			\$ (130,486)

Legislative Recommendations -- General Fee Funds Adjustments. The Governor's revised recommendations do not incorporate General Fees Fund expenditure increases and decreases made by the Legislature. The Legislature's recommendations were based on lower tuition increases than those assumed by the Governor. In addition, the Legislature converted the GTA Tuition Waiver to a General Fees Fund tuition payment expenditure. The following table displays the legislative recommendations regarding the General Fees Funds in FY 1994 and FY 1995 and an estimate of shortfalls and surpluses, based on information provided by the institutions.

**Legislative Recommendations
Regents' Institutions General Fee Fund Estimates**

	FY 1994			FY 1995		
	Legis. Rec. Expenditure Limitation	Regents Revised Request	Net Adjustment	Legis. Rec. Expend. Limit. S.B. 590	KLRD Estimate	Net Adjustment
ESU	\$ 7,609,858	\$ 7,609,858	\$ 0	\$ 8,146,075	\$ 8,201,500	\$ 55,425
FHSU	7,185,614	7,185,614	0	7,524,085	7,505,158	(18,927)
KSU	33,381,457	33,163,937	(217,520)	36,799,466	36,604,930	(194,536)
KSU-Salina	650,291	650,291	0	732,896	692,601	(40,295)
KSU-Veterinary Medical Center	3,816,294	3,816,294	0	4,037,980	4,037,980	0
KU	59,708,114	59,391,288	(316,826)	66,693,580	66,362,427	(331,153)
KU-Medical Ctr.	9,004,365	9,004,365	0	9,246,041	9,171,106	(74,935)
PSU	9,926,505	9,926,505	0	10,895,020	11,072,980	177,960
WSU	21,219,553	21,219,553	0	23,484,325	23,740,737	256,412
TOTAL	\$ 152,502,051	\$ 151,967,705		\$ 167,559,468	\$ 167,389,419	
Net Adjustment			\$ (534,346)			\$ (170,049)

B. Utility Adjustments. The current legislative practice is to provide a separate line item appropriation to each university for utilities and to review utility expenditures during the current year to

make any necessary adjustment to the approved budget as well as the utility budget for the budget year. The Legislature typically reviews utility expenditures and the potential for savings or supplementation during omnibus review.

Governor's Budget Amendment No. 3, Item 18 – Utility Adjustments. The Governor recommends a net increase in utility expenditures at the Regents institutions in FY 1994 (\$2,522,532) and FY 1995 (\$2,404,475) resulting in additional expenditures from the State General Fund totaling \$4,916,007. According to the Board, although circumstances vary among the institutions, the shortfall of \$2.5 million is largely attributed to two major factors: (1) an increase (18 percent systemwide) in natural gas rates; and (2) an increase in electric consumption, largely due to a summer with 37 percent more cooling days than the previous summer.

**Regents Systemwide Utility Estimates
FY 1994 and FY 1995**

Institution	FY 1994			
	Original Gov. Rec. and Leg. Rec.	Revised Regents Estimate	Governor's Budget Amendment	Rev'd Req. and GBA Adjustments
ESU	\$ 700,340	\$ 786,612	\$ 786,612	\$ 86,272
FHSU	876,217	931,462	931,462	55,245
KSU	6,191,763	7,031,406	7,031,406	839,643
KSU-Salina	178,834	203,381	203,381	24,547
KU	5,478,585	5,881,040	5,881,040	402,455
KUMC	4,926,626	5,701,578	5,701,578	774,952
PSU	1,021,274	1,081,372	1,081,372	60,098
WSU	3,281,211	3,549,531	3,549,531	268,320
TOTAL	\$ 22,654,850	\$ 25,166,382	\$ 25,166,382	\$ 2,511,532

Institution	FY 1995				
	Original Gov. Rec.	Revised GBA	Leg. Rec.*	Revised Regents Estimate	Requested Net Adjustments**
ESU	\$ 703,131	\$ 789,403	\$ 700,340	\$ 786,612	\$ 86,272
FHSU	939,967	995,212	876,217	931,462	55,245
KSU	6,764,579	7,604,222	6,191,763	7,031,406	839,643
KSU-Salina	178,834	203,381	178,834	203,381	24,547
KU	5,678,546	6,081,001	5,478,585	5,881,040	402,455
KUMC	5,140,739	5,808,634	4,926,626	5,701,578	774,952
PSU	1,021,274	1,081,372	1,021,274	1,081,372	60,098
WSU	3,315,097	3,583,417	3,281,211	3,549,531	268,320
TOTAL	\$ 23,742,167	\$ 26,146,642	\$ 22,654,850	\$ 25,166,382	\$ 2,511,532

* For FY 1995, in S.B. 590 (Regents appropriation bill) the Legislature appropriated the FY 1994 level of SGF funding including the line item for utilities.

** Does not include \$1,060,144 for utilities associated with servicing new buildings in FY 1995. Cost associated with servicing new buildings, including utilities for the new buildings, could be allocated from the \$12.4 million in new funding appropriated to the Board office, if the Board chooses.

