

Approved: February 22, 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 17, 1994 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Leah Robinson, Legislative Research Department
Laura Howard, Legislative Research Department
Paul West, Legislative Research Department
Kathy Porter, 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 633 -- APPROPRIATIONS FOR FY 95, HOMESTEAD TAX REFUNDS, DEPARTMENT OF HUMAN RESOURCES, COMMISSION ON VETERANS AFFAIRS, DEPARTMENT ON AGING, HEALTHY KIDS CORPORATION AND CORPORATION FOR CHANGE

**Kansas Commission on Veterans Affairs
Kansas' Soldiers Home**

Senator Morris reviewed the FY 94 and FY 95 subcommittee reports (Attachment 1). Senator Karr asked whether the subcommittee had discussed closing some of the veterans' offices as a result of retirements (1993 HB 2211). Staff stated that there have not been retirements to date that would cause closure of outreach offices, but the subcommittee made adjustments to offset the effects of retirement (item 1 of the FY 95 report).

Kansas Healthy Kids Corporation

Senator Rock presented the FY 94 and FY 95 subcommittee reports (Attachment 2). Senator Salisbury told members that SB 746, which would repeal the Kansas Healthy Kids Program Act, had recently passed out of the Public Health and Welfare Committee. In discussing the abolition of the program, it was stated that there were no plans to develop the projects in Abilene or Hutchinson. Senator Rock noted that the funding for the Shawnee Mission project came from two donors in that area, and the school district will try to keep the project going. In answer to Senator Petty, staff noted that \$300,000 was included in the SRS budget for the Caring Program for Children.

Corporation for Change (Attachment 3)

The FY 94 and FY 95 subcommittee reports were reviewed by Senator Rock. Senator Salisbury observed that funding salaries had not been reduced by the subcommittee though 2.5 of the FTE positions would be authorized as special project positions (recommendation 1, Attachment 3-4). Senator Rock responded that these special project positions would be permanent.

Senator Vancrum, in response to Senator Kerr, read from a letter stating that the foundation entered the project with the understanding that it would "jumpstart" the project, but viewed ongoing support as the responsibility of the state.

It was moved by Senator Salisbury and seconded by Senator Karr that the FY 94 and FY 95 subcommittee reports for the Kansas Commission on Veterans Affairs and the Kansas' Soldiers Home be adopted. The motion carried on a voice vote.

Senator Rock moved, Senator Vancrum seconded, that the FY 94 and FY 95 subcommittee reports on the Kansas Healthy Kids Corporation and the Corporation for Change be adopted. The motion carried on a voice vote.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS, Room 123-S Statehouse, at 11:00 a.m. on February 17, 1994.

Department on Aging

Senator Kerr reviewed the FY 94 and FY 95 subcommittee reports (Attachment 4). Members discussed the results of the evaluation of the Senior Care Act (item 5 of the FY 95 report). Concern was expressed that the program was keeping only 1 out of 4 older Americans served by the program out of institutions. Senator Kerr responded that the program also improves the quality of life for those able to stay in their homes by providing a variety of services.

It was moved by Senator Kerr and seconded by Senator Karr that the FY 94 and FY 95 subcommittee reports for the Department on Aging be adopted. The motion carried on a voice vote.

Department of Revenue -- Homestead Property Tax Refunds

Senator Bogina reviewed the FY 94 and FY 95 subcommittee reports (Attachment 5). In response to Senator Karr, staff stated that a supplemental was needed in the current year because the House cut approximately \$800,000 from the 93/94 budget. The reduced carryover caused a need for the supplemental.

It was moved by Senator Moran and seconded by Senator Karr that the FY 94 and FY 95 subcommittee reports for the Homestead Property Tax Refunds be adopted. The motion carried on a voice vote.

Department of Human Resources

The FY 94 and FY 95 subcommittee reports (Attachment 6) were reviewed by Senator Salisbury. There was lengthy discussion regarding recommendation 1 of the FY 95 report. Senator Brady reviewed his minority report (Attachment 6-6). Senator Salisbury told members that all parties involved agree the performance indicators should be accomplished, and that the Director of the Employment and Training Division suggested the October 1 deadline. Senator Salisbury stated that the Director understands that the proviso to limit expenditures is intended to assist her in accomplishing those strategies where there may be resistance.

Concern was expressed that recommendation 1 represented an attempt to draft substantive legislation without the hearing process. In answer to a concern, Senator Salisbury stated that the recommendation was not an attempt to reorganize the Department, but stated that the conditions were all intended to be performance indicators and objectives to be accomplished by October 1. Concern was expressed about the possibility of losing approximately \$35 million in federal funds if the objectives weren't accomplished by the deadline.

It was moved by Senator Brady and seconded by Senator Karr that item 1 of the subcommittee report be amended by deleting the first four lines through the words "no limit status provided" and by inserting the words "Request that on October 1" before the words "the Department of Human Resources." The motion failed on a voice vote. A division was called for. The motion failed on a show of hands.

In answer to a question, Senator Salisbury stated that the 13 FTE positions were added in Workers Compensation.

Senator Salisbury moved, Senator Kerr seconded that the FY 94 and FY 95 subcommittee reports be adopted. The motion carried on a voice vote.

INTRODUCTION OF BILLS

It was moved by Senator Vancrum and seconded by Senator Lawrence that 3 RS 2492 as requested by the Senate President be introduced. The motion carried on a voice vote.

The Chairman adjourned the meeting at 12:10 P.M.

The next meeting is scheduled for February 18, 1994.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: Feb. 17, 1994

[illegible]

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Veterans Affairs

Bill No. --

Bill Sec. --

Analyst: Porter

Analysis Pg. No. 832

Budget Page No. 606

Expenditure	Agency Est. FY 94	Governor's Rec. FY 94	Subcommittee Adjustments
Operating Expenditures:			
State General Fund	\$ 1,477,369	\$ 1,466,719	\$ --
Federal Funds	102,367	102,367	--
Total	<u>\$ 1,579,736</u>	<u>\$ 1,569,086</u>	<u>\$ --</u>
FTE Positions	54.0	54.0	--

Although appropriations for the Kansas Commission on Veterans Affairs (KCVA) and the Kansas Soldiers' Home are combined, the two agencies are separated for purposes of the budget analysis. The KCVA has supervisory authority over the Soldiers' Home.

