

Approved: February 15, 1994
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson August Bogina at 11:00 a.m. on February 9, 1994 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Leah Robinson, Legislative Research Department
Alan Conroy, Legislative Research Department
Kathy Porter, Legislative Research Department
Pat Mah, Legislative Research Department
Carolyn Rampey, Legislative Research Department
Norm Furse, Revisor of Statutes
Judy Bromich, Administrative Assistant
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

SB 510--APPROPRIATIONS FOR FY 95, LEGISLATIVE AGENCIES, GOVERNOR'S DEPARTMENT, LIEUTENANT GOVERNOR, ATTORNEY GENERAL, SECRETARY OF STATE, STATE TREASURER, INSURANCE DEPARTMENT

ATTORNEY GENERAL

Senator Lawrence presented the FY 94 and FY 95 subcommittee reports (Attachment 1). Chairman Bogina explained that recommendation 1 in the FY 95 report is made in reference to the Trinidad question which the Attorney General may appeal. To provide an appropriation now is premature.

FY 95 - Item 2: It was stated that the subcommittee's intent is to have the Attorney General's office include in its review a study of policy changes in awarding payments as well as a determination of how someone may have learned to manipulate the system.

FY 95 - Item 4: Senator Lawrence suggested that the agency update information for the last five items.

It was moved by Senator Lawrence and seconded by Senator Petty that the FY 94 and FY 95 subcommittee reports for the office of the Attorney General be adopted. The motion carried on a voice vote.

SECRETARY OF STATE

The FY 94 and FY 95 subcommittee reports were presented by Senator Lawrence (Attachment 2). There was discussion about whether the subcommittee had requested information regarding the cost of implementing the National Voter Registration Act.

Senator Brady indicated that a news article reported that there were six open FTE positions within the office of the Secretary of State. In answer to his concern, Ron Thornburgh, Office of the Secretary of State, stated that 53 or 54 of the allotted 61 FTE positions are filled. He said that a couple of fee funded positions in Uniform Commercial Code are not filled; the rest are a combination of fee funded positions and positions funded by the state general fund. It was moved by Senator Brady and seconded by Senator Lawrence that the FY 94 subcommittee report be amended by requesting that the second House review the vacant positions within the office of the Secretary of State. The motion carried on a voice vote.

Senator Lawrence moved. Senator Petty seconded that the amended FY 94 report and the FY 95 subcommittee report for the Secretary of State be adopted. The motion carried on a voice vote.

STATE TREASURER

The subcommittee reports for FY 94 and FY 95 regarding the State Treasurer were reviewed by Senator

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on February 9, 1994.

Lawrence (Attachment 3). There was some discussion regarding mailing of Christmas cards and invitations printed and mailed at state expense from the State Treasurer's Office. Tama Wagner, Treasurer's Office, stated that the State Treasurer had reimbursed the state for this year's Christmas cards to avoid the perception of wrongdoing. She stated that the State Treasurer is allowed \$900 from the hospitality fund, and she viewed the invitations as a way to encourage persons outside the Topeka community to visit with her. Members expressed concern about what is appropriate for use of state mailing permits and about the volume of mailings and annual reports that are printed and mailed at state expense. The Chairman stated that this issue could be addressed during hearings on a bill (HB 2801) regarding postage.

Senator Lawrence moved, Senator Morris seconded, that the FY 94 and FY 95 subcommittee reports for the State Treasurer be adopted. The motion carried on a voice vote.

INSURANCE DEPARTMENT

Senator Lawrence presented an overview of the FY 94 and FY 95 subcommittee reports on the Insurance Department (Attachment 4). It was moved by Senator Lawrence and seconded by Senator Petty that the FY 94 and FY 95 subcommittee reports be adopted. The motion carried on a voice vote.

LEGISLATURE

The FY 94 and FY 95 subcommittee reports were reviewed by Senator Moran (Attachment 5). There was some discussion regarding other agencies that might be tied to the subsistence allowance rates as established by the U.S. General Services Administration (item 1, FY 94). Staff noted that the State Board of Education, the KPERS Board of Trustees and the Sentencing Commission are tied to the GSA Federal Rate. Senator Moran moved the adoption of the FY 94 and FY 95 subcommittee reports for the Legislature. The motion was seconded by Senator Rock, and carried on a voice vote.

LEGISLATIVE RESEARCH DEPARTMENT

Senator Moran presented the FY 94 and FY 95 subcommittee reports on the Legislative Research Department (Attachment 6). It was moved by Senator Moran and seconded by Senator Rock that the FY 94 and FY 95 subcommittee reports be adopted. The motion carried on a voice vote.

LEGISLATIVE COORDINATING COUNCIL REVISOR OF STATUTES

The FY 94 and FY 95 subcommittee reports on the Legislative Coordinating Council (Attachment 7) and the FY 94 and FY 95 reports on the office of the Revisor of Statutes (Attachment 8) were reviewed by Senator Moran. Senator Moran moved and Senator Rock seconded that the FY 94 and FY 95 subcommittee reports be adopted. The motion carried on a voice vote.

LEGISLATIVE DIVISION OF POST AUDIT

The FY 94 and FY 95 subcommittee reports (Attachment 9) were reviewed by Senator Moran. In discussing the FY 95 report, Chairman Bogina noted that Post Audit had requested an additional audit team when K-GOAL was discussed last year. It was noted that bills will be introduced at the request of Post Audit to address the issues of statutorily required audits. It was moved by Senator Moran and seconded by Senator Rock that the FY 95 subcommittee report be amended by including the statement that the Post Audit Committee is reviewing this problem and might offer some statutory modifications. The motion carried on a voice vote.

Senator Moran moved, Senator Rock seconded, that the FY 94 subcommittee report and the FY 95 subcommittee report as amended be adopted. The motion carried on a voice vote.

LEGISLATIVE EDUCATIONAL PLANNING COMMITTEE

The FY 94 subcommittee report was presented by Senator Moran (Attachment 10). In answer to a question, Senator Karr stated that the Legislative Coordinating Council recommends that a separate line item for the Legislative Educational Planning Committee be merged with Legislative Coordinating Council, and that the LEPC produce a definitive product. There is a bill in the House that proposes these changes. If that bill fails, LEPC will still exist and money will have to be released from the LCC for its operation.

INTERSTATE COOPERATION COMMISSION

Senator Moran reviewed the FY 94 subcommittee report (Attachment 11).

GOVERNOR'S DEPARTMENT

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on February 9, 1994.

The FY 94 and FY 95 subcommittee reports (Attachment 12) were presented by Senator Moran.

LIEUTENANT GOVERNOR

The FY 94 and FY 95 subcommittee reports (Attachment 13) were reviewed by Senator Moran.

It was moved by Senator Moran and seconded by Senator Rock that the subcommittee reports for the Legislative Educational Planning Committee, the Interstate Cooperation Commission, the Governor's Department, and the Lieutenant Governor be adopted. The motion carried on a voice vote.

It was moved by Senator Lawrence and seconded by Senator Morris that SB 510 as amended be recommended favorable for passage. The motion carried on a roll call vote.

Senator Karr moved, Senator Morris seconded that bill drafts 3 RS 2088, 3 RS 2106, and 3 RS 2109 as requested by Gene Johnson be introduced. The motion carried on a voice vote.

Senator Moran moved, Senator Karr seconded that the minutes of the February 3 meeting be approved. The motion carried on a voice vote.

The meeting was adjourned at 12:15 P.M.