University of Kansas

A. Governor's Budget Amendment No. 3, Item 22 -- Watkins Health Center. The Governor recommends amending her budget for FY 1995 to authorize \$4,969,000 from bond revenues supported by student fees to renovate and expand Watkins Health Center. *The Legislature has already made this adjustment.*

B. Governor's Budget Amendment No. 3, Item 23 -- Hoch Auditorium. The Governor recommends the addition of \$3.8 million from the State General Fund (one-time receipts) in FY 1995 for the Hoch Auditorium reconstruction project. The \$18.0 million for the project was approved by the 1992 Legislature from the Kansas Special Capital Improvements Fund. The lowest bid on the project, however, was above the approved amount. According to GBA No. 3, without the additional funds, the University will likely forgo the portion of the project which would add needed underground library space between Hoch Auditorium and Anschutz Science Library. The addition of \$3.8 million will permit the inclusion of underground library space. Adding the additional space in the future would result in higher total costs.

The Joint Committee on State Building Construction at its March, 3 1994 meeting recommended that the Board of Regents seek a Governor's Budget Amendment of \$3.0 million from the State Budget Stabilization Fund with expenditures subject to release by the State Finance Council for the additional space.

University of Kansas Medical Center

A. Governor's Budget Amendment No. 3, Item 46 -- Salary Correction. The Governor amends her budget to correct salary amounts recommended previously and adds from the State General Fund \$2,690 for FY 1994 and \$141,590 for FY 1995.

B. S.B. 420 (Law) authorizes the University of Kansas Medical Center (KUMC) to establish, operate, and maintain a telemedicine communications system, subject to the approval of the Secretary of Administration and within the limits of appropriations for this purpose. KUMC may contract with other state agencies, local governments, medical facilities, and private enterprises to operate the system. The legislation permits KUMC to provide telemedicine services, including educational and clinical telemedicine services, and to charge fees for these services. A five-member telemedicine advisory committee, appointed by the Chancellor, is created and charged with establishing standards for the utilization of the telemedicine communications system and advising KUMC on the administration of the system.

KUMC estimates that this legislation could require expenditures of \$350,000 from the State General Fund in FY 1995, of which \$250,000 would be for interactive video equipment at five sites and \$100,000 would be for operating costs associated with the system at KUMC, including 2.0 FTE positions. KUMC's estimate assumes that the five sites would be established in FY 1995 with equipment costs totaling approximately \$100,000 per site. The agency intends to pay half of the equipment costs, approximately \$50,000 per site for a total of \$250,000.

C. Technical Adjustment -- Bond Funds for Construction of Cancer Center. The following funds were inadvertently omitted from the capital improvements bill for FY 1994 and FY 1995: Cancer Center Project Fund -- KDFA Series B Bonds, 1994; Cancer Center Cost of Issuance Fund -- KDFA Series B Bonds, 1994; Cancer Center Rebate Fund -- KDFA Series B Bonds, 1994; Cancer Center Principle and Interest Fund -- KDFA Series B Bonds, 1994.

Kansas State University

A. Governor's Budget Amendment No. 3, Item 19 -- Bramlage Parking. The Governor recommends \$950,000 in FY 1995 from the Coliseum Repair, Equipment, and Improvement Fund to make repairs to the west Bramlage parking lot. *The Legislature has already made this adjustment.*

B. Governor's Budget Amendment No. 3, Item 20 -- Helium Storage Facility. The Governor recommends \$150,000 in FY 1995 from a federal Department of Energy grant to design, construct, and equip a facility to house a helium compressor and related equipment. *The Legislature has already made this adjustment.*

Kansas State University -- Extension Systems and Agriculture Research Programs

A. Senate Sub. for H.B. 2597 (Governor) -- Authorize County Extension Agents to Participate in Regents Retirement Plan. Senate Sub. for H.B. 2597, referred to as the omnibus retirement bill, contains a provision authorizing county extension agents employed by Kansas State University to participate in the Regents Retirement Plan.

Since July 1, 1986, all new county extension agents have been required to participate in the Kansas Public Employees Retirement System (KPERs). According to the university, currently there are 99 county extension agents participating in the KPERs program. The university anticipates that 75 percent of those eligible will choose to transfer from KPERs (member contribution rate of 4.0 percent and state contribution rate of 3.2 percent for FY 1995) to the Regents Retirement Plan (member contribution of 5.5 percent and state contribution of 8.5 percent for FY 1995) at an estimated cost of \$139,437 (SGF).

Kansas State University -- Veterinary Medical Center

A. Governor's Budget Amendment No. 3, Item 21 -- Medical Waste Incinerator. The Governor recommends \$500,000 in FY 1995 from restricted fee funds for construction of a free-standing medical waste incinerator for the College of Veterinary Medicine. *The Legislature has already made this adjustment.*

Wichita State University

A. Governor's Budget Amendment No. 3, Item 24 -- Neighborhood and Community Service Efforts. The Governor recommends \$249,809 in FY 1995 from the State General Fund and 4.5 unclassified FTE positions to support the University's Neighborhood and Community Service efforts. The GBA states that with its urban mission, WSU has an opportunity and an obligation to contribute toward improving community safety. The funds would be used for the following programs: Crime Prevention Institute, Grow Your Own Police Officer Program, Special Liaison for Community Safety, Student Neighborhood Service Corps, Student Employment for Neighborhood Development, and Neighborhood Student Placement Coordinator.