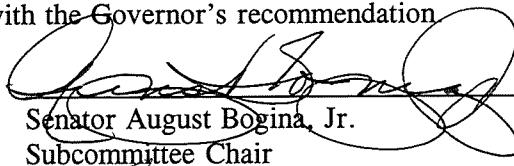
Agency Estimate/Governor's Recommendation

The agency estimates FY 1994 total expenditures from all funds of \$1,579,736, a reduction of \$7,551 from the \$1,587,287 approved by the 1993 Legislature. The Division of the Budget recommendation for the FY 1994 pay plan reduced \$7,627 from the approved State General Fund appropriation for this agency; however, the State Finance Council does not make negative adjustments. The FY 1994 estimate reflects an increase of \$76 above the FY 1994 approved level as adjusted for the FY 1994 pay plan, as recommended by the Division of the Budget. The estimated expenditures from federal funds remain at \$102,367, which is the level approved by the 1993 Legislature. The estimate reflects an FY 1994 salaries and wages turnover rate of 4.0 percent.

The Governor recommends FY 1994 expenditures of \$1,569,086, which reflects a reduction of \$10,650 from the agency estimate for salaries and wages. The recommendation includes a salaries and wages turnover rate of 4.6 percent and also reflects a reduction of \$1,104 pursuant to 1993 H.B. 2211 due to an FY 1994 retirement.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation


Senator August Bogina, Jr.
Subcommittee Chair


Senator Stephen Morris

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home

Bill No. --

Bill Sec. --

Analyst: Porter

Analysis Pg. No. 837

Budget Page No. 606

<u>Expenditure</u>	<u>Agency Est. FY 94</u>	<u>Governor's Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,606,342	\$ 1,602,366	\$ --
General Fees Fund	2,557,201	2,557,201	--
Benefit and Gift Fund*	14,660	14,660	--
Fed. Oil Overcharge Fund	--	--	--
Subtotal	\$ 4,178,203	\$ 4,174,227	\$ --
Capital Improvements:			
State Inst. Bldg. Fund	\$ 780,414	\$ 780,414	\$ --
State General Fund	--	--	--
GRAND TOTAL	<u>\$ 4,958,617</u>	<u>\$ 4,954,641</u>	<u>\$ --</u>
FTE Positions	134.8	134.8	--
Average Census	220	233	--

* Since FY 1992, the agency has paid for cable television for the Home's residents from the agency Benefit and Gift Fund.

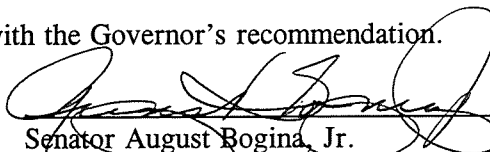
Agency Estimate/Governor's Recommendation

The Kansas Soldiers' Home estimates FY 1994 operating expenditures of \$4,178,203, a reduction of \$404 from the amount approved by the 1993 Legislature as adjusted for State Finance Council action.

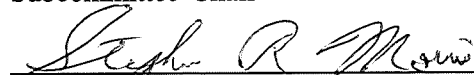
The Governor recommends FY 1994 expenditures of \$4,174,227, a reduction of \$3,976 from the agency estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.



Senator August Bogina, Jr.
Subcommittee Chair



Senator Stephen Morris

SUBCOMMITTEE REPORT

Agency: Kansas Commission on
Veterans Affairs

Bill No. 633

Bill Sec. 4

Analyst: Porter

Analysis Pg. No. 832

Budget Page No. 606

<u>Expenditure</u>	<u>Agency Req. FY 95</u>	<u>Governor's Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures:			
State General Fund	\$ 1,589,755	\$ 1,457,568	\$ 5,934
Federal Funds	98,000	98,000	--
Total	<u>\$ 1,687,755</u>	<u>\$ 1,555,568</u>	<u>\$ 5,934</u>
FTE Positions	57.0	54.0	--

Although appropriations for the Kansas Commission on Veterans Affairs (KCVA) and the Kansas Soldiers' Home are combined, the two agencies are separated for purposes of the budget analysis. The KCVA has supervisory authority over the Soldiers' Home.

Agency Request/Governor's Recommendation

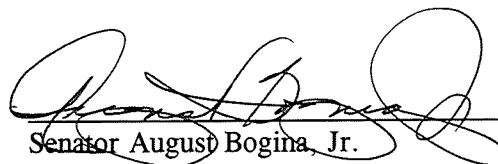
The Commission requests FY 1995 expenditures of \$1,687,755, an increase of \$108,019, or 6.8 percent, above the FY 1994 estimate. The majority of the requested increase (\$103,883) is for salaries and wages. The request includes 3.0 additional FTE positions: a Veterans Service Representative I (\$23,037, including fringe benefits), an Office Assistant II (\$18,542, including fringe benefits), and a Management Analyst II (\$35,834, including fringe benefits). The request reflects a salaries and wages turnover rate of 3.0 percent. For FY 1995, the agency requests \$26,995 to continue its agency computerization project. The 1993 Legislature approved \$40,362 (not adjusted for the 1.0 percent SGF reduction) for agency computerization in FY 1994. As of January 1994, the agency notes that it has made only minor expenditures for computer equipment to date in FY 1994 because of a concern about the agency salaries and wages turnover rate.

The Governor recommends FY 1995 expenditures of \$1,555,568, a reduction of \$132,187 from the agency request. The Governor does not recommend any of the requested new positions and does not recommend funding for the requested computer equipment. The recommendation includes a salaries and wages turnover rate of 4.6 percent.

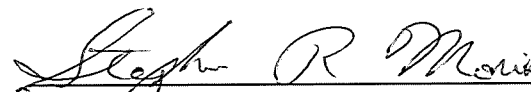
Senate Subcommittee Recommendation

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

1. Add \$5,934 from the State General Fund to reduce the salaries and wages turnover rate from 4.6 percent to 4.2 percent. The Subcommittee notes that this adjustment will bring the agency turnover rate closer to the rate of turnover experienced in previous years and will help to offset the effect of retirements anticipated in FY 1995.