The next meeting is scheduled for February 10, 1994.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: Feb. 9, 1994

[illegible]

SUBCOMMITTEE REPORT

Agency: Attorney General

Bill No. 556

Bill Sec. 2

Analyst: Rampey

Analysis Pg. No. 367

Budget Page No. 88

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 4,326,441	\$ 4,285,304	\$ (52,657)
Aid to Local Units	1,164,013	1,164,013	--
Other Assistance	3,511,284	3,511,284	--
Total	<u>\$ 9,001,738</u>	<u>\$ 8,960,601</u>	<u>\$ (52,657)</u>
State General Fund:			
State Operations	\$ 3,196,612	\$ 3,156,795	\$ (52,657)
FTE Positions	67.0	67.0	--

Agency Overview

The Attorney General is a constitutional, elected official who serves as the chief legal officer and chief law enforcement officer of the state. Principal duties of the office include issuing formal opinions; defending the state, its officers, and employees; engaging in litigation on behalf of the state; interpreting and enforcing various acts that prescribe criminal penalties; approving state contracts, rules and regulations, general obligation bonds issued by municipalities, and other transactions involving the state; mediating disputes between Kansas consumers and businesses; administering the Tort Claims Fund; and administering the activities of the Crime Victims Compensation Board.

Agency Estimate/Governor's Recommendation

Expenditures are estimated to be \$9,001,738, of which \$3,196,612 is from the State General Fund (SGF). The estimate includes a requested supplemental appropriation of \$271,035 for water litigation with Colorado.

The Governor recommends expenditures of \$8,960,601, a reduction of \$41,137 from the Attorney General's estimate. Included in the Governor's recommendation is the \$271,035 for water litigation.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor, with the following exception:

SWAM
February 9, 1994
Attachment 1

1. Reduce the supplemental appropriation contained in S.B. 556 by \$52,657 (from \$271,035 to \$218,378). The Subcommittee's recommendation would make \$479,550 available for water litigation in the current year.

On February 7, 1994, the Attorney General received a draft of the final report of the Special Master, in which the Master states that he will recommend to the U.S. Supreme Court that it find for Kansas in regard to Kansas' claim that Colorado has violated the Arkansas River Compact through postcompact well pumping. According to the Attorney General, this claim was the cornerstone of Kansas' case and represents the vast majority of depletions that have taken place since 1950.

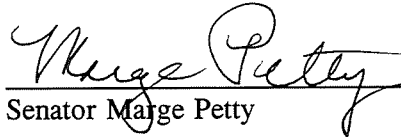
Because the Special Master's draft was received later than expected, the timetable for activities for the rest of the year has been revised. According to the Attorney General, a supplemental appropriation of \$218,378, which is the amount recommended by the Subcommittee, will allow the office to conduct all of the activities remaining in this fiscal year. These include payment of actual expenses, partial payment of the Special Master's Assessment, and expenses associated with preparing arguments before the Special Master prior to the time the final report is issued.



Senator Barbara Lawrence,
Subcommittee Chair



Senator August Bogina



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Attorney General

Bill No. 510

Bill Sec. 7

Analyst: Rampey

Analysis Pg. No. 367

Budget Page No. 88

<u>Expenditure Summary</u>	<u>Agency Req. FY 95</u>	<u>Gov. Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 5,226,394	\$ 3,775,515	\$ 608,500
Aid to Local Units	1,085,965	1,085,965	--
Other Assistance	3,652,760	3,528,809	--
Total	<u>\$ 9,965,119</u>	<u>\$ 8,390,289</u>	<u>\$ 608,500</u>
State General Fund:			
State Operations	\$ 4,010,933	\$ 2,698,513	\$ 608,500
FTE Positions	67.0	67.0	--

Agency Request/Governor's Recommendation

Expenditures are estimated to be \$9,965,119, of which \$4,010,933 is from the SGF. The amount includes \$1,290,000 from the SGF for water litigation with Colorado.

The Governor recommends expenditures of \$8,390,289, a reduction of \$1,574,830 from the Attorney General's request. The Governor recommends no funding for water litigation.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor, with the following exceptions:

1. Add \$608,500 from the SGF for water litigation. As explained in the report for FY 1994, the draft of the Special Master gives reason to believe that Kansas has prevailed in the most substantive issue raised in the litigation. During FY 1995, the state must prepare for argument before the Supreme Court and for the remedy phase of the trial. The amounts recommended by the Subcommittee for FY 1994 and FY 1995 will bring to more than \$10.0 million the total of state aid that has been appropriated for water litigation since FY 1984. The Subcommittee believes it is important to continue the state's effort, begun a decade ago, which now holds promise of success.

Not included in the Subcommittee's recommendation is a request for \$270,000 that was based on the assumption that the U.S. Supreme Court will overrule the Master on one aspect of the case in which the Master found in favor of Colorado. If that were to happen, the money would have been used for part of the remedy phase of the trial. The Subcommittee is committed to vigorously pursuing all possible claims

for damages against Colorado, but considers it speculative to appropriate money on the assumption that the Special Master will be reversed in this one aspect of the case. Based on the present timetable, it is likely that the Supreme Court's decision will be known during the 1995 Session. The Subcommittee's position is that there will be time during the 1995 Session for the Attorney General to come before the Legislature to request a supplemental appropriation if, in fact, one is necessary.

2. Recommend the introduction of legislation to increase from 19 to 21 the percentage of fines, penalties, and forfeitures paid to the State District Courts that is credited to the Crime Victims Compensation Fund. The Crime Victims Compensation Fund is a major source of revenue to the Crime Victims Compensation Board and is used to pay operating expenses and more than half of the amount awarded in claims. Apparently because the Kansas Highway Patrol is writing fewer tickets, there has been a decline in receipts to the Fund since FY 1992. (Receipts to the Crime Victims Compensation Fund from fines, penalties, and forfeitures exceeded \$1.9 million in FY 1992, were less than \$1.8 million in FY 1993, and are estimated to be \$1.7 million in FY 1994.) Although in recent years the Crime Victims Compensation Board has had revenues that were adequate to pay claims that have been awarded, the situation could change in the next year if receipts to the Fund continue to fall.

Increasing the percentage of fines, penalties, and forfeitures credited to the Fund is estimated to generate an additional \$180,000. Receipts to the SGF from fines, penalties, and forfeitures would be decreased by a corresponding amount.

The Subcommittee calls attention to the fact that the problem of declining revenues is compounded by an increase in the number and size of claims: At the end of January, 1993, a total of \$1,404,096 had been awarded in original (first time) and modified (supplemental) claims, compared to awards of \$1,790,666 at the same time in 1994, an increase of almost 28 percent. For that period of time, the number of original claims was 439 compared to 466 a year later. The average award for an original claim was \$2,283 at the end of January, 1993, compared to \$2,857 at the end of January, 1994.

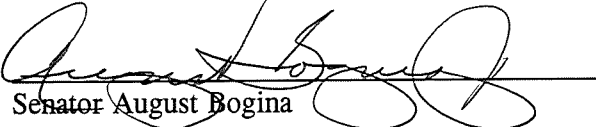
What is striking about information presented to the Subcommittee is the sharp increase in the portion of awards that is due to medical costs. Of the awards made at the end of January, 1993 (\$1,404,096), \$860,873 was for medical expenses. Of the awards made at the end of January, 1994 (\$1,790,666), \$1,293,470 was for medical expenses, an increase of 50 percent. For this reason, the Subcommittee requests that the Attorney General review and consider adopting a fee schedule or utilization review process that would impose a cost control measure on claims for medical expenses. The Subcommittee notes that such cost control measures are used by insurance companies and other entities and suggests that these would serve as a model for the Attorney General to adopt.