B. Governor's Budget Amendment No. 3, Item 25 -- FTE Position Shift. The Governor recommends shifting 2.0 FTE positions in FY 1995 from unclassified to classified. The Governor's

recommendation included separate FTE limitations on general use positions for classified and unclassified positions. *Although the 1994 Legislature has eliminated the FTE position limitations in S.B. 590 for the Regents institutions, the Legislature will continue to track FTE positions.*

Kansas Healthy Kids Corporation

A. Governor's Budget Amendment No. 3, item 70 – Repeal of the Healthy Kids Act. GBA No. 3 deletes funding recommended for the Kansas Healthy Kids Corporation based on the passage of S.B. 746, repealing the Kansas Healthy Kids Program Act. GBA No. 3 reduces the agency's FY 1994 budget by \$60,000 from the State General Fund and eliminates all funding for the agency in FY 1995. *The Legislature has already made these adjustments.*

Corporation for Change

A. S.B. 21 (Conference). S.B. 21, as recommended by the Conference Committee, establishes the Kansas Criminal Justice Coordinating Council. In addition to other prescribed functions, the Council is directed to form a task force to study and develop policies and recommendations regarding the juvenile justice system, including issues of jurisdiction, placement, intake and assessment processes, dispositional alternatives, financing strategies, availability of mental health services and work processes and caseloads of social workers and court services officers, the implications of a youth authority, and any other issues affecting children in need of care and juvenile offenders. The Corporation for Change and the Division of Youth Services at SRS are directed to assign one full-time equivalent staff member to the council, or, in the case of the Corporation for Change, the equivalent of such by more than one staff member, for a period of one year. Compensation of these staff members is to be by the agency for which they are employed.

The Corporation requests \$39,540 from the State General Fund for one staff position, including \$29,000 in base salary, \$7,540 for fringe benefits, and \$3,000 for assorted other operating expenditures. The Corporation states that the demands on the Juvenile Justice Task Force require an enormous amount of work in less than one year's time. The Corporation notes that this work is in addition to the Corporation's work plan and was not envisioned when developing the FY 1994 and FY 1995 budget requests of the Corporation.

Department of Social and Rehabilitation Services (SRS)

A. Caseload Estimates (Governor's Budget Amendment No. 3, item 51). Staff of the Legislative Research Department, the Division of the Budget and SRS met on April 7 to develop consensus caseload estimates on agency programs. Consensus was reached on expenditure estimates for the AFDC program, General Assistance, regular medical assistance, nursing facilities (including adult care homes, nursing facilities for mental health and intermediate care facilities for the mentally retarded), and the adoption support program. No consensus agreement was reached for the foster care program, primarily due to questions regarding the accuracy and reliability of program data and expenditure information. Estimates for the regular medical assistance program and adoption support program are as reflected in the Governor's recommendation. Expenditure estimates were revised downward for the AFDC program, General Assistance, and nursing facilities, based on current expenditure trends and economic conditions.

The Legislature has made no adjustment to caseloads from the Governor's recommendation. Thus, the following table summarizes adjustments from the budget as approved by the Legislature based on the April consensus SRS caseload estimates.

SRS Consensus Caseloads
Adjustments from Governor's Recommendations and Approved Budget

	FY 1994		FY 1995	
	SGF	All Funds	SGF	All Funds
AFDC Program	\$ (1,403,478)	\$ (3,427,682)	\$ (2,431,293)	\$ (5,892,616)
General Assistance	(345,524)	(485,505)	(439,691)	(594,923)
Regular Medical	0	0	0	. 0
Nursing Facilities	(3,881,742)	(9,191,907)	(5,315,163)	(12,509,209)
Adoption Support	0	0	0	0
TOTAL CHANGES	\$ (5,630,744)	\$ (13,105,094)	\$ (8,186,147)	\$ (18,996,748)

B. Governor's Budget Amendment No. 2, Item 5 -- Kansas Social Service Information System Project. The U.S. Congress authorized a 75.0 percent federal match for states that need to develop comprehensive information systems for social services provided to children and families. This match is available from October 1, 1993 through September 30, 1996. During FY 1994, SRS has developed a project plan for implementing the Kansas Social Services Information System (KSSIS) to allow the Department to meet new federal reporting mandates for the foster care program, as well as to monitor services provided to individuals and families under family preservation, adoption support, and juvenile offender programs. The total cost of the KSSIS system is estimated to be \$21,437,939, including \$5,358,985 from state funds and \$16.1 million from federal funds.

GBA No. 2 recommends a separate line-item appropriation of \$5,358,985 from the State General Fund for the KSSIS project in FY 1995, with federal matching funds of \$16,078,954. The budgeted amount would provide for the acquisition of computer hardware and software as well as professional fees and other service costs for system development. The GBA also recommends a proviso reappropriating unexpended funds to FY 1996, limiting the uses to acquisition and development of the system, and requiring that SRS cooperate and consult with the Office of Judicial Administration, the Department of Corrections, the KBI and the Department of Education in developing a system to manage information in a way that can be used by a variety of state agencies.

In H.B. 2759, the Legislature authorized expenditure of \$2,381,771 from the State Budget Stabilization Fund (\$9,527,084 All Funds) for first-year funding (FY 1995) of the system, with a proviso that the funding be released by the State Finance Council after review by the Joint Committee on Computers and Telecommunications. Language in the Subcommittee report directs cooperation with other entities in developing a system, but no proviso language is included in the bill mandating such cooperation and consultation.