Senator August Bogina, Jr.
Subcommittee Chair



Senator Stephen Morris

SUBCOMMITTEE REPORT

Agency: Kansas Soldiers' Home

Bill No. 633

Bill Sec. 4

Analyst: Porter

Analysis Pg. No. 837

Budget Page No. 606

<u>Expenditure</u>	<u>Agency Req. FY 95</u>	<u>Governor's Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 1,783,160	\$ 1,578,052	\$ 14,041
General Fees Fund	2,567,407	2,607,408	--
Benefit and Gift Fund*	17,160	17,160	--
Fed. Oil Overcharge Fund	--	--	--
Subtotal	\$ 4,367,727	\$ 4,202,620	\$ 14,041
Capital Improvements:			
State Inst. Bldg. Fund	\$ 403,440	\$ 200,000	\$ 50,000
State General Fund	--	--	--
GRAND TOTAL	<u>\$ 4,771,167</u>	<u>\$ 4,402,620</u>	<u>\$ 64,041</u>
FTE Positions	137.8	137.8	
Average Census	220	237	

* Since FY 1992, the agency has paid for cable television for the Home's residents from the agency Benefit and Gift Fund.

Agency Request/Governor's Recommendation

The agency requests FY 1995 expenditures of \$4,367,727, an increase of \$189,524, or 4.5 percent, above the FY 1994 estimate.

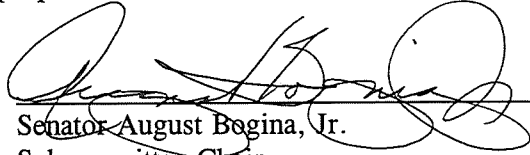
Included in the FY 1995 request are 3.0 additional FTE positions, a licensed nursing home administrator and 2.0 FTE Health Care Assistant positions. Funding for the nursing home administrator and half year funding for 4.0 FTE Service Assistant positions was approved by the 1993 Legislature, but the positions were designated as special projects positions rather than FTE.

The Governor recommends FY 1995 expenditures of \$4,202,620, a reduction of \$165,107 from the agency request. Reductions are recommended from the agency requests for salaries and wages (\$101,549), utilities (\$5,858), and capital outlay (\$57,700). The Governor recommends the 3.0 FTE positions requested by the agency to replace special projects positions approved by the 1993 Legislature.

Senate Subcommittee Recommendation

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

1. Add \$14,041 from the State General Fund to reduce the salaries and wages turnover rate from 4.6 percent to 4.2 percent. The Subcommittee notes that this adjustment will bring the agency turnover rate closer to the rate of turnover experienced in previous years and will help to offset the effect of retirements anticipated in FY 1995.
2. Add \$50,000 from the State Institutions Building Fund (SIBF) for capital improvements for the Soldiers' Home. The Subcommittee notes that the Governor's recommendation of \$200,000 is a reduction of \$203,440 from the agency request of \$403,440 for capital improvement projects. The Subcommittee further notes that this additional capital improvements funding may supplant some state operations expenditures for maintenance and repair at the Soldiers' Home. The Subcommittee intends that, as funding permits, the Soldiers' Home will utilize \$15,000 of funding approved for the Soldiers' Home to purchase laptop computers, software, and related equipment for the Kansas Commission on Veterans Affairs. The Commission had requested \$26,995 for its ongoing computerization project, but the Governor does not recommend any funding for this purpose.



Senator August Bogina, Jr.
Subcommittee Chair



Senator Stephen Morris

SUBCOMMITTEE REPORT

Agency: Kansas Healthy Kids Corporation

Bill No. --

Bill Sec. --

Analyst: Howard

Analysis Pg. No. 843

Budget Page No. 268

Expenditure Summary	Agency Est. FY 94	Gov. Rec. FY 94	Subcommittee Adjustments
State Operations:			
State General Fund	\$ 170,303	\$ 170,303	\$ (60,000)
Special Revenue Fund	43,441	43,441	--
Subtotal -- State	\$ 213,744	\$ 213,744	\$ (60,000)
Private Gifts and Grants	--	--	--
TOTAL	\$ 213,744	\$ 213,744	\$ (60,000)
FTE Positions	2.0	2.0	--

Agency Estimate/Governor's Recommendation

The Corporation estimates expenditures of \$213,744 in FY 1994, a reduction of \$63,029 from the amount approved by the 1993 Legislature. However, the agency's estimate from state funds exceeds the estimate by \$4,609. The 1993 Legislature assumed expenditure of \$67,638 in private funds. Actual FY 1993 expenditures were \$79,642, a reduction of \$79,097 from the approved amount. The Corporation was approved No Limit expenditure authority from the Healthy Kids Trust Fund for FY 1994. No position limitation was established for the agency.

The Governor concurs with the agency estimate for FY 1994.

Senate Subcommittee Recommendation

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

1. The Subcommittee received testimony from the Executive Director of the Kansas Healthy Kids Corporation stating the Corporation's recommendation that the Kansas Healthy Kid's Corporation statute be repealed effective July 1, 1994 due to the Corporation's inability to meet its fundraising goals to support the three pilot projects which had been scheduled for implementation in FY 1995. Although the Corporation received commitments of \$246,171 towards three pilot projects (estimated at a total cost of \$650,000), this amount of funding is sufficient only to operate a pilot project in Shawnee Mission. The Corporation estimates it would need an additional \$400,000 to conduct the other two pilot projects (in Abilene and Hutchinson) and to evaluate the program.

SWAM
February 17, 1994
Attachment 2

The Corporation reports that it made contact with more than 120 private fundraising donors, but experienced significant fundraising limitations. These limitations include:


- the prospect of a national health plan;
- no long-term commitment to continue the program;
- commitments to the Caring Program for Children by the two largest health foundations in Kansas;
- lack of state Medicaid expansion for children; and
- unavailability of federal demonstration funds.