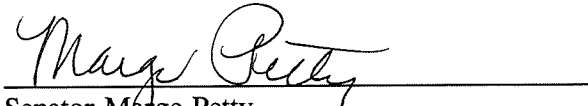
3. Make a technical adjustment to the SGF appropriation for the Attorney General's office contained in S.B. 510 by adding \$86,995 to accurately reflect the Governor's recommendation.

4. The Subcommittee calls attention to the following performance information reported by the Attorney General in the agency's budget document. Except where noted, the information is for FY 1993.

Amount collected by the Consumer Protection Division in investigative fees and expenses	\$129,121
Amount contributed by consumer violators to charity	\$52,000
Crime Victims Compensation Claims Filed	1,177
Crime Victims Claims Resolved	1,151
Criminal cases filed in the appellate courts, of which the Criminal Division approved briefs (FY 1992)	584
Number of open cases investigating allegations of child abuse and neglect at SRS institutions (FY 1992)	131
Number of child abuse cases closed (FY 1992)	124
Number of general criminal investigations opened (FY 1992)	34
Number of general criminal investigations closed (FY 1992)	20


Senator Barbara Lawrence
Subcommittee Chair


Senator August Bogina


Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Secretary of State

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. 362

Budget Page No. 516

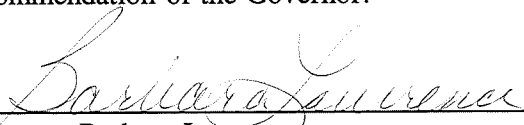
<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,532,956	\$ 1,532,956	\$ --
Uniform Comm. Fee Fund	668,330	668,330	--
Other Special Funds	617,530	617,530	--
TOTAL	<u>\$ 2,818,816</u>	<u>\$ 2,818,816</u>	<u>\$ --</u>
FTE Positions	61.0	61.0	--

Agency Estimate/Governor's Recommendation

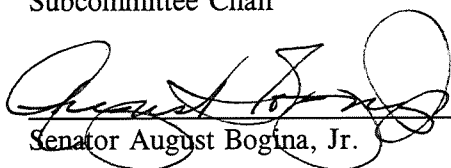
The agency estimates FY 1994 expenditures of \$2,818,816, a reduction of \$52,354 from the amount approved by the 1993 Legislature as adjusted by State Finance Council action. Supplemental funding of \$82,500 from the State General Fund is requested to create a Central Voter Registration Database as required by K.S.A. 25-2304. The Governor concurs with the agency's revised estimate.

Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendation of the Governor.



Senator Barbara Lawrence
Subcommittee Chair



Senator August Bogina, Jr.



Senator Marge Petty

SWAM
February 9, 1994
Attachment 2

SUBCOMMITTEE REPORT

Agency: Secretary of State

Bill No. 510

Bill Sec. 8

Analyst: Robinson

Analysis Pg. No. 362

Budget Page No. 516

<u>Expenditure Summary</u>	<u>Agency Req. FY 95</u>	<u>Gov. Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,454,457	\$ 1,477,652	\$ --
Uniform Comm. Fee Fund	655,000	661,620	--
Other Special Funds	605,746	605,746	--
TOTAL	<u>\$ 2,715,203</u>	<u>\$ 2,745,018</u>	<u>\$ --</u>
FTE Positions	61.0	61.0	--

Agency Request/Governor's Recommendation

For FY 1995, the Secretary of State requests expenditures of \$2,715,203, a reduction of \$103,613 from the revised FY 1994 estimate. The request includes funding of \$1,450,457 from the State General Fund and \$1,260,746 from special revenue funds. The agency requests \$4,000 from the State General Fund in FY 1995 to fund the agency's costs related to the National Voter Registration Act passed by Congress.

For FY 1995, the Governor recommends a total expenditures of \$2,745,018, an increase of \$29,815 above the agency's revised estimate. The Governor recommends the addition of \$33,815 to fund unclassified merit of 2.5 percent. The Governor does not recommend \$4,000 from the State General Fund to fund the agency's costs related to the National Voter Registration Act.

Senate Subcommittee Recommendation

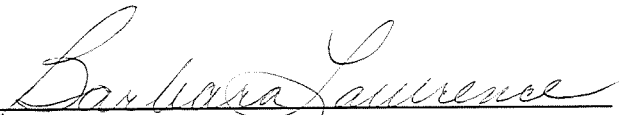
The Senate Subcommittee concurs with the recommendation of the Governor, with the following observations:

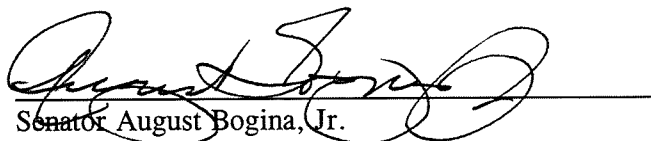
1. The Subcommittee notes that the Governor did not recommend \$4,000 requested by the agency to fund costs associated with implementation of the National Voter Registration Act. According to the agency, it has not yet determined exactly what those costs will be. The Senate Subcommittee recommends that the issue be addressed by the House Subcommittee on the agency's budget if more definite cost information is available at that time. If no further information is available, the agency will probably have to seek supplemental expenditure authority with the submission of its FY 1996 budget request.

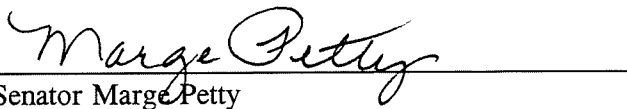
2. The Senate Subcommittee reviewed the mission statement of the agency, along with performance measures for the various divisions within the agency. The agency listed the following actual performance information for FY 1993:

Performance Indicators	
Uniform Commercial Code:	
Filings processed	115,000
Information requests processed	38,000
Collections from filings and information requests	\$979,000
Response time (hours)	24
Corporations:	
Annual reports processed	52,522
Collections from annual reports	\$11,021,666
Filings	16,697
Collections from filings	\$716,985
Searches and copies	21,022
Collections from searches and copies	\$200,169

The Subcommittee believes that the performance measures reported by the agency are good, and encourages the agency to develop additional specific measurable objectives for its FY 1996 budget submission.


Senator Barbara Lawrence
Subcommittee Chair


Senator August Bogina, Jr.


Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: State Treasurer

Bill No. --

Bill Sec. --

Analyst: Porter

Analysis Pg. No. 353

Budget Page No. 584

Expenditure	Agency Est. FY 94	Gov. Rec. FY 94	Subcommittee Adjustments
All Funds:			
State Operations	\$ 3,271,216	\$ 3,258,553	\$ --
Aid to Local Units	84,699,000	85,259,000	--
Debt Service	236,598	236,598	--
TOTAL	<u>\$ 88,206,814</u>	<u>\$ 88,754,151</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 2,809,746	\$ 2,797,083	\$ --
Aid to Local Units	70,959,000	70,959,000	--
TOTAL	<u>\$ 73,768,746</u>	<u>\$ 73,756,083</u>	<u>\$ --</u>
FTE Positions	59.5	58.5	--

Note: The FY 1994 estimate for State General Fund expenditures for Aid to Local Units reflects the estimates made in November, 1993, by the Consensus Estimating Group. The FY 1994 estimate for Other Aid to Local Units includes the agency estimates.

Agency Estimate/Governor's Recommendation

The agency estimates FY 1994 expenditures of \$3,271,216 for state operations. The FY 1994 estimate is \$100,982 above the amount estimated by the 1993 Legislature. The additional amount is financed from the reappropriated balance and requires no further legislative action. FY 1994 estimated State General Fund expenditures of \$2,809,746 for state operations reflect an increase of \$44,139 above the amount estimated by the 1993 Legislature, with the additional amount again financed from the reappropriated balance.