C. Governor's Budget Amendment No. 3, Item 52 -- Medicaid Management Information Systems Change. GBA No. 3 recommends that \$414,594 (including \$71,675 from the State General Fund) be shifted from FY 1994 to FY 1995 because three projects will not be completed in FY 1994. The changes associated with three new software packages are proceeding at a slower rate than originally thought. In addition, GBA No. 3 deletes funding associated with the implementation of the electronic

pharmacy claims management project, since the project will be postponed until a new MMIS system contract is let in FY 1996. The Governor recommends that total expenditures in FY 1994 be reduced by \$1,523,082 (including \$182,524 from the State General Fund), and that expenditures in FY 1995 be reduced by \$1,110,455 (including \$150,357 from the State General Fund). *In H.B. 2759, the Legislature deleted funding associated with the electronic pharmacy claims management system, but did not address the delays in the other projects.*

D. Governor's Budget Amendment No. 3, Item 53 -- Family Support Act of 1988. GBA No. 3 recommends the addition of \$3,564,465 in FY 1995, including \$270,000 from the SRS Fee Fund and \$3,294,465 in federal funds, to enhance child support enforcement data collection services. The recommendation will accelerate funding that would have otherwise occurred in FY 1996. Providing the expenditure in FY 1995 will allow the agency to access 90 percent federal funding, instead of the 75 percent match that will be available after September 30, 1995. The changes included in the recommendation will bring the state into compliance with federal requirements contained in the Family Support Act of 1988.

E. Governor's Budget Amendment No. 3, Item 54 -- Home and Community Based Services Waivers. GBA No. 3 recommends the addition of \$268,617 from the State General Fund (\$658,214 All Funds) in FY 1994 to provide additional funding for the Home and Community Based Services waiver for the mentally retarded and developmentally disabled. According to the GBA, the recommendation provides funds the agency needs to place clients.

F. Governor's Budget Amendment No. 3, Item 55 -- Nursing Facility Match Rate. GBA No. 3 adds \$2,139,867 from state funds in FY 1994 for nursing home services to the mentally ill. The agency reports that these amounts are being billed incorrectly by Electronic Data Systems (EDS) and that earlier expenditure estimates understated the level of State General Fund support required to fund nursing home activities. GBA No. 3 shifts budgeted funding from federal funds to the State General Fund.

G. Governor's Budget Amendment No. 3, Item 56 -- Shifting Kansas Legal Services Contract Funds. GBA No. 3 shifts \$250,000 in expenditures associated with the agency contract with Kansas Legal Services from FY 1994 to FY 1995. *The Legislature has already made this adjustment.*

H. Governor's Budget Amendment No. 3, Item 57 -- Youth Services Funding Gap. GBA No. 3 reports that the consensus caseload estimating group also studied the foster care issue at its meeting on April 7, 1994. The conclusion reached by the consensus group is that FY 1994 foster care placements as a whole appear to be near or under the estimates included in the Governor's recommendations. However, a recent increase has been shown in Level V, Level VI, and therapeutic foster care categories. Because these categories of foster care receive Title XIX monies and the expenditures are processed with other Medicaid expenditures, SRS believes the recent increase may reflect an accounting error in which mental health services for youth are being charged to foster care. Likewise, an additional \$2.4 million has been spent on family services above the amount included in the *FY 1995 Governor's Budget Report* and has been charged to the wrong subprogram. As a result, these family services expenditures have until now been interpreted as an increase in cost per caseload. Regardless of whether the current year funding gap can be attributed to mental health reform or legitimate youth services expenditures, SRS states that other assistance expenditures in the Youth Services Program are showing a shortfall of \$5,627,086 from all funding sources in FY 1994 and a projected shortfall of \$6,412,616 in FY 1995.

In response to the caseload information received, GBA No. 3 recommends the addition of \$2.4 million from the State General Fund in FY 1994 and \$2.4 million from the State General Fund in FY

1995 for family services. The child tracking system is showing a downward turn in the daily number of children in state custody, which may be attributed to family services shortening the stay of out-of-home placements. Furthermore, the recommended addition to family services would bring the SRS budget in line with actual FY 1994 experience. Additional expenditures for youth services cannot be recommended until SRS has thoroughly investigated the accounting questions over mental health and foster care expenditures.

I. Governor's Budget Amendment No. 3, Item 58 -- ADAS Block Grant. GBA No. 3 adds \$162,401 from the State General Fund and \$604,343 in federal drug and alcohol treatment block grants in FY 1995 to the Division of Alcohol and Drug Services program. The increase in the federal block grant would be used for funding treatment and prevention services throughout the state, and the State General Fund amount allows compliance with federal grant requirements so that the state can maintain a funding level equal to an average of the previous two years.

J. Governor's Budget Amendment No. 3, Item 59 -- Shift ADAS Aid to Capital Outlay. GBA No. 3 recommends that \$46,560 in federal funds be shifted from other assistance to capital outlay in the budget for the Division of Alcohol and Drug Abuse Services in FY 1995. The GBA is technical and reflects the Division's decision to shift administration of this item from the local treatment and prevention sites to the agency's budget.

K. H.B. 2632 (Law). H.B. 2632 enacts new state law based on federal requirements included in the Omnibus Budget Reconciliation Act of 1993. The bill prohibits the consideration of Medicaid benefits in the issuance, coverage or payment of benefits under any health insurance policy or benefit plan. H.B. 2632 also establishes and preserves the Medicaid program's rights of subrogation to the extent benefits were provided by the program.

SRS indicates that it has no data regarding the extent to which insurers in Kansas take Medicaid status into account in approving enrollment or paying for benefits. However, the agency estimates by projecting from national data that passage of the bill will result in Medicaid savings in FY 1995 of \$1.24 million, including \$500,000 from the State General Fund.