The Board of Directors directed the Executive Director in December to seek funding of \$400,000 from the Legislature for the pilot projects. However, discussion before the Joint Committee on Health Care Decisions for the 1990s indicated little support for funding for the pilot projects. On January 26, 1994, the Board of Directors approved a resolution calling for dissolution of the corporation.

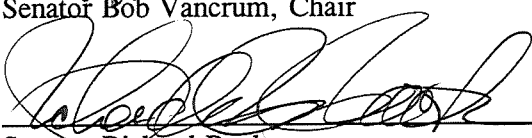
The Executive Director is currently working on "spinning off" the Shawnee Mission school district pilot project with agreements from the school district to move forward on the project. The Corporation is currently waiting to hear from Humana Health Care and the Overland Park Regional Medical Center, the major donors, to see if they will go forward with the project. If the project continues, the Executive Director of the Corporation has volunteered to handle outreach, enrollment and eligibility determination. Subsequently, she will be involved in tasks associated with closing the office and dissolving the non-profit corporation, with plans to have the office closed by June 1, 1994.

1994 Senate Bill 746 would repeal the Kansas Healthy Kids Program Act and transfer moneys in the Healthy Kids Trust Fund to the State General Fund.

The Subcommittee recommends the deletion of \$60,000 from the State General Fund at this time and would note for the Committee that approximately \$127,500 will be transferred from the Trust Fund to the State General Fund as of July 1, 1994 upon passage of S.B. 746.



Senator Bob Vancrum, Chair



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Kansas Healthy Kids Corporation

Bill No. 633

Bill Sec. 7

Analyst: Howard

Analysis Pg. No. 843

Budget Page No. 268

<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	\$ 0*	\$ 135,205	\$ (135,205)
Special Revenue Fund	217,621	82,316	(82,316)
Subtotal -- State	\$ 217,621	\$ 217,521	\$ (217,521)
Private Gifts and Grants	430,222	429,314	(429,314)
TOTAL	<u>\$ 647,843</u>	<u>\$ 646,835</u>	<u>\$ (646,835)</u>
FTE Positions	2.0	2.0	(2.0)

* The agency requests a transfer of \$135,205 from the State General Fund to the Healthy Kids Trust Fund in FY 1995.

Agency Request/Governor's Recommendation

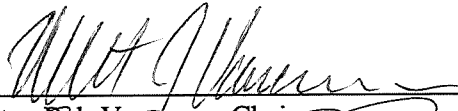
The Corporation requests expenditures of \$217,621 from state funds in FY 1995, including expenditure of \$82,216 in funds carried forward from FY 1994, and \$135,205 in new state funds transferred to the Healthy Kids Trust Fund. The agency also estimates expenditure of \$430,222 in private funds for the implementation of pilot projects in three school districts. The agency requests No Limit Expenditure authority for the Healthy Kids Trust Fund and asks that the requested state funding be transferred to that Trust Fund.

The Governor recommends total expenditures in FY 1995 of \$646,835, a reduction of \$1,008 from the agency request. The reduction reflects a change to salaries and benefits due to revised health insurance rates. The recommendation includes \$217,521 in state funds, including expenditure of \$82,316 in funds carried forward from FY 1994, and \$135,205 in a new direct State General Fund appropriation. The recommendation estimates expenditures of \$429,314 in private funds in FY 1995. The recommendation is made with the intention of the Corporation meeting the statutory goal of developing and funding three pilot projects that would provide school based health insurance programs to 464 uninsured children in FY 1995.

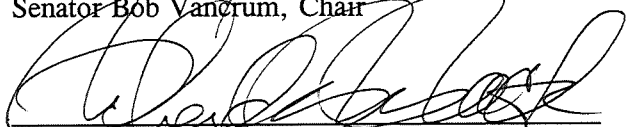
Senate Subcommittee Recommendation

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

1. Strike this section from the bill since the Healthy Kids Corporation will not be operational in FY 1995. This recommendation will reduce SGF expenditures by \$135,205 from the Governor's recommendation.



Senator Bob Vancrum, Chair



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Corporation for Change

Bill No. --

Bill Sec. --

Analyst: Howard

Analysis Pg. No. 848

Budget Page No. 146

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 591,204	\$ 591,204	\$ --
Aid to Locals	774,362	774,362	--
Total -- Operating	<u>\$ 1,365,566</u>	<u>\$ 1,365,566</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ --	\$ --	\$ --
Aid to Locals	189,090	189,090	--
	<u>\$ 189,090</u>	<u>\$ 189,090</u>	<u>\$ --</u>
FTE Positions	--*	--*	--

* The Governor recommends no position limitation for this agency but assumes 7.5 positions would be funded.

Agency Request/Governor's Recommendation

The Corporation estimates expenditures of \$1.4 million in FY 1994, including \$189,090 from the State General Fund as approved by the 1993 Legislature. The estimate includes \$310,212 from marriage license fees and federal funds for the family and children's trust fund; \$221,620 from birth certificate fees for the permanent families fund; and \$636,816 from private foundation funding.

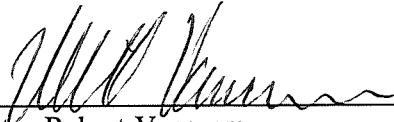
The 1993 Legislature approved no limit expenditure authority for the Corporation from the Family and Children Investment Fund, into which the agency's revenues are deposited. The Legislature established certain expenditure limits on the family and children trust account (\$750,000) and the permanent families account (\$450,000) of the Fund, but established those limits at approximately twice the amount of estimated expenditure in order to allow the agency flexibility in receipt and expenditure of private funds.

The Governor concurs with the agency's estimated expenditures in FY 1994.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the recommendations of the Governor.

SWAM
February 17, 1994
Attachment 3



Senator Robert Vancrum
Subcommittee Chair



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Corporation for Change

Bill No. 633

Bill Sec. 8

Analyst: Howard

Analysis Pg. No. 848

Budget Page No. 146

Expenditure Summary	Agency Req. FY 95	Gov. Rec. FY 95	Subcommittee Adjustments
All Funds:			
State Operations	\$ 589,014	\$ 585,192	\$ 74,873
Aid to Locals	1,788,594	807,049	--
Total -- Operating	<u>\$ 2,377,608</u>	<u>\$ 1,392,241</u>	<u>\$ 74,873</u>
State General Fund:			
State Operations	\$ 179,177	\$ --	\$ 74,873
Aid to Locals	1,159,290	177,745	--
	<u>\$ 1,338,467</u>	<u>\$ 177,745</u>	<u>\$ 74,873</u>
FTE Limit	--*	--*	5.0

- * The Governor recommends no position limitation for this agency but assumes 7.5 positions would be funded.