The Governor recommends FY 1994 expenditures of \$3,258,553 for state operations, which reflects a reduction of \$12,663 from the agency estimate of State General Fund expenditures. For both FY 1994 and FY 1995 the Governor recommends 58.5 FTE positions. The agency has 1.0 FTE position unfilled in FY 1994 because of a retirement and the Governor does not recommend restoration of that position.

SWM
February 9, 1994
Attachment 3

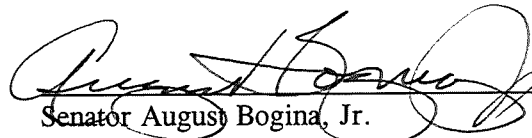
Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation and makes the following observation:

1. The Subcommittee notes that the following are among the new initiatives the agency plans to accomplish in FY 1994: rewriting the collateral system used to track securities pledged against state deposits; extensive marketing of the Municipal Investment Pool; development of an audit function in the Unclaimed Property subprogram; initiation of a debt management plan; and the first phase of the Treasurer's cash management review.



Senator Barbara Lawrence
Subcommittee Chair



Senator August Bogina, Jr.



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: State Treasurer

Bill No. 510

Bill Sec. 9

Analyst: Porter

Analysis Pg. No. 353

Budget Page No. 584

Expenditure	Agency Req. FY 95	Gov. Rec. FY 95	Subcommittee Adjustments
All Funds:			
State Operations	\$ 3,246,037	\$ 3,104,748	\$ --
Aid to Local Units	90,839,000	87,668,000	--
Debt Service	227,149	227,149	--
TOTAL	<u>\$ 94,312,186</u>	<u>\$ 90,999,897</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 2,905,555	\$ 2,651,971	\$ --
Aid to Local Units	77,099,000	73,088,000	--
TOTAL	<u>\$ 80,004,555</u>	<u>\$ 75,739,971</u>	<u>\$ --</u>
FTE Positions	59.5	58.5	--

Note: The FY 1995 agency request for State General Fund expenditures for Aid to Local Units reflects the estimates made in November, 1993, by the Consensus Estimating Group. The FY 1995 request for Other Aid to Local Units includes the agency estimates.

Agency Request/Governor's Recommendation

The agency requests FY 1995 state operations expenditures of \$3,246,037, a reduction of \$25,179, or 0.8 percent, from the FY 1994 estimate. The reduction is due in part to two items included in the agency's operating expenditures estimate for FY 1994 but excluded in the FY 1995 request. The FY 1994 estimate includes \$130,000 for the final payment for debt service on the agency's 1990 computer upgrade. The FY 1995 request also reflects a reduction of approximately \$62,000 because the agency moved from a mainframe to a local area network (LAN) based personal computer system and will no longer incur annual hardware and software maintenance costs for the mainframe.

The Governor recommends FY 1995 state operations expenditures of \$3,104,748, a reduction of \$141,289 from the agency request. Reductions are recommended from the agency requests for salaries and wages (\$67,099), contractual services (\$53,515), commodities (\$4,550), and capital outlay (\$16,125).

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation and makes the following observation:

1. The Subcommittee notes that the agency testified regarding the achievements it hopes to accomplish in FY 1995, including the following: completing phase two of the cash management review; completing the first statewide debt management plan; converting the warrant process to an electronic function; providing custodial services to local units of government; and revising the system for distribution of local aid payments.
2. The Subcommittee reviewed performance measures for the various programs of the agency, including the following:

Administration and Support Services Program:

	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
Number of New Applications Designed and Implemented	2	3	7
Number of Existing Applications Modified	3	4	8
Displaced Manual Hours	100	100	400
Number of Feasibility Studies Completed	7	1	5
Number of Electronic Fund Transfer Conversions	3	2	5

Municipal Bond Program:

	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
No. of bond issues registered	296	300	300
No. of temporary notes registered	193	225	225
Annual no. of transactions processed for registered-form bonds	117,070	120,000	120,000
No. of bondholder accounts maintained	23,000	25,000	25,000
No. of vouchers processed for payments of registered bonds	67,134	69,000	75,000
No. of vouchers processed for payments of bearer bonds	6,099	6,000	5,000

Cash Management Program:

	<u>FY 1993</u>	<u>FY 1994</u>	<u>FY 1995</u>
Item Processing Subprogram:			
Annual no. of items processed for deposit	3,316,000	3,300,000	3,300,000
No. of banks pledging securities against deposits of state moneys	351	355	375
No. of pledging banks for which securities custodian holds physical possession of pledged securities	4	4	4
No. of registered-form bond issues for which certificate safekeeping storage is provided by securities custodian	1,779	2,000	2,000
Annual no. of warrants redeemed	4,840,000	4,700,000	4,300,000
Unclaimed Property Subprogram:			
% of holders filing reports who filed reports in previous year	66%	75%	85%
No. of holder reports received from holders who had not previously filed	290	300	400
No. of owners to whom unclaimed assets delivered to the Treasurer are returned in current year	2,500	2,500	2,750
Value of current FY unclaimed property receipts to SGF	2,997,000	3,000,000	3,650,000

Municipal Investment Pool:

	<u>FY 1993*</u>
Average Rates (Municipal Investment Pool v. Market Indices):	
Municipal Investment Pool	3.389%
Donoghue Fund	2.738%
State Investment Rate (Average 0 - 12 months)	3.212%
T - Bill Rate (Average 1 - 12 months)	3.118%
Number of Participants:	
Cities	33
Counties	20
Unified School Districts	20
Other	13
TOTAL	86
Total Balances (In Millions):	
Cities	\$131.2
Counties	265.1
Unified School Districts	187.4
Other	88.8
TOTAL	\$672.5


* The Pool's first year of operation.

Pooled Money Investment Board (Performance measures on investments of state idle funds for FY 1993, which was the first year under the new investment statutes, K.S.A. 1993 Supp. 75-4201 *et seq.*):

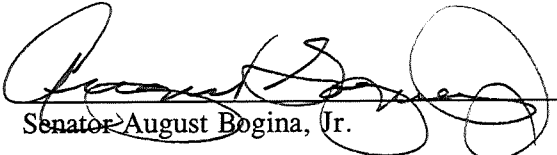
	<u>State General Fund Income Received</u>	<u>Avg. Daily Bal. Applicable to Income Received</u>	<u>Avg. Rate of Return on Income Received</u>
Investment Accounts	\$ 14,246,953	\$ 291,706,090	4.106%
Investment Security	27,294,133	645,954,082	5.338%
Repurchase Agreements	6,303,830	189,950,308	3.255%
Kansas Venture Capital, Inc.	--	5,000,000	--
Statutory Loans	<u>2,764,538</u>	<u>31,016,347</u>	<u>5.557%</u>
TOTAL	<u>\$ 50,609,454</u>	<u>\$ 1,163,626,827</u>	<u>4.672%</u>

Although the agency anticipates slight increases in interest rates in FY 1994 and FY 1995, the average daily balance available in state idle funds for investment is expected to decline in FY 1994 and FY 1995. The agency estimates FY 1994 State General Fund income of \$49,509,000 and FY 1994 income of \$46,602,000 from investments of state idle funds.


The Subcommittee concludes that the majority of the performance measures reported by the agency are meaningful, and encourages the agency to review its performance measures and report any additions or modifications to the 1995 Legislature.



Senator Barbara Lawrence
Subcommittee Chair



Senator August Bogina, Jr.