L. Substitute for H.B. 2581 (Law). Substitute for H.B. 2581 replaces the current long-term care assessment and referral program administered by SRS with a new program to be known as client assessment, referral and evaluation (CARE), to be administered by the Kansas Department on Aging effective January 1, 1995. Prior to January 1, 1995, each individual is to receive assessment and referral services through SRS before being admitted to a nursing facility as a resident, with the assessment to be provided by the medical care facility if the individual is a patient of that facility. After January 1, 1995, each individual, prior to being admitted to a nursing facility, is to receive assessment and referral services provided by the Secretary of Aging with the assistance of area agencies, except that patients in medical care facilities will receive assessments from medical facility staff.

SRS estimates that the passage of Substitute for H.B. 2581 will result in a reduction in the rate of prescreening diversions from nursing homes from 18 percent to 11 percent. The agency states that this reduction in the diversion rate is anticipated based on the provisions of the bill which provide for performance of assessments by hospital staff. SRS believes that nursing facility placement will be more likely because the primary goal of the hospitals will be to expedite discharge. Thus, SRS anticipates that additional expenses will accrue in the Medicaid budget. For FY 1995, SRS estimates a net savings of \$382,025, including \$21,936 from the State General Fund based on the passage of Sub. for H.B. 2581. The following summarizes the agency estimate:

FY 1995 Fiscal Impact -- SRS

	<u>State General Fund</u>	<u>All Funds</u>
Contract Cancellation	\$ (292,964)	\$ (1,027,944)
Nursing Facility Budget Increase	241,103	588,919
Data System Changes	29,925	57,000
Total -- FY 1995	<u>\$ (21,936)</u>	<u>\$ (382,025)</u>

The contract cancellation assumes savings of one-half of the contractual expenses in FY 1995. SRS states that the data system changes are one-time costs associated with the development of software to track those individuals being assessed for nursing facility placement, and to keep SRS and the Department on Aging informed as to service adequacy, availability, demand, and utilization. According to SRS, this will allow the agencies to exchange case management information.

M. H.B. 2929 (Governor). H.B. 2929 makes several modifications to current program requirements of the Aid to Families with Dependent Children (AFDC) program and other public assistance programs. The bill addresses eligibility requirements, family size limitations, recipient requirements, earnings and income rules, the KanWork program, transitional services, electronic benefit transfer, and contracting for child support enforcement services. H.B. 2929 also includes provisions authorizing tax credits for persons contributing to the support of persons eligible to receive AFDC, and authorizes the establishment of individual assistance support trusts for the purpose of making targeted contributions to SRS. Several items in the bill require a federal waiver, and the agency assumes implementation of many items effective January 1, 1995.

During consideration of H.B. 2929 by the Senate Ways and Means Committee, several items for which legislation was not necessary and two direct appropriations were deleted from the bill. It was recommended that these items be reviewed during the Omnibus Session in concert with the fiscal impact on the remainder of the bill.

SRS estimates net FY 1995 savings of \$1,105,734 from the State General Fund, with an All Funds cost of \$3,559,800 based on the passage of H.B. 2929. The agency's estimate includes 146.5 FTE positions. Included in these estimates are the provisions not incorporated into H.B. 2929, but referenced for review during the Omnibus Session. For most items, the agency's estimate assumes implementation for six months in FY 1995. H.B. 2929 also provides for the establishment of a new fund, the State Individual Assistance Support Trust Fund. Further information on the fiscal impact of each provision is available in a supplementary document prepared by SRS. Teen pregnancy prevention is discussed in greater detail in the Kansas Department of Health and Environment section of this memorandum.

N. Sub. for H.B. 2583 (Governor). Sub. for H.B. 2583 requires all licensing bodies of the state to adopt procedures for the suspension, termination, nonrenewal, or denial of a person's ability to practice a profession if the person has been found in contempt of court for failure to pay child support. The bill also establishes a hospital based voluntary acknowledgement of paternity procedure designed to simplify the establishment of paternity in situations involving unwed mothers. The Secretary of SRS is authorized, subject to appropriations, to establish a physician's office-based program as well. SRS estimates total additional expenditures of \$38,940 will be required as a result of passage of this bill, including \$11,703 from state funds. SRS estimates that SRS fee fund revenues will increase by \$36,700.

Professional Licensing Provisions. SRS estimates that child support collections will increase by \$78,000 in FY 1995 based on the licensure provisions, with a net SRS Fee Fund contribution of \$11,700. Legal costs for child support enforcement are estimated to increase by approximately \$7,940 per year, of which \$1,703 would be from state funds.

Paternity Establishment. SRS estimates that collections will increase by \$81,000 per year due to the paternity provisions, of which \$25,000 would be retained by the state. Administrative costs for a basic hospital-based paternity program are estimated to be \$31,000 per year, of which \$10,000 would be from state funds. The agency indicates that funding at a 66 percent federal match would be available for any expanded hospital and doctor's office paternity outreach program contracted by SRS. This item is discussed in H.B. 2929 above.

O. H.B. 2852 (Governor). H.B. 2852 contains two child support provisions with a fiscal impact on SRS -- medical support enforcement and enactment of the Uniform Interstate Family Support Act. H.B. 2852 gives the court the power to enter a medical child support order requiring the parent to provide coverage under an available health benefit plan (after consideration of the cost of coverage in relation to financial circumstances). H.B. 2852 also enacts the Uniform Interstate Family Support ACT (UIFSA) to become effective July 1, 1995, and repeals the Uniform Reciprocal Enforcement of Support Act (URESA) as of that date. This measure essentially allows foreign jurisdictions to serve their own income withholding orders directly upon Kansas employers without registry of the foreign order as a Kansas order. The bill also requires that SRS maintain a putative father registry.