Agency Request/Governor's Recommendation

The Corporation requests a budget of \$2,377,608 in FY 1995, an increase of \$1,012,042 from the FY 1994 estimate. The request includes funding of \$1,338,467 from the State General Fund, \$523,537 from marriage license and birth certificate fees, \$68,951 from federal child abuse funds, and \$446,652 from private grant funds. The State General Fund request includes \$189,090 associated with continuation of family and children trust fund grants, \$970,200 for four pilot family court projects, and \$179,176 in State General Fund dollars for a portion of the Corporation's operating costs in FY 1995.

The Governor recommends expenditures of \$1,392,241 in FY 1995, a reduction of \$958,367 from the agency request. The recommendation includes \$177,745 from the State General Fund for the family and children trust fund grants to match federal funds (\$68,951), and the remainder from special revenue (\$523,537) and private (\$622,008) funds. The Governor's recommendation makes four adjustments to the agency's request:

- The Governor does not recommend \$970,200 from the State General Fund requested by the agency for family courts.
- The Governor does not recommend State General Fund of \$179,176 to fund a portion of the Corporation's operating budget, but recommends the Corporation continue managing its overhead from grant funding.
- The Governor reduces State General Fund support for family and children trust fund grants by \$11,345 to \$177,745, which would match federal child abuse prevention grants.

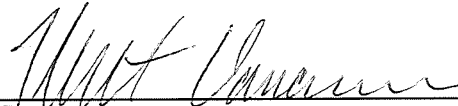
- The Governor reduces salary and wage expenditures by \$3,822 to adjust for differences in fringe benefit calculation.

The Governor's recommendation assumes operation of 40 local *Blueprint* planning councils in FY 1995 (an increase from 35 in FY 1994 and 28 in FY 1993), 4,500 technical assistance contacts (an increase from 3,500 in FY 1994 and 2,500 in FY 1993) and funding of 32 prevention projects, the same number as in FY 1993 and FY 1994.

Senate Subcommittee Recommendation

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

1. Establish an FTE limit of 5.0 positions for this agency (Executive Director, Director of Research and Accountability, Business Manager, Director of Local Initiatives, and Model Projects Coordinator). This reflects the core staffing of the Corporation which should be consistent over the life of the agency. Remaining staff (currently the equivalent of 2.5 positions) would be authorized as special project positions as specific needs and projects arise.
2. Reduce the limit on expenditures from the family and children trust account of the family and children investment fund from \$750,000 to \$500,000, and reduce the limit on the permanent families account of that fund from \$450,000 to \$350,000. The revised limits more accurately reflect projected expenditures and still provide the agency some added flexibility.
3. Add \$74,873 from the State General Fund for Corporation for Change operations in FY 1995. The recommended amount would fund the rental overhead costs of the agency (\$29,877), the salary of the business manager (\$30,996), and travel expenditures associated with the Board and Advisory Committee (\$14,000). The recommendation is intended to demonstrate the state's commitment to systems reform to the foundations providing the majority of funding for the Corporation. The Subcommittee would note that these State General Fund dollars are in addition to over \$500,000 in dedicated fees used to fund grants for child abuse prevention, foster care review boards and court appointed special advocate programs.



Senator Robert Vancrum
Subcommittee Chair



Senator Richard Rock

SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. --

Bill Sec. --

Analyst: Robinson

Analysis Pg. No. 803

Budget Page No. 50

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,884,330	\$ 1,888,572	\$ --
Aid and Other Assistance	16,417,233	16,417,233	--
TOTAL	<u>\$ 18,301,563</u>	<u>\$ 18,305,805</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ 1,027,346	\$ 1,031,588	\$ --
Aid and Other Assistance	4,456,778	4,456,778	--
TOTAL	<u>\$ 5,484,124</u>	<u>\$ 5,488,366</u>	<u>\$ --</u>
FTE Positions	31.0	31.0	--


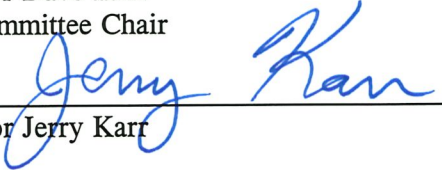
Agency Estimate/Governor's Recommendation

The agency estimates FY 1994 expenditures of \$1,884,330 for state operations, a reduction of \$6,409 from the amount approved by the 1993 Legislature, as adjusted for Finance Council action. The State General Fund estimate of \$1,027,346 is a reduction of \$4,242 from the approved amount. The estimate of expenditures from federal funds totals \$856,984, a reduction of \$2,167 from the approved amount. The agency estimates FY 1994 expenditures of \$16,417,233 for local aid and other assistance, a reduction of \$1,097,359 from the amount approved by the 1993 Legislature.

The Governor recommends FY 1994 state operations expenditures of \$1,888,572, an increase of \$4,242 over the amount estimated by the agency, and concurs with the agency's revised FY 1994 estimate for local aid and other assistance expenditures.

Senate Subcommittee Recommendation

The Subcommittee concurs with the recommendations of the Governor.