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Insurance Department

Bill No. --

Bill Sec. --

Analyst: Mah

Analysis Pg. No. 372

Budget Page No. 334

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 15,651,321	\$ 15,632,995	\$ --
Local Aid	3,846,381	3,846,381	--
Other Assistance	56,744,098	56,744,098	--
Capital Improvements (Revised Request)	127,825	127,825	--
TOTAL	<u><u>\$ 76,369,625</u></u>	<u><u>\$ 76,351,299</u></u>	<u><u>\$ --</u></u>
FTE Positions	172.2	171.2	--

Agency Estimate/Governor's Recommendation

Prior to FY 1993, the Department received a State General Fund appropriation for its Insurance Company Regulation program. Now, this Department is entirely fee funded. The Department estimates total FY 1994 expenditures of \$76,369,625, a net decrease of \$3,425,534 from the \$79,795,159 authorized by the 1993 Legislature. With the use of actual FY 1993 data, the agency estimates that payments from the Workers' Compensation Fund will be \$7,083,247 less than originally anticipated (from \$43,083,247 to \$36,000,000). Offsetting a portion of this decrease are anticipated increases of \$69,295 in aid payments to local firefighters relief associations and of \$2.8 million from the Health Care Stabilization Fund (from \$17,750,000 to \$20,550,000). Also, operating expenditures are estimated to increase by \$758,338. The major change in operating expenditures is an increase of \$889,021 for professional services fees. The additional moneys are to be used to pay for attorneys, physicians, ambulances, and courts costs because of an expected increase in the number of claims being filed against the Workers' Compensation Fund. Also, the Department will begin renting in the current year additional office space to allow for new FTE positions approved in recent years, including those approved by the 1993 Legislature (8.0 FTE positions). The revised current year estimate provides a total of \$15,651,321 for the Department's state operations.

The Governor concurs with the agency's current year revised estimate except for a reduction of \$18,326 in salary and wage expenditures. Salaries and wages are reduced to recoup savings from two positions left vacant by employees who have retired. Legislation enacted last year limits the filling of positions that are left vacant by retiring employees. One of the two positions, an Insurance Examiner I, has been restored through action taken by the Department of Administration. No action has been taken to restore the other position, an Office Assistant IV. The Governor's recommendation reflects a permanent loss of this Office Assistant IV position. All requested financing for the position is deleted and the FTE count for the agency is reduced by one.

*SWAM
February 9, 1994
Attachment 4*

Senate Subcommittee Recommendation

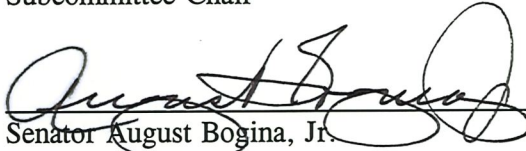
The Senate Subcommittee concurs with the Governor's recommendation.

Insurance Regulation Fee Fund Analysis. Nearly 80 percent of the agency's FTE positions are paid for from the Insurance Department Service Regulation Fund. The analysis below reflects the status of this fee fund.

<u>Resource Estimate</u>	<u>Actual FY 93</u>	<u>Estimated FY 94</u>
Beginning Balance	\$ 2,256,585	\$ 2,392,826
Net Receipts	5,145,304	5,302,446
Total Funds Available	\$ 7,401,889	\$ 7,695,272
Transfer Out	130,158	167,393
Less: Expenditures	4,878,905	5,412,909
Ending Balance	<u>\$ 2,392,826</u>	<u>\$ 2,114,970</u>



Senator Barbara Lawrence
Subcommittee Chair



Senator August Bogina, Jr.



Senator Marge Petty

SUBCOMMITTEE REPORT

Agency: Insurance Department

Bill No. 510

Bill Sec. 10

Analyst: Mah

Analysis Pg. No. 372

Budget Page No. 334

Expenditure Summary	Agency Req. FY 95	Gov. Rec. FY 95	Subcommittee Adjustments
All Funds:			
State Operations	\$ 16,928,610	\$ 16,698,802	\$ (50,574)
Local Aid	3,912,479	3,913,816	--
Other Assistance	56,496,146	56,496,146	--
Capital Improvements (Revised Request)	215,782	215,782	--
TOTAL	\$ 77,553,017	\$ 77,324,546	\$ (50,574)
FTE Positions	181.2	175.2	(2.0)

Agency Request/Governor's Recommendation

For FY 1995, the Department requests expenditures of \$77,553,017, an increase of \$1,183,392 from the revised current year estimate of \$76,369,625. The Department requests funding for 181.2 FTE positions, an increase of 9.0 FTE above those approved by the 1993 Legislature. Of the 9.0 new positions requested, three are because of the law passed by the 1993 Legislature regarding positions left vacant by retirements. The law (H.B. 2211) allows up to 75 percent of the total number of retiring FTE positions within executive branch state agencies to be refilled upon approval of the Governor. The State Finance Council must approve refilling any FTE positions over the 75 percent cap. The Department estimates that out of 11.0 FTE positions filled with employees who may retire during FY 1995 and the current year, the Department may lose three. The Department says that the requested 3.0 new positions would be filled only if there is a need because of retirements. Also, costs for professional services fee are expected to increase by \$720,932 over the current year. Most of the additional expenditures would come from the Workers' Compensation Fund to pay for attorneys, physicians, ambulances, and court costs because of a continued rise in claim filings against the Fund. Although the 1993 Legislature enacted major reform to workers' compensation legislation, the anticipated reduction in the number of claims on moneys in the Fund due to the new legislation is not expected until after FY 1995.

The Governor recommends expenditures of \$77,324,546 in FY 1995, including \$16,698,802 for state operations. The Governor's recommendation is a reduction of \$228,471. Salaries are reduced by \$199,979 and capital outlay by \$29,829. Most of the reductions relate to requested new positions that were not recommended by the Governor. As mention in the current year Subcommittee report, the Governor deletes all of the requested financing for the Office Assistant IV position that was left vacant by an employee who retired. All financing is deleted in both the current year and FY 1995. Also, the Governor's recommendation restores a Insurance Examiner I position that was recently left vacant by an employee who retired. Financing is provided to continue the position, but all new moneys that were requested by the agency to also finance it as a new position were deleted. With regard to a Storekeeper

II position being requested as a new position because the existing one could be lost due to the retirement legislation, the recommendation provides for continuing the position as an existing one, not as a new position. The position has not been vacated yet. Further, the Governor recommends 4.0 out of the 6.0 remaining requested new positions. Included in the Governor's recommendation is an unclassified Policy Examiner II for the Consumer Assistance Division, an unclassified Assistant Controller for the Administrative Division, an unclassified Policy Examiner I for the Life Division, and a classified limited-term Accountant II for the Workers' Compensation program.