Medical Support Enforcement. SRS estimates savings in the Medicaid budget in FY 1995 of \$1.3 million, including \$556,000 from state funds based upon passage of the medical support enforcement provisions. Savings in FY 1996 are expected to total \$2.5 million, including \$1.0 million from state funds.

Uniform Interstate Family Support Act. SRS estimates that these provisions will have an effect on both receipts and expenditures of the CSE program. With passage of the bill, SRS will not be required to process out-of-state support orders beginning in FY 1996. SRS estimates additional administration and training expenditures of \$71,131, including \$23,982 from the State General Fund in FY 1995. The requested expenditures include:

- \$30,000, of which \$10,000 is from the State General Fund, for one new clerical position and associated OOE to create and maintain a "putative fathers registry."
- One-time training costs and costs associated with the revision of all forms used in interstate cases totaling \$41,131, including \$13,982 from the State General Fund in FY 1995.

P. House Sub. for S.B. 759 (Governor). House Sub. for S.B. 759 directs the Secretary of SRS to negotiate and enter into contracts with one or more service providers to implement a managed care system to provide acute care services for Kansas Medicaid-eligible residents. The system may utilize capitation and other reimbursement methodologies. House Sub. for S.B. 759 directs that SRS begin implementation of the managed care system on or before July 1, 1995, for the population of Kansas Medicaid-eligible residents who are recipients of AFDC or who are children or pregnant women. The Secretary is authorized to select areas to begin implementation, and the bill directs that the areas covered by the capitated managed care system be expanded so that it is implemented for this population throughout

the state on or before June 30, 1997. The Secretary is authorized to design and implement alternative managed care systems where a capitated system is not feasible.

The 1993 Legislature authorized expenditure of \$468,633 from the State General Fund (\$1,148,188 All Funds) and eight special project positions to implement the pilot projects recommended in 1993 S.B. 119. The pilot project provisions are repealed in House Sub. for S.B. 759. SRS has estimated that additional resources are necessary to implement managed care (even without the passage of House Sub. for S.B. 759), and requested a Governor's Budget Amendment for additional resources for managed care. In addition, SRS has submitted a fiscal impact estimate based on the passage of House Sub. for S.B. 759.

Request for a Governor's Budget Amendment. SRS requested \$1,253,243, including \$626,622 from the State General Fund for additional resources for the managed care program associated with staffing in the pilot stage and when the program is expanded statewide. SRS states that it has developed a minimum fiscal impact based upon the experience of other states which are expanding their programs (Florida, Iowa, and Missouri). The request includes funding for 11.0 FTE new positions, associated operating expenditures, and expanded funding for professional services. The GBA request for FY 1995 is predicated upon statewide expansion of managed care programs for the AFDC and poverty level pregnant women and children's population by the year 2000.

The requested staff include 3.0 FTE registered nurses in local offices; 2.0 FTE Social Service Administrators II in the central office; 5.0 FTE Medicaid choice workers located in local offices where managed care projects are implemented in FY 1995; and 1.0 FTE Secretary II in the central office. The following summarizes the agency's request for a Governor's Budget Amendment:

Requested Governor's Budget Amendment -- Managed Care

	<u>SGF</u>	<u>All Funds</u>	<u>FTE Positions</u>
Salaries	\$ 130,066	\$ 260,132	11.0
Other Operating	23,856	47,711	
Capital Outlay	35,200	70,400	
Subtotal	\$ 189,122	\$ 378,243	
Professional Services Contracts	437,500	875,000	
Total	<u>\$ 626,622</u>	<u>\$ 1,253,243</u>	11.0

Governor's Budget Amendment No. 3 does not include funding for this request.

House Sub. for S.B. 759 -- Estimated Impact. Based on the passage of House Sub. for S.B. 759, SRS estimates that it will need an additional \$2,601,001 in FY 1995, including \$1,165,526 from the State General Fund, to begin statewide implementation of managed care. The agency states that in order to accelerate the implementation schedule beyond the agency's plan of statewide implementation by the year 2000, the agency will rely on contractual services for administrative services, recipient enrollment, quality assurance and utilization review. The agency states that cost avoidance savings in the Medicaid budget would begin to accrue in FY 1996. The agency's request assumes in FY 1995 continued planning for implementation in the three pilot areas, with expansion to 20 additional counties in FY 1996. The agency has stated, however, that further expansion beyond the three pilot projects may occur in FY 1995, primarily in counties surrounding the pilot areas.

Agency Estimate of Fiscal Impact of House Sub. for S.B. 759

	<u>SGF</u>	<u>All Funds</u>	<u>FTE Positions</u>
Salaries	\$ 130,066	\$ 260,132	11.0
Other Operating	23,856	47,711	
Capital Outlay	35,200	70,400	
Subtotal	\$ 189,122	\$ 378,243	
Professional Services Contracts	976,404	2,222,758	
Total	<u>\$ 1,165,526</u>	<u>\$ 2,601,001</u>	11.0

The agency's estimate for S.B. 759 is the same as the requested Governor's Budget Amendment with regard to staffing and other operating expenditures, and exceeds the GBA request for professional services by \$1,347,758. The following chart summarizes the agency's estimate of additional professional services contracts requested in the Governor's Budget Amendment and pursuant to the passage of House Sub. for S.B. 759.