 Senator Dave Kerr
 Subcommittee Chair

 Senator Jerry Karr

SUBCOMMITTEE REPORT

Agency: Department on Aging

Bill No. 633

Bill Sec. 6

Analyst: Robinson

Analysis Pg. No. 803

Budget Page No. 50

<u>Expenditure Summary</u>	<u>Agency Req. FY 95</u>	<u>Gov. Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,097,715	\$ 1,806,456	\$ (15,000)
Aid and Other Assistance	17,590,477	16,241,270	41,716
TOTAL	<u>\$ 19,688,192</u>	<u>\$ 18,047,726</u>	<u>\$ 26,716</u>
State General Fund:			
State Operations	\$ 1,255,756	\$ 965,349	\$ (15,000)
Aid and Other Assistance	5,930,373	4,540,868	41,716
TOTAL	<u>\$ 7,186,129</u>	<u>\$ 5,506,217</u>	<u>\$ 26,716</u>
FTE Positions	34.5	32.0	(1.0)

Agency Request/Governor's Recommendation

The agency requests total FY 1995 expenditures of \$19,688,192, an increase of \$1,386,629 from the revised FY 1994 estimate. The request includes \$2,097,715 for state operations and \$17,590,477 for local aid and other assistance. The agency's state operations request includes funding for 3.5 new FTE positions: 1.0 Computer Systems Analyst II; 1.0 Social Service Administrator II; 1.0 Office Specialist; and a 0.5 FTE Secretary I. The agency's FY 1995 request for local aid and other assistance includes funding of \$5,930,373 from the State General Fund and \$11,660,104 from other funds.

The Governor recommends FY 1995 expenditures of \$18,047,726, a reduction of \$1,640,466 from the amount requested by the agency. The Governor recommends FY 1995 state operations expenditures of \$1,806,456, a reduction of \$291,259 from the agency's request. The recommendation includes funding for the addition of 1.0 FTE Computer Systems Analyst II position. The Governor's FY 1995 recommendation for local aid and other assistance totals \$16,241,270, a reduction of \$1,349,207 from the amount requested by the agency. The recommendation includes funding of \$4,540,868 from the State General Fund and \$11,700,402 from other funds.

Senate Subcommittee Recommendation

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

1. Reduce the agency's FTE position limitation by 1.0 FTE. The agency indicated that the Computer Systems Analyst II position, requested by the agency and recommended by the Governor, would assist the agency in developing an integrated

management information services plan. The goal of the plan would be to allow the agency to integrate data from the area agencies and data within the Department into an electronic system. The new position would spend a great deal of time in the field providing technical assistance to the area agencies and their grantees. The agency indicated that this system should be at least partially operational within one year. It is the recommendation of the Subcommittee, therefore, that the Computer Systems Analyst II position be a special projects position, and that the progress of the project be revisited by the 1995 Legislature for a determination as to the continued need for the position.

2. Add \$21,716 from the State General Fund for capital outlay at nutrition sites. The agency requested \$150,000 for this item in FY 1995, and the Governor did not recommend any funding. The amount of \$21,716 matches the revised FY 1994 estimate for capital outlay at nutrition sites. The Subcommittee was informed that, with no money available for capital outlay, funding for any necessary equipment replacement at nutrition sites would have to come from funding designated for meals.
3. Delete funding of \$15,000 from the State General Fund for operational costs associated with the Healthy Lifestyle promotion. The agency indicated that it has budgeted \$27,000 for evaluation of the promotion. The Subcommittee encourages the agency to explore a more economical method of evaluation of the project.
4. Add \$20,000 from the State General Fund for the Retired Senior Volunteer Program (RSVP). The Subcommittee notes that \$17,820 is budgeted from the State General Fund for support of the program in FY 1994. While this is a small portion of the total funding for the program, the Subcommittee is of the opinion that the program is worthy of continued State General Fund support.
5. The Subcommittee reviewed the recent evaluation of the Senior Care Act (SCA) for FY 1993. The report noted that, overall, 27 percent of the SCA clients interviewed indicated that they would not be able to remain in their homes without SCA services. The report indicated that the total cost of the SCA program during FY 1993 was \$761,122. The evaluation calculated savings to the state by determining the number of days that the state did not have to pay its share of the Medicaid reimbursement because SCA programs were keeping disabled elderly out of nursing homes. With a savings of \$15.91 per day, it was determined that SCA prevented 67,473 total days of institutionalization. This a savings to the state of \$1,073,495. When compared to the total cost of the SCA program for the state, the net savings to Kansas during FY 1993 was \$311,373.

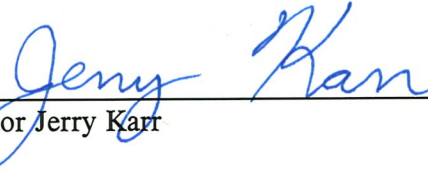
The Subcommittee commends the Department on Aging for its operation of the Senior Care Act. The SCA is clearly in the vanguard of programs designed to keep elderly Kansans in their homes as long as possible. The results of the study indicate that the program has been a positive factor in improving the quality of life for older Kansans.

6. The Subcommittee notes that a study is currently being conducted to address long term care in Kansas. The Subcommittee hopes that the study will focus on ways to improve the currently fragmented service delivery system and eliminate any potential

duplication of administrative costs. In addition, it would be helpful if the issue of shifting funding or programs from the Department of Social and Rehabilitation Services (SRS) to the Department on Aging were addressed. The Subcommittee urges the Secretaries of Aging and SRS and staffs to take active roles in the direction the study takes, as those agencies will ultimately be responsible for implementing the recommendations of the study.



Senator Dave Kerr
Subcommittee Chair



Senator Jerry Karr

SUBCOMMITTEE REPORT

Agency: Department of Revenue --
Homestead Property Tax Refunds

Bill No. 718

Bill Sec. 13

Analyst: West

Analysis Pg. No. 817

Budget Page No. 512

<u>Expenditure Summary</u>	<u>Agency Est. FY 94</u>	<u>Gov. Rec. FY 94</u>	<u>Subcommittee Adjustments</u>
State General Fund: Homestead Tax Refunds	\$ 8,920,000	\$ 8,920,000	\$ --
FTE Positions	--	--	--

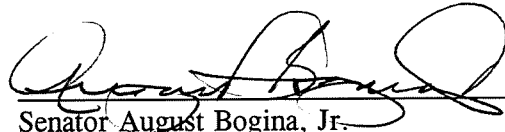
Agency Estimate/Governor's Recommendation

The agency's current year estimate of \$8,920,000 is an increase of \$505,000 from the budget approved by the 1993 Legislature. The increase in estimated expenditures is primarily attributable to a \$10.54 increase in the amount of the average FY 1994 refund compared to the estimate utilized by the 1993 Legislature. A State General Fund supplemental appropriation of \$1,572,021 is requested in order to finance the current year estimate. The difference in the increase in estimated expenditures (\$505,000) and the requested supplemental (\$1,572,021) is attributable to increased FY 1993 expenditures above the approved FY 1993 estimate. The Governor concurs with the agency's estimate.

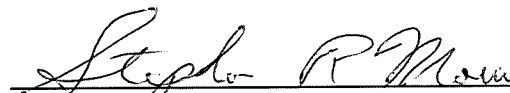
Senate Subcommittee Recommendation

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

1. The Subcommittee recommends that the House Subcommittee for this agency review year-to-date expenditures to determine if all of the recommended supplemental appropriation is required.



Senator August Bogina, Jr.
Subcommittee Chair



Senator Stephen R. Morris

SUBCOMMITTEE REPORT

Agency: Department of Revenue --
Homestead Property Tax Refunds

Bill No. 633

Bill Sec. 2

Analyst: West

Analysis Pg. No. 817

Budget Page No. 512

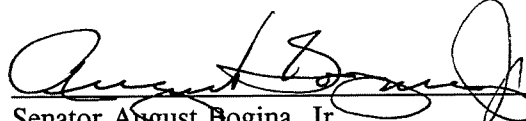
<u>Expenditure Summary</u>	<u>Agency Req. FY 95</u>	<u>Gov. Rec. FY 95</u>	<u>Subcommittee Adjustments</u>
State General Fund: Homestead Tax Refunds	\$ 8,700,000	\$ 8,700,000	\$ --
FTE Positions	--	--	--

Agency Request/Governor's Recommendation


The agency requests \$8,700,000 for Homestead Property Tax refunds in FY 1995, representing an estimated decrease of 1,200 (2.6 percent) in the number of refunds claimed and a 12 cent increase in the amount of the average refund. The agency's estimate is based on the number of returns filed for the previous calendar year (CY 1992) and estimated changes in income levels and tax levies. The Governor concurs with the agency request.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's FY 1995 recommendation.



Senator August Bogina, Jr.
Subcommittee Chair



Senator Stephen R. Morris

SUBCOMMITTEE REPORT

Agency: Department of Human Resources

Bill No. 718

Bill Sec. 15

Analyst: West

Analysis Pg. No. 819

Budget Page No. 302

Expenditure	Agency Est. FY 94	Governor's Rec. FY 94	Subcommittee Adjustments
All Funds:			
State Operations	\$ 43,743,658	\$ 43,545,212	\$ 31,284
Local Aid	--	--	--
Other Assistance	269,504,938	299,504,938	--
Subtotal	\$ 313,248,596	\$ 343,050,150	\$ 31,284
Capital Improvements	492,050	492,050	--
TOTAL	\$ 313,740,646	\$ 343,542,300	\$ 31,284
State General Fund:			
State Operations	\$ 1,034,847	\$ 1,028,942	\$ --
Other Assistance	4,938	4,938	--
TOTAL	\$ 1,039,785	\$ 1,033,880	\$ --
FTE Positions	925.5	916.5	--

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 1994 operating expenditures of \$313,248,596 is a net decrease of \$12,852,236 from the approved budget.

The Governor's recommendation for FY 1994 operating expenditures of \$343,050,150 is a net increase of \$29,801,544 from the agency's estimate including a \$30,000,000 increase in unemployment insurance payments and a decrease of \$198,446 in state operations.

State General Fund. The agency's estimate of FY 1994 State General Fund (SGF) expenditures reflects the approved budget. The Governor's current year recommendation of SGF expenditures is a decrease of \$5,905 from the agency's estimate.

Other Funds. The agency estimates that FY 1994 expenditures from federal and special revenue funding sources will be \$312,208,881, a net decrease of \$12,852,236 from the approved budget. Unemployment insurance benefits are estimated to be \$251,000,000, a reduction of \$22,000,000. Grants under the federal Job Training Partnership Act (JTPA) are increased from \$10,100,000 to \$18,400,000 due to a special discretionary grant primarily associated with flood relief efforts. Special revenue fund financed state operations are increased by \$847,764, with the major change being a \$929,666 increase in employment security administration expenditures. Net other changes decrease total expenditures by \$81,902.

SWAM
February 17, 1994
Attachment 6

The Governor recommends FY 1994 expenditures from federal and special revenue fund financing of \$342,016,270, a net increase of \$29,807,389 from the agency's estimate. Recommended unemployment insurance payments of \$281,000,000 are a \$30,000,000 increase from the agency's estimate. Salaries and wage financing is reduced by \$202,541 for revised fringe benefits calculations and retirement reductions pursuant to the provisions of H.B. 2211. Other operating expenses are increased from the agency's estimate by \$10,000. The Governor recommends an expenditure limitation increase of \$15,596, from \$283,006 to \$298,602, on the Federal Indirect Cost Offset Fund.

FTE Positions. The agency's estimate of 925.5 FTE positions is the approved level of staffing. The Governor's recommendation of 916.5 reflects the elimination of 9.0 FTE positions due to the retirement reduction provisions of H.B. 2211.

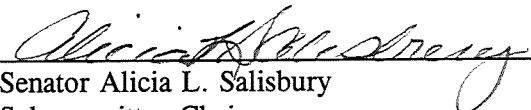
Capital Improvements. The agency's current year estimate of \$492,050 for FY 1994 capital improvements includes a requested supplemental appropriation of \$150,000 from the Penalty and Interest Fund for handicapped accessibility renovations to the agency's facilities statewide.

The Governor concurs with the agency's capital improvement estimate, including the requested supplemental appropriation.

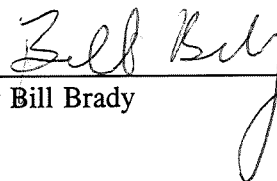
Senate Subcommittee Recommendation

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

1. As a technical adjustment, restore \$31,284 from the Employment Security Administration Fund to restore a special project position inadvertently omitted from the Governor's recommendation.
2. The Subcommittee notes that capital improvements for this agency will be addressed by the Senate Subcommittee on S.B. 528.



Senator Alicia L. Salisbury
Subcommittee Chair



Senator Bill Brady

SUBCOMMITTEE REPORT

Agency: Department of Human Resources

Bill No. 633

Bill Sec. 3

Analyst: West

Analysis Pg. No. 819

Budget Page No. 302

Expenditure	Agency Req. FY 95	Governor's Rec. FY 95	Subcommittee Adjustments
All Funds:			
State Operations	\$ 46,383,348	\$ 45,156,921	\$ 8,889
Other Assistance	228,105,000	228,105,000	--
Subtotal	\$ 274,488,348	\$ 273,261,921	\$ 8,889
Capital Improvements	201,276	201,276	--
TOTAL	<u>\$ 274,689,624</u>	<u>\$ 273,463,197</u>	<u>\$ 8,889</u>
State General Fund:			
State Operations	\$ 1,196,929	\$ 998,516	\$ 4,625
Other Assistance	5,000	5,000	--
TOTAL	<u>\$ 1,201,929</u>	<u>\$ 1,003,516</u>	<u>\$ 4,625</u>
FTE Positions	960.5	929.5	--

Agency Request/Governor's Recommendation

New Initiatives. The agency's FY 1995 budget request includes the following new initiatives and program expansions:

- Workers Compensation.** The agency requests \$1,327,604 from the Workmen's Compensation Fee Fund for 33.0 FTE new positions for further implementation of workers compensation reform passed by the 1993 Legislature. The request includes \$1,008,256 for salaries for the 33.0 positions and other operating expenses of \$319,348. The Governor recommends \$502,325 from the Workmen's Compensation Fee Fund for salaries (\$437,325) and other operating expenses (\$65,000) for 13.0 FTE new positions for the Workers Compensation program.
- Apprenticeship.** State General Fund financing of \$53,324 is requested for 1.0 FTE new position (\$35,429) and other operating expenses (\$17,895) for increased enforcement of the state's child labor laws. The Governor does not recommend funding for the requested new position.
- Hispanic Affairs.** State General Fund financing of \$29,235 is requested to restore staffing for the Hispanic Affairs program to the FY 1992 level of 4.0 FTE positions. The Governor does not recommend funding for the requested new position.

Senate Subcommittee Recommendation

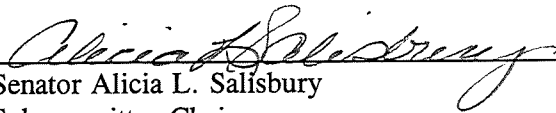
The Senate Subcommittee concurs with the Governor's recommendations, with the following adjustments:

1. Attach a proviso on the no limit Employment Security Administration Fund and each of the Job Training Partnership Act (JTPA) Funds which would limit expenditures on those funds to 25 percent of estimated FY 1995 expenditures. On October 1, the funds would return to a no limit status provided that the Department of Human Resources submits to Kansas Inc. a comprehensive plan for the creation of pilot projects in four separate areas of the state to consolidate training and employment services in one office in each area under complete authority of a regional manager to be effective on October 1, 1994; and provided that the Department of Human Resources reorganizes the JTPA's service delivery areas (SDA) and reconfigures all regional and service delivery areas to conform with these new boundaries, including the establishment of new regional employment and training councils to coordinate all applicable programs to be effective October 1, 1994.

In its presentation to the Joint Committee on Economic Development, Kansas Inc. noted that coordinated workforce training is perhaps the key to the state's future economic well being, but that training and employment services often are provided in an uncoordinated manner which results in wasted resources, both human and economic. The recommendation of a Kansas Inc. workforce training task force are incorporated in the proviso and have been recognized by the Department of Human Resources, Division of Employment and Training, as appropriate strategies.

2. As a technical adjustment, amend S.B. 633 to reflect the Governor's recommendation of 929.5 FTE positions.
3. Reduce Workmen's Compensation Fee Fund financing for the new positions recommended by the Governor by \$29,258. The Subcommittee has been informed that the funding recommended by the Governor would support 13.0 FTE Special Investigator positions. The agency has proposed that three of the new positions be used for clerical and support staff instead.
4. Add \$33,532 from the Workmen's Compensation Fee Fund to correct errors in the agency's budget submission on the salaries of the Medical Administrator and Attorney II positions in the Workers Compensation program.
5. The Subcommittee notes that K.S.A. 74-715 creates the Workmen's Compensation Fee Fund. The Subcommittee recommends an amendment to an appropriate bill to statutorily change the name to the Workers' Compensation Fee Fund.
6. Add \$4,625 from the State General Fund to permit the Commission on Disability Concerns to expand their office space at 1430 S.W. Topeka. The Subcommittee reviewed the office space currently used and needed by the Commission and concurs with the Commission that the existing space is inadequate. The Subcommittee has been informed that additional space is available at the Commission's current location.

7. The Subcommittee notes that the performance analysis of the Advisory Committee on Hispanic Affairs recommended by the 1993 Legislature should be completed around March 15 and recommends that the study's findings and recommendations be considered by the House Subcommittee or in the Omnibus bill, as well as the request to restore staffing to the FY 1992 level.
8. The Subcommittee has reviewed the methods for calculating overtime at the agency and notes that the agency bases any overtime compensation on actual hours worked and does not allow employees to pyramid overtime claims through the use of annual leave.
9. The Subcommittee notes that FY 1995 capital improvements for this agency will be addressed by the Senate Subcommittee on S.B. 528.

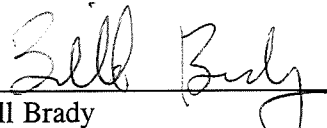


Senator Alicia L. Salisbury
Subcommittee Chair

Senator Bill Brady

Subcommittee Report

I do not concur with my fellow Subcommittee member's recommendation number 1. I understand my colleague on this subcommittee has a great deal of knowledge garnered in other committees on this issue. No testimony was presented to the Subcommittee which would indicate the need for such a broad sweeping change in state policy. At this point I could not say such a change is needed but the process of introducing legislation and allowing public input is a better way to seek change than this proviso. I concur with the balance of the Subcommittee report.



Senator Bill Brady