Senate Subcommittee Recommendation

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


1. Make technical adjustments to the bill to correctly reflect the Governor's recommendation, including adding a proviso so that transfers made from the agency's Insurance Department Service Regulation Fund to pay for recommended capital improvement projects are in addition to any expenditure limitation established for the Insurance Department Service Regulation Fund.
2. Delete moneys (\$60,574) from the Insurance Department Service Regulation Fund that were recommended by the Governor to provide for the salaries of 2.0 new FTE positions. The Governor recommended a total of 3.0 new FTE positions for the Insurance Company Regulation program (an Assistant Controller, a Policy Examiner I, and a Policy Examiner II). The recommendation of the Subcommittee leaves moneys for the salary of just 1.0 new FTE position. The title for the recommended new FTE position is to be determined by the agency since moneys left for the new position will cover the cost of any one of the positions recommended by the Governor. The Subcommittee believes that more information is required before a determination can be made on whether the agency needs requested Policy Examiner positions. The Subcommittee was told that additional staff is needed to review the growing number of insurance policy forms submitted to the agency by companies. Generally under Kansas law, companies must file proposed forms with the agency 30 days prior to using them. If the agency does not specifically disapprove the forms within the 30 day period, the submissions are deemed approved. According to the agency, 15,305 forms were deemed approved in FY 1993. The agency reports that, most likely, approximately 42 percent of these forms would not have been accepted had the agency had adequate staff for reviewing the forms. The Subcommittee asks the agency to provide to the second house possible modifications to the agency's current fee charge structure. The Subcommittee suggests that possible modifications be made not necessarily to increase the amount of fees collected but to provide for a way of discouraging the continuing growth in the number of forms being submitted for review. Currently, no fees are collected for review of proposed insurance forms even when companies resubmit forms previously rejected by the agency.
3. Concur with the Governor's recommendation for a new limited-term Accountant II FTE position to work on a backlog of Workers' Compensation claims. Since a reduction in the number of claims being filed against the Workers' Compensation Fund is expected after FY 1995, the Subcommittee expects the agency to report next

year on whether the position is still needed. The number of claims against the Workers' Compensation Fund is expected to drop after FY 1995 because of Workers' Compensation reform legislation enacted by the 1993 Legislature. Further, the Subcommittee asks the agency to report to the Legislature next year on the historic and future status of the number of claims against the Workers' Compensation Fund, including data on claims processed as compared to claims requiring processing.

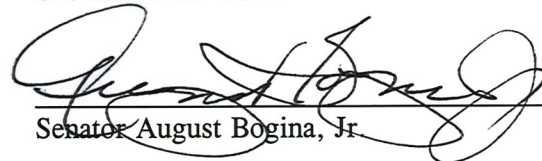
4. Add \$10,000 from the Insurance Department Service Regulation Fund for capital outlay equipment. The Subcommittee suggests that some of the moneys be used to buy requested telephones that were not specifically provided for by the Governor's recommendation. The telephones are to allow for the movement from a single line to a multiple line telephone system for clerical staff.
5. The Subcommittee understands that the Governor's recommendation for this agency was in the form of salaries and other operating expenditures rather than by specific objects of expenditure. The Subcommittee concurs with this recommendation and understands that the agency can make various shifts within its total approved expenditures to best accommodate its needs.
6. The Subcommittee was told that the agency is in the process of renting additional office space that is within walking distance of its main Topeka office building. The extra space is needed to accommodate additional staff approved in recent years. The Subcommittee requests that the agency contact the Division of Architectural Services of the Department of Administration for an on-site review of the agency's use of existing office space. The Subcommittee believes that this review will help to ensure that all existing office space is used in the most efficient way.
7. The Subcommittee reviewed the mission statements provided by the agency for each of its seven programs. Also reviewed were various performance measures about which the agency plans to collect data before meeting with the second house. The Subcommittee notes that some of these proposed measures are process rather than result oriented. For example, the agency proposes to report on the number of insurance consumer complaints and inquiries received. The Subcommittee believes that the measure should be changed to provide information on the number of consumer complaints resolved. Further, the Subcommittee asks that the agency review its other proposed measures to be sure that they provide information on benefits and accomplishments rather than just tasks being performed.

Insurance Regulation Fee Fund Analysis. The analysis below reflects the status of the agency's Insurance Department Service Regulation Fund, which is used to finance nearly 80 percent of the agency's FTE positions.

Resource Estimate	Actual FY 93	Estimated FY 94	Estimated FY 95
Beginning Balance	\$ 2,256,585	\$ 2,392,826	\$ 2,114,970
Net Receipts	5,145,304	5,302,446	5,503,173
Total Funds Available	\$ 7,401,889	\$ 7,695,272	\$ 7,618,143
Transfer Out	130,158	167,393	264,888
Less: Expenditures	4,878,905	5,412,909	5,579,750
Ending Balance	<u>\$ 2,392,826</u>	<u>\$ 2,114,970</u>	<u>\$ 1,773,505</u>



Senator Barbara Lawrence
Subcommittee Chair



Senator August Bogina, Jr.



Senator Marge Petty

SENATE WAYS AND MEANS SUBCOMMITTEE REPORTS

FY 1994 and FY 1995

Legislature
Legislative Research Department
Legislative Coordinating Council
Office of the Revisor of Statutes
Division of Post Audit
Legislative Educational Planning Committee
Interstate Cooperation Commission
Governor's Department
Lieutenant Governor

Jerry Moran

Senator Jerry Moran
Subcommittee Chairperson

Richard R. Rock

Senator Richard R. Rock

SUBCOMMITTEE REPORT

Agency: Legislature

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 347

Budget Page No. 436

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
All Funds	\$ 9,284,702	\$ 9,284,702	\$ (16,746)
State General Fund	8,899,796	8,899,796	(16,746)
FTE Positions	28.0	28.0	--

Agency Estimate/Governor's Recommendation

The FY 1994 budget estimate for the Legislature as submitted with the approval of the Legislative Coordinating Council (LCC) is \$807,450 less than the amount authorized by the 1993 Legislature, including the reappropriated amount. The Governor concurs with the agency's estimate in FY 1994.

Senate Subcommittee Recommendations

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

1. Delete \$16,746 (State General Fund) to reflect the latest subsistence allowance rates as established by the U.S. General Services Administration. The latest rate (effective January 1, 1994) is \$73 per day instead of the budgeted rate of \$74 per day. K.S.A. 46-137a ties legislative subsistence to the subsistence allowance allowable for the Kansas capital city (Topeka) under applicable federal law and regulations to employees of the executive branch of the federal government for per diem expenses if the amount is greater than \$73 per day.

SUBCOMMITTEE REPORT

Agency: Legislature

Bill No. 510

Bill Sec. 3

Analyst: Conroy

Analysis Pg. No. 347

Budget Page No. 436

<u>Expenditure Summary</u>	<u>Agency Req. FY 95</u>	<u>Gov. Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
All Funds	\$ 9,643,599	\$ 9,670,790	\$ (19,778)
State General Fund	9,513,399	9,540,590	(19,778)
FTE Positions	28.0	28.0	--

Agency Request/Governor's Recommendation

The FY 1995 budget request for the Legislature as submitted by the LCC totals \$9,643,599, of which \$9,513,399 is from the State General Fund and \$130,200 is from special revenue funds. The request reflects the merger of the budgets of the Legislative Educational Planning Committee (\$32,344) and the Interstate Cooperation Commission (\$227,113) with the legislative budget. The Governor recommends a budget of \$9,670,790 for FY 1995, an increase of \$27,191 above the requested expenditures. The Governor concurs with the merge of the budgets of the Legislative Educational Planning Committee and the Interstate Cooperation Commission with the Legislature's budget.

Senate Subcommittee Recommendations

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

1. Delete \$19,778 (State General Fund) to reflect the latest subsistence allowance rates as established by the U.S. General Services Administration. The latest rate (effective January 1, 1994) is \$73 per day instead of the budgeted rate of \$74 per day. K.S.A. 46-137a ties legislative subsistence to the subsistence allowance allowable for the Kansas capital city (Topeka) under applicable federal law and regulations to employees of the executive branch of the federal government for per diem expenses if the amount is greater than \$73 per day.

SUBCOMMITTEE REPORT

Agency: Legislative Research Department

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 339

Budget Page No. 434

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,931,974	\$ 1,931,974	\$ --
FTE Positions	35.3	35.3	--

Agency Estimate/Governor's Recommendation

The FY 1994 revised budget estimate of the Legislative Research Department is \$1,931,974, or \$37,230 less than the currently authorized amount by the 1993 Legislature, including reappropriations but excluding a \$14,850 contingency amount. The Governor concurs with the agency's revised estimate in FY 1994.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations.