<u>Professional Services</u>	<u>GBA Request -- Current Schedule</u>	<u>House Sub. for S.B. 759 Schedule</u>
Actuarial Contract	\$ --	\$ 25,000
Administrative Services Contract	700,000	700,000
Managed Care Experts	175,000	175,000
Contractual Staff for Recipient Enrollment	--	372,758
Other Contractual Services	--	450,000
MMIS Systems Operation & Data Analysis	--	500,000
Total -- Professional Services	<u>\$ 875,000</u>	<u>\$ 2,222,758</u>

Q. S.B. 410 (Governor). S.B. 410 requires SRS to expand the role of the drug utilization review board, requires rules and regulations for drugs placed on prior authorization or for a restrictive formulary, and prohibits sequential therapy criteria, that is, to first require that a recipient utilize or fail with a drug usage or therapy prior to allowing the recipient to receive the product or therapy recommended by the recipient's physician.

SRS estimates that S.B. 410 will result in increased expenditures in the medical assistance program in FY 1995 totaling \$1.2 million, including \$510,000 from the State General Fund. The agency states that this impact will result due to a lack of prior authorization in FY 1995. The agency states that an unknown impact will also result from situations when the Health Care Financing Administration (HCFA) requires a change in the Medicaid formulary; all state funds will be required to maintain coverage for these drugs pending a state regulatory change.

R. S.B. 657 (Governor), among other things, expands the notice requirements of the Secretary of SRS regarding placement of or the release of certain juvenile offenders to include the local law enforcement agency and the school district in which the juvenile will be residing if the juvenile is still required to attend secondary school. The notice applies to juvenile offenders whose offense (if committed by an adult) would include crimes such as murder, person felonies and the sale of drugs. SRS is also

required to develop policies to involve school districts where the juvenile offenders will be residing in planning for the juvenile's release or discharge.

SRS estimates that \$20,000 from the State General Fund will be needed to implement the relevant provisions of S.B. 657. Expenditures are for the SRS area offices and will provide for postage, xeroxing, and other related items.

S. S.B. 400 (Conference). S.B. 400 modifies the Juvenile Offenders Code to require the court, prior to placing a juvenile offender in the custody of the Secretary of SRS and recommending out-of-home placement, to consider whether reasonable efforts have been made to prevent the out-of-home placement, or whether an emergency exists which would threaten the safety of the juvenile offender or the community. Further, the court is required to consider whether out-of-home placement is in the best interests of the juvenile offender. The bill also requires that a hearing be held within 18 months of an out-of-home placement and every 12 months thereafter to determine progress.

SRS estimates that passage of the bill will allow Kansas to be eligible for additional federal Title IV-E funds totaling \$1.2 million. These federal funds will replace State General Fund dollars currently budgeted in SRS. The Conference Committee is considering both mechanisms to identify additional revenue received pursuant to these changes, as well as the use of the State General Fund dollars displaced by the receipt of this revenue. *The Super Conference Committee will consider this bill.*

T. S.B. 794 (Conference). S.B. 794 relates to expenditures from the juvenile detention facility funds. As agreed to by the Conference Committee, the bill abolishes the juvenile detention capital improvements fund and transfers the balances in that fund to the juvenile detention facilities fund, and clarifies that expenditures made from the fund shall include operational costs. The bill directs that expenditures from the fund be made in accordance with a grant program established with criteria designed to facilitate the expeditious award and payment of grants. The Conference report states that operational costs shall not be limited to any per capita reimbursement by the Secretary for juveniles under the supervision and custody of the Secretary, but shall include payments to counties as and for their costs of operating the facility. The Conference Committee report also provides that, beginning on July 1, 1995, five percent of all moneys credited to the state gaming revenues fund shall be transferred to the juvenile detention facilities fund (reducing the EDIF transfer to 85 percent).

The expenditure limitation on the juvenile detention facilities fund needs to be increased to reflect abolishing the juvenile detention capital improvements fund. Also, currently, the limitation in H.B. 2759, the SRS appropriations bill, totals \$719,290 for the two funds, the amount which had been estimated for the debt service payment. SRS estimates that revenues of close to \$3.0 million will have accumulated in the two funds by the end of FY 1994, with additional annual revenue of approximately \$700,000 estimated in FY 1995. The current expenditure limitation would not allow expenditures for operating grants to existing or new facilities. *The Super Conference Committee will address this issue.*

U. S.B. 525 (Conference). S.B. 525 authorizes and establishes procedures for the civil commitment of sexually violent predators. In order to implement provisions of the bill, the DOC and SRS are jointly involved, and will incur additional costs. The legislation calls for the commitment of those determined to be predators to a facility separate from those housing mentally ill hospital patients. A joint agency proposal is in preparation and will include operating cost estimates for both DOC and SRS. Under the proposal being developed jointly, DOC would be responsible for housing, general care and security, and SRS would be responsible for treatment.

V. Other Issues. When reviewing the SRS budget, the House Appropriations Committee and Senate Ways and Means Committees recommended that certain items be reviewed during the Omnibus Session. Several items were recommended for consideration for additional funding during the Omnibus Session if additional revenue is available, including full funding of: the Parent Assistance Network, consumer-run mental health programs, and mental health base grants. It was also recommended that additional funding for MR/DD family subsidy and support services, and full funding of the agency's request for the HCBS-MR waiver be considered during the Omnibus Session. The Senate Committee on Ways and Means also recommended that issues regarding funding for the Whole Person Center for Independent Living be reviewed during the Omnibus Session. Further, it was recommended that a plan for modification of foster care reimbursement rates be reviewed if available during the Omnibus Session.

