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M I N U T E S

Special Committee on Ways and Means - House

October 24, 1975

Members Present

- Representative Wendell Lady, Chairman
- Representative R. E. Arbuthnot
- Representative William Bunten
- Representative Denny Burgess
- Representative James Cubit
- Representative Keith Farrar
- Representative Ben Foster
- Representative Richard L. Harper
- Representative David Heinemann
- Representative Rex Hoy
- Representative John Ivy
- Representative Irving R. Niles
- Representative Herbert A. Rogg
- Representative John Vogel
- Representative Lynn Whiteside
- Representative R. C. Zajic

Staff Present

- Mr. Marlin Rein, Legislative Research Department
- Mr. Robert Epps, Legislative Research Department
- Mr. Robert Haley, Legislative Research Department
- Mr. Alden Shields, Legislative Research Department
- Mr. Carl Tramel, Legislative Research Department
- Mr. Jim Wilson, Revisor of Statutes Office

The Special Committee on Ways and Means - House was convened at 10:01 a.m., Friday, October 24, 1975 by Vice Chairman William Bunten.

Proposal No. 54 - Use of State-Owned Aircraft

Vice Chairman Bunten introduced Mr. Tim Kirkpatrick of the Governor's Office for a report on the demand for state aircraft usage. Mr. Kirkpatrick remarked that he would be willing to answer any questions regarding the demand for state aircraft usage or on aircraft usage in general. Representative

Foster indicated that he did not believe the Governor's plane was large enough and solicited Mr. Kirkpatrick's remarks on the size of the plane. Mr. Kirkpatrick indicated that the Governor's plane, with its executive type seating arrangement, had a normal passenger load of four. The four-passenger load limit results in many potential passengers being turned away. Representative Foster then inquired as to the cost of a six to eight passenger plane. Mr. Kirkpatrick replied that a six to eight passenger turboprop would cost approximately one-half million dollars. Such a plane would sacrifice some short field landing capability in accommodating larger passenger load.

In response to Representative Cubit's inquiry regarding operating cost, Mr. Kirkpatrick indicated that operating costs for such a plane would be approximately \$100 to \$120 per hour as opposed to the \$75 per hour for operation of the current aircraft which includes the cost of fuel, maintenance, insurance and hangar rental. In response to Representative Cubit's question about the resale value of the present aircraft, Mr. Kirkpatrick indicated that the cost would be approximately \$110,000 to \$130,000. In response to Representative Farrar's question about the number of hours flight time, Mr. Kirkpatrick indicated that the Governor's plane was flown 355 hours during the last fiscal year (FY 1975).

Mr. Rein, referring to a report provided the Committee, indicated that some agencies want a smaller aircraft to accommodate one to two passengers. Therefore, the present plane is too big for some agencies and too small for others. Mr. Kirkpatrick agreed with Mr. Rein's remarks and stressed that no one single aircraft can meet all agencies' needs.

Representative Vogel inquired as to whether the report considered factors of time and personnel involved in air travel. Mr. Kirkpatrick replied that he considered both time and salary level of people involved in the survey. In his opinion, paying people to travel is wasteful and the function of aircraft is to cut the amount of time involved in travel. He further indicated that neither overnight expenses nor driving fatigue were considered. Mr. Kirkpatrick indicated that the value of time in travel is a function of an individual employee's salary level. Therefore, it is easier to justify air travel for a \$30,000 per year employee than for a lower paid person. Vice Chairman Buntin inquired as to the point in which an employee's salary justifies travel by aircraft. In response, Mr. Kirkpatrick indicated that he did not want to or that he could not give a precise answer but he indicated that any travel over 100 miles with a salary total in excess of \$50,000 definitely justified air travel. Mr. Kirkpatrick reported that his interviews with agency heads revealed approximately 650 hours of flying

time per year would be used if state-owned aircraft were available. Mr. Kirkpatrick believed that most agency budgets would need to be adjusted to accommodate more air travel. Mr. Tramel requested that Mr. Kirkpatrick provide a list of the major state agencies with three primary reasons for travel. Mr. Kirkpatrick provided the following list of agencies and air travel demands:

1. Department of Agriculture - two trips per month in excess of 250 miles.
2. Kansas Department of Economic Development (Industrial Division) - 40 trips per year for industrial projects.
3. Department of Transportation - 30 trips per year both in state and out-of-state.
4. Department of Education - 24 trips per year both in state and out-of-state.
5. Board of Regents - Mr. Bickford indicated that the costs of the present aircraft are too expensive for Regents' use.
6. Department of Corrections - seven trips per year in state and two trips per year out-of-state. In addition the Department of Corrections indicated that between 20 and 25 trips per year could be made out-of-state to pick up parolees.
7. Department of Social and Rehabilitation Services - two trips per year to each of the outlying institutions (eight) plus 15 out-of-state trips.
8. Department of Health and Environment - 12 trips per year.
9. State Corporation Commission - indicated no major use but perhaps six to eight intrastate trips per year.

Representative Whiteside inquired whether increased use of air travel would cut down on the amount of automobile travel by state employees. Mr. Kirkpatrick replied that he did not know specifically whether such a tradeoff would occur. Representative Farrar inquired as to whether most agencies would use the capacity of the Governor's airplane. Mr. Kirkpatrick replied most agencies would use this capacity because the cost would be essentially the same regardless of whether one or five employees were involved in travel. Mr. Kirkpatrick

was unable to provide an answer to Representative Rogg's question as to whether increased use of state-owned aircraft could reduce the number of state employees. Mr. Rein inquired as to whether Mr. Kirkpatrick had analyzed in-state and out-of-state travel by automobile. Mr. Kirkpatrick replied that a clearing house for both vehicles and airplanes is needed to coordinate travel by state employees. Mr. Rein indicated that some analysis should be made of state travel needs to assess the demand load by destination and day of week.

Representative Whiteside asked about the air travel situation in surrounding states. Mr. Kirkpatrick replied that all the surrounding state have more state owned aircraft than the State of Kansas. Missouri, for example, has an aircraft pool which is made available for state agency use on a charter basis. The Missouri governor's plane has capacity for eight passengers. In reponse to Representative Foster's question about a circuit arrangement, Mr. Kirkpatrick indicated that the State of Kansas could make use of a circuit travel arrangement within the state. In response to a question from Representative Hoy about seating capacity, Mr. Kirkpatrick indicated that the difference between commuter seating and executive seating was four passengers -- eight for commuter seating arrangements versus four for executive. Mr. Kirkpatrick suggested that a turboprop aircraft be considered because of its speed, safety, and altitude capability. Mr. Kirkpatrick further indicated that smaller planes are not as safe or reliable and that they are limited by night and bad weather conditions. In response to a question posed by Representative Farrar concerning safety of single engine planes, Mr. Kirkpatrick stressed that he did not indicate that single engine aircraft are unsafe. Mr. Kirkpatrick stated that single engine planes would pose slight problem in attracting qualified pilots in that qualified pilots are not attracted by small single engine aircraft in a professional sense. Mr. Kirkpatrick would not like to see an air travel system developed in which agency employees serve as pilots. He feels that part-time pilots are not as reliable as full-time professional pilots.

Chairman Wendell Lady requested Mr. Kirkpatrick to summarize his recommendations. Mr. Kirkpatrick replied that there are some losses of labor and dollars, assuming employees would otherwise be productive. State agency demand for air travel is increasing and at present at least 650 hours per year could be utilized by state agencies. Travel budgets for some agencies would be a problem in converting to air travel. Chairman Lady expressed the opinion that the Kansas Forestry, Fish, and Game Commission, based in Pratt, could not make adequate use of the aircraft pool arrangement. Mr. Kirkpatrick agreed with this assessment, stating that duties and needs for short field capacity, plus the location of the agency would exclude it from effective participation in the pool arrangement. Mr.

Kirkpatrick stated that the Forestry, Fish, and Game Commission should own its aircraft and provide for its own pilot.

Mr. Ray Arvin, representing the Kansas Department of Economic Development, was introduced by Chairman Lady. Mr. Arvin commented that Kansas produces 70 percent of the airplanes built in the free world but that the state lags behind other states in air travel. Mr. Arvin indicated that aircraft should be viewed as time saving machines and planes should be equated with saving time. Mr. Arvin noted that most industries cannot operate without the use of an aircraft in terms of their efficiency. Therefore, state government should consider more usage of aircraft. Another factor to be considered is that aircraft can play a role in taking government to the people in the state. Representative Hayden requested a report on the status of rural airport development in Kansas. Mr. Arvin reported that much development has taken place without the use of either state or federal funds. Airports in small communities are of critical value in attracting and locating commerce. Mr. Arvin noted that a special study entitled The Ohio Rural Airport Plan plays a major role in increasing the economic base for small communities in Ohio and that approximately \$7,000,000,000 in investments can be attributed to this plan. The Kansas Legislature is now studying the Ohio Rural Airport Plan.

Mr. Arvin noted that there are now approximately 125 public rural airports in the State of Kansas and 85 of those airports have had surface runways. Mr. Arvin is of the opinion that the 55 mile per hour speed limit and the increasing use of aircraft for applying insecticides are important factors in promoting the use of rural airports. Mr. Arvin also indicated that the present federal program of funding rural airports has created problems in some communities.

At this point in the meeting Mr. Arvin was excused and Chairman Lady requested that Committee members make recommendations on the matter. Representative Farrar suggested that the Committee limit its discussions to the plane that has been requested by the Kansas Forestry, Fish, and Game Commission. Representative Foster concurred and moved that the Committee recommend that the 1976 Legislature grant authority for the Kansas Forestry, Fish, and Game Commission to buy a single engine aircraft manufactured in the State of Kansas and that a pilot position also be granted. Motion was seconded by Representative Zajic. In response to a question by Representative Burgess concerning funding for such an airplane, Chairman Lady stated that the Kansas Forestry, Fish, and Game Commission was basically a fee agency but that State General Fund money might be necessary to provide the aircraft. Representative Farrar stated that the amount of \$50,000 would cover the cost of the aircraft. Mr. Tramel indicated that the agency would probably convert an existing position to a pilot.

Representative Harper expressed favorable opinion toward getting a larger plane rather than just a small plane for the Forestry, Fish, and Game Commission. Representative Burgess was favorably disposed toward the proposal if it saves money or reduces staff; otherwise, he was opposed to the motion. Representative Farrar cautioned that the efficiency of the airplane should be investigated thoroughly because past expenditures made with good intentions for efficiency items have not always produced the expected benefits. Representative Hoy noted that, to be competitive with private corporations, state aircraft usage should be 20 to 25 percent more efficient because corporations have a tax advantage factor. Representative Cubit indicated opposition for general revenue money going into the Kansas Forestry, Fish, and Game Commission's budget. Following additional discussion, Chairman Lady called for a vote on the motion. It carried unanimously.

Concerning the matter of making recommendation toward the purchase of a larger aircraft, Representative Hayden expressed the opinion that the Committee was not yet ready in that it did not know the cost involved nor did it have a definite plan of action. Following this line, Chairman Lady moved that the Committee take no action on the issue due to the lack of information. This motion was seconded by Representative Vogel. A general discussion about how to best acquire the necessary information on which to base a recommendation followed. Following the discussion, Chairman Lady moved that a management study be made to obtain the necessary information. Representative Rogg requested that the Department of Administration be involved in such a study. Representative Heinemann seconded this motion. The motion was made that the Committee recommend funds be appropriated to hire a consultant to perform necessary transportation studies under the guidance of the Secretary of Administration. The motion was seconded by Representative Heinemann. Chairman Lady called for a vote on the motion; the motion carried unanimously. Following the vote, Chairman Lady recessed the meeting