*SWAM
February 9, 1994
Attachment 6*

SUBCOMMITTEE REPORT

Agency: Legislative Research Department

Bill No. 510

Bill Sec. 2

Analyst: Conroy

Analysis Pg. No. 339

Budget Page No. 434

<u>Expenditure Summary</u>	<u>Agency Req. FY 95</u>	<u>Gov. Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,963,945	\$ 1,968,058	\$ --
FTE Positions	35.3	35.3	--

Agency Request/Governor's Recommendation

The agency's FY 1995 budget request is \$31,971 greater than the revised agency estimate for FY 1994. Of the increase, \$42,628 is for salaries and benefits of the present 35.3 FTE positions and \$1,682 for contractual services and commodities, while capital outlay is reduced \$13,389. The Governor's recommendation adds \$4,113 to the budget request of the agency. The net amount represents a merit salary pool for employees who are not assigned to the basic state pay plan and other salary and wage fringe benefit adjustments. The agency request and the Governor's recommendation both include a \$15,000 contingency amount which is excluded from the expenditure amounts for FY 1995. The contingency funds are to cover potential demands upon the agency for costs that cannot now be projected. The contingency resources are subject to allocation only by the Legislative Coordinating Council (LCC) and cannot be expended with its express approval.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations and makes the following recommendation:

1. The Subcommittee notes the final segments of the Comprehensive Classification and Job Rate Study for classified employees are included in the Governor's recommendation for FY 1995. The Subcommittee would also note that the Legislature has always provided parity between executive branch employees and nonpartisan legislative branch employees. For example, salaries of fiscal staff employees of this agency have mirrored the salaries of the budget analysts of the Division of the Budget. The budget analysts are included in the recommended June 18, 1994 segment of the Comprehensive Classification and Job Rate Study. The Subcommittee recommends that if the funding of the Comprehensive Classification and Job Rate Study is approved for classified employees, that a corresponding amount be included in the omnibus appropriation bill for this agency.

SUBCOMMITTEE REPORT

Agency: Legislative Coordinating Council

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 343

Budget Page No. 428

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 429,334	\$ 429,334	\$ --
FTE Positions	10.0	10.0	--

Agency Estimate/Governor's Recommendations

The FY 1994 revised budget submitted by the Legislative Coordinating Council (LCC) is \$429,334 or the currently authorized level, including reappropriations. The budget includes \$17,903 for the compensation and expenses associated with Council meetings and \$411,431 for salaries and travel of employees of the Division of Legislative Administrative Services. The Governor concurs with the agency's estimate in the current year.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations.

*SWAM
February 9, 1994
Attachment 7*

SUBCOMMITTEE REPORT

Agency: Legislative Coordinating Council

Bill No. 520

Bill Sec. 2

Analyst: Conroy

Analysis Pg. No. 343

Budget Page No. 428

<u>Expenditure Summary</u>	<u>Agency Req. FY 95</u>	<u>Gov. Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 445,065	\$ 439,568	\$ --
FTE Positions	10.0	10.0	--

Agency Request/Governor's Recommendation

The FY 1995 budget request of the LCC is \$445,065, or an increase of \$15,731 above the FY 1994 revised request. Estimated expenses for LCC meetings are virtually unchanged from the current year estimate. Estimated expenses for the Division of Legislative Administrative Services would increase \$15,731, almost totally for salaries and wages. The Governor's FY 1995 recommendation is \$439,568 or \$5,497 less than the agency requested.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations, with the following consent:

1. The Subcommittee notes that the final segments of the Comprehensive Classification and Job Rate Study for classified employees are included in the Governor's recommendation for FY 1995. The Subcommittee would also note that the Legislature has always provided parity between executive branch employees and nonpartisan legislative branch employees. The Subcommittee recommends that if the funding of the comprehensive Classification and Job Rate Study is approved for classified employees that a corresponding amount be included in the omnibus appropriation bill for this agency.

SUBCOMMITTEE REPORT

Agency: Revisor of Statutes

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 345

Budget Page No. 514

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,044,957	\$ 2,044,957	\$ --
FTE Positions	27.8	27.8	--

Agency Estimate/Governor's Recommendation

The revised FY 1994 agency estimate is \$322,002 less than authorized by the 1993 Legislature, including the reappropriated amount. The revised estimate of expenditures for FY 1994 is significantly less than the total amount available primarily due to printing costs in FY 1993 being less than estimated, resulting in a larger carryover than anticipated from that fiscal year and the payment of some printing costs for the republication of volumes 3 and 3A and other volumes from the FY 1993 appropriation. The Governor concurs with the agency request in the current year.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations.

SWAM
February 9, 1994
Attachment 8

SUBCOMMITTEE REPORT

Agency: Revisor of Statutes

Bill No. 510

Bill Sec. 2

Analyst: Conroy

Analysis Pg. No. 345

Budget Page No. 514

<u>Expenditure Summary</u>	<u>Agency Req. FY 95</u>	<u>Gov. Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 2,078,842	\$ 2,078,445	\$ --
FTE Positions	27.8	27.8	--

Agency Request/Governor's Recommendation

The FY 1995 budget request of the Revisor of Statutes is \$33,885 more than the revised expenditure estimate for FY 1994. Salaries and wages increase \$30,781, contractual services decrease by \$1,796, and capital outlay increases by \$4,900. For FY 1995 the Governor recommends \$397 less than the agency requested.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations, with the following comment:

1. The Subcommittee notes that the final segments of the Comprehensive Classification and Job Rate Study for classified employees are included in the Governor's recommendation for FY 1995. The Subcommittee would also note that the Legislature has always provided parity between executive branch employees and nonpartisan legislative branch employees. The Subcommittee recommends that if the funding of the Comprehensive Classification and Job Rate Study is approved for classified employees that a corresponding amount be included in the omnibus appropriation bill for this agency.

SUBCOMMITTEE REPORT

Agency: Legislative Division of Post Audit

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 341

Budget Page No. 430

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,378,494	\$ 1,379,685	\$ --
State General Fund	1,378,021	1,379,212	--
FTE Positions	19.0	19.0	--

Agency Estimate/Governor's Recommendation

The revised agency estimate of FY 1994 expenditures from the State General Fund is \$41,507 less than authorized by the 1993 Legislature, including the reappropriation. Expenditures from the Audit Services Fund are estimated at \$278,469, an increase of \$107,143 above the FY 1993 actual amount. However, beginning in the current year the agency will report all expenditures from the Audit Services Fund as a non-reportable expenditure to prevent double-counting. The Governor's recommendation for FY 1994 is \$1,191 above the agency's revised estimate. The Governor does adjust the agency's salaries and wages to reflect the recent retirement of a long time agency employee and fringe benefit adjustments.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations.

SWAM
February 9, 1994
Attachment 9

SUBCOMMITTEE REPORT

Agency: Legislative Division of Post Audit

Bill No. 510

Bill Sec. 4

Analyst: Conroy

Analysis Pg. No. 341

Budget Page No. 430

<u>Expenditure Summary</u>	<u>Agency Req. FY 95</u>	<u>Gov. Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,567,162	\$ 1,405,955	\$ --
FTE Positions	22.0	19.0	--

Agency Request/Governor's Recommendation

The FY 1995 budget request of the Division of Post Audit is financed entirely by the State General Fund in the amount of \$1,567,162. Requested non-reportable expenditures from the Audit Services Fund in FY 1995 total \$279,420. The General Fund request is an increase of \$188,668 or 13.7 percent above the agency's revised current year estimate. Of the requested increase, \$171,475 relates to the addition of a 3-person audit team. For FY 1995 the Governor recommends \$1,405,955, all from the State General Fund. The Governor's recommendation is \$161,207 less than the agency requested. The Governor does not recommend the addition of a new audit team.