W. Technical -- Funds Omitted from Bill. Three federal funds established by Executive Directive in FY 1994 were omitted from the FY 1995 appropriations bill. These are three federal grant awards with no requirement for state match. The following funds were omitted: alcohol and drug abuse data collection -- federal; special project access demonstration for homeless -- federal; and women and children residential treatment -- federal.

X. Technical -- Position Limitation Reference. The Revisor has identified an incorrect reference in H.B. 2759. A provision needs to be inserted in the Omnibus Bill referencing the correct paragraph.

ADDENDUM

Department of Revenue

H.B. 3068 (Conference). H.B. 3068 would direct the Secretary of Revenue to approve and enter into a settlement agreement to resolve income tax refund claims of military retirees, subject to judicial approval. Both versions of the bill create the Military Retirees Income Tax Refund Fund, which could be appropriated in either H.B. 3068 or the Omnibus Bill. The House version of the bill provides for transfers from the State General Fund of \$21,446,935 for FY 1995 and \$22,519,282 in both FY 1996 and FY 1997. The Senate version of the bill would provide for the same amount of transfers, but with the funding source for FY 1995 shifted to the State Budget Stabilization Fund. The Senate version of the bill also subjects currently exempt retirement income to taxation. The Department of Revenue estimates that the House Committee version of the bill would cost \$1.2 million to administer over the three-year period. No information has been presented on the administrative costs of the final House version or the Senate version.

SUBCOMMITTEE LIST BY AGENCY AND ANALYST
(by order of appearance in Omnibus memo)

POTTORFF (Room 514-S)

Department of Education--Carolyn
Legislative Branch--Alan
Salary Adjustment and Reclassification--Alan
KPERS (School--FY 1995) Julian
Board of Regents--Scott
Regents Systemwide Issues--Scott and Diane
Kansas University--Diane
KU Medical Center--Diane
Kansas State University--Diane
KSU--Vet Med. Center--Diane
KSU--Ag. Ext. and Research--Diane
Wichita State University--Diane

MEAD (Room 522-S)

Aging (Leah)
Nursing (Gregory)--Tim
KDHE--Pat
Corp. for Change--Laura
SRS--Laura

LOWTHER (Room 519-S on Thurs. and
Fri.; Room 313 on Mon. and Tue.)

KDHR--Paul
Commerce--Paul
Homestead Property Tax--Paul
Kansas, Inc.--Paul
KCC--Carolyn
Mental Retardation Hospitals--Tim
Lottery--Julian
Racing Commission--Julian
Mental Health Hospitals--Kathleen
Veterans' Commission--Kathleen
Administration--Kathleen
Healthy Kids--Laura

KLINE--Room 521-S

Youth Centers--Debra
Adjutant General--Russ
Corrections--Russ
Highway Patrol--Tim
KBI--Tim

GATLIN (Room 531-N)

Revenue--Paul
KDOT--Julian
Indigents' Defense--Scott
Judicial Branch--Scott

JENNISON (Room 526-S)

Wildlife and Parks--Debra
Animal Health--Debra
Conservation Commission--
Debra
Board of Agriculture--Leah
State Fair--Leah
Attorney General--Carolyn
Insurance Department--Pat
State Treasurer--Kathleen
FHSU--Scott

ANALYST OMNIBUS LIST BY AGENCY AND SUBCOMMITTEE

Debra Duncan (pp. 1-4)

Wildlife and Parks--Jennison
Animal Health--Jennison
Youth Centers--Kline

Russell Mills (pp. 4-6)

Adjutant General--Kline
Corrections--Kline

Paul West (pp. 6-11)

KDHR--Lowther
Commerce and Housing--Lowther
Kansas, Inc.--Lowther
Revenue--Gatlin
Homestead Prop. Tax Refunds--Lowther
Conservation Commission--Jennison

Leah Robinson (pp. 11-15)

Board of Agriculture--Jennison
State Fair--Jennison
Aging--Mead

Carolyn Rampey (pp. 15-21)

KCC--Lowther
Attorney General--Jennison
Education--Pottorff

Timothy Colton (pp. 21-24)

Nursing--Gregory
Systemwide MR Hospitals
KNI
Winfield State Hospital
Highway Patrol
KBI

Alan Conroy (pp. 24-25)

All Agencies (Salary Adjustment)--Pottorff
Legislative Coordinating Council--Pottorff

Pat Mah (pp. 25-34)

Insurance Department--Jennison
KDHE--Mead

Julian Efird (pp. 34-38)

KDOT--Gatlin
KPERS--Pottorff (School-FY 95)
Lottery--Lowther
Racing Commission--Lowther

Kathleen Porter (pp. 38-44)

Systemwide MH Hospitals--Lowther
Larned State Hospital--Lowther
Youth Center at Larned--Lowther
Osawatomie State Hospital--Lowther
Topeka State Hospital--Lowther
Veterans' Commission--Lowther
State Treasurer--Jennison
Administration--Lowther

Scott B. Rothe (pp. 44-50)

Indigents' Defense--Gatlin
Judicial Branch--Gatlin
FHSU--Jennison
Board of Regents--Pottorff
Regents Systemwide--Pottorff

Diane Duffy (pp. 48-53)

Regents Systemwide--Pottorff
KU and Medical Center--Pottorff
KSU, Extension and Vet. Medical
Center--Pottorff
WSU--Pottorff

Laura Howard (pp. 53-62)

Healthy Kids--Lowther
Corporation for Change--Mead
SRS--Mead