Senate Subcommittee Recommendations

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

1. Make a technical adjustment to the appropriation bill to include a proviso that all money received from the Department of Social and Rehabilitation Services for the Division's cost of monitoring the out-of-court agreement on foster care shall be deposited in the Audit Services Fund.
2. The Subcommittee notes that the final segments of the Comprehensive Classification and Job Rate Study for classified employees are included in the Governor's recommendation for FY 1995. The Subcommittee would also note that the Legislature has always provided parity between executive branch employees and nonpartisan legislative branch employees. The Subcommittee recommends that if the funding of the comprehensive Classification and Job Rate Study is approved for classified employees that a corresponding amount be included in the omnibus appropriation bill for this agency.
3. The Subcommittee carefully reviewed the agency's request to add an additional performance audit team in the budget year. The Subcommittee would encourage the Legislative Post Audit Committee to consider statutory changes that would permit the Committee to decide which audits have the highest priorities. For example, the

Committee is required by statute to conduct an annual performance audit of the Kansas Public Employees Retirement System(KPERS), which is in addition to the annual financial compliance audit on KPERS. The Subcommittee urges the Committee to consider statutory changes which would require the KPERS performance audit only every two or three years. The Subcommittee also suggests that the Post Audit Committee review the issue if all of the statutorily required Kansas Governmental Operations Accountability Law (K-GOAL) audits have higher priority than individual audit requests. The Subcommittee discussed the possibility of changing K-GOAL audits from statutorily required to just requiring the approval of the Post Audit Committee. In this manner, the Post Audit committee could consider the highest priority audits.

SUBCOMMITTEE REPORT

Agency: Legislative Educational
Planning Committee

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 351

Budget Page No. 432

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations: State General Fund	\$ 37,767	\$ 37,767	\$ --
FTE Positions	0.0	0.0	--

Agency Estimate/Governor's Recommendation

The revised agency estimate of FY 1994 expenditures is \$3,785 less than the amount authorized. The Governor concurs with the agency's revised estimate in FY 1994.

The Legislative Coordinating Council at its October 6, 1993, meeting decided to eliminate a separate budget for the LEPC in FY 1995 and to amend the budgets of the Legislature by adding \$32,344 and of the Legislative Research Department by adding \$2,532 to include, on a prorated basis, the amounts that were in the LEPC budget for FY 1995. The Governor concurs with the request to merge this agency's budget with other legislative budgets in FY 1995.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations.

SWAM
February 9, 1994
Attachment 10

SUBCOMMITTEE REPORT

Agency: Interstate Cooperation Commission **Bill No.** -- **Bill Sec.** --
Analyst: Conroy **Analysis Pg. No.** 350 **Budget Page No.** 354

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 170,883	\$ 170,883	\$ --
FTE Positions	0.0	0.0	--

Agency Estimate/Governor's Recommendation

The revised FY 1994 budget estimate for the Interstate Cooperation Commission is \$45,000 less than the amount authorized. The Governor concurs with the agency estimate in FY 1994.

At its November 3, 1993 meeting, the Legislative Coordinating Council (LCC) decided to recommend legislation to eliminate the Interstate Cooperation Commission and to transfer its budget to the Legislature and oversight of its former activities to the LCC. Consequently, this amended budget for the Legislature includes an additional \$227,113 in budgeted expenditures for FY 1995 to implement this policy change. The Governor concurs with the request to transfer the budget of this agency to the Legislature's.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations.

SWAM
February 9, 1994
Attachment 11

SUBCOMMITTEE REPORT

Agency: Governor's Department

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 337

Budget Page No. 218

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,591,596	\$ 1,741,596	\$ --
State General Fund	1,559,596	1,672,096	--
FTE Positions	27.0	27.0	--

Agency Estimate/Governor's Recommendation

A revised FY 1994 budget estimate is submitted which is financed by \$1,559,596 from the State General Fund and \$32,000 from the Special Revenue Program Fund. The General Fund amount is \$210,353 less than the amount the agency is authorized to spend. The Governor recommends FY 1994 expenditures of \$1,741,596 or \$150,000 more than the request. The Governor's recommendation includes \$150,000 to finance a study of the structure of the educational system of Kansas. The study would deal with all levels of the system, including elementary and secondary education, vocational education, community colleges and higher education. The Governor's recommendations can be financed within existing expenditure authorizations for the agency and no supplemental funding is required.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations.

SWAM
February 9, 1994
Attachment 12

SUBCOMMITTEE REPORT

Agency: Governor's Department

Bill No. 510

Bill Sec. 5

Analyst: Conroy

Analysis Pg. No. 337

Budget Page No. 218

<u>Expenditure Summary</u>	<u>Agency Req. FY 95</u>	<u>Gov. Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,681,880	\$ 1,674,776	\$ --
State General Fund	1,623,880	1,616,776	--
FTE Positions	27.0	27.0	--

Agency Request/Governor's Recommendation

The FY 1995 budget request of the agency is financed by \$1,623,880 from the State General Fund and \$58,000 from special revenue funds. Expenditures for salaries and wages total \$1,190,050, an increase of \$65,224 or 5.8 percent above the revised FY 1994 estimate. The estimated number of positions financed for FY 1995 is 27.0, the same amount as in FY 1994. Nonsalary expenses total \$491,830 or \$25,060 more than the agency requested for FY 1994. Special revenue resources of \$49,336 would also be available to finance expenditures in excess of those identified in the requested budget.

The Governor recommends expenditures of \$1,674,776 for FY 1995 of which \$1,616,776 is financed from the State General Fund and \$58,000 from special revenue funds. The Governor concurs with the agency's request of financing for 27.0 FTE positions. The Governor recommends \$1,182,946 for salaries and wages, an increase of \$58,120 or 5.2 percent above the FY 1994 recommendation. Additional special revenue sources would be available as in the requested budget. The Governor does not recommend any salary increase to her salary in the budget year.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations.

SUBCOMMITTEE REPORT

Agency: Lieutenant Governor

Bill No. --

Bill Sec. --

Analyst: Conroy

Analysis Pg. No. 335

Budget Page No. 452

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 101,672	\$ 101,672	\$ --
FTE Positions	3.0	3.0	--

Agency Estimate/Governor's Recommendation

The revised FY 1994 budget estimate is \$6,026 less than the amount authorized by the 1993 Legislature, including the reappropriation. The Governor concurs with the agency's estimate in FY 1994.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

SWAM
February 9, 1994
Attachment 13

SUBCOMMITTEE REPORT

Agency: Lieutenant Governor

Bill No. 510

Bill Sec. 6

Analyst: Conroy

Analysis Pg. No. 335

Budget Page No. 452

<u>Expenditure Summary</u>	<u>Agency Req. FY 95</u>	<u>Gov. Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 134,226	\$ 126,346	\$ --
FTE Positions	3.0	3.0	--

Agency Request/Governor's Recommendation

The FY 1995 budget request totals \$134,226 of which \$96,779 (or 72.1 percent) is for salaries and benefits of the Lieutenant Governor and two staff positions and \$37,447 is for other operating expenditures, primarily for travel and communications. The Governor recommends FY 1995 expenditures of \$126,346, a reduction of \$7,880 below the agency's request. The Governor does reduce contractual services by \$7,000 from the \$36,447 that the agency requested to the recommendation of \$29,447. The Governor's FY 1995 recommendation for contractual services is a 19.2 percent reduction below the recommended FY 1994 amount and a 6.1 percent reduction from the FY 1993 actual amount.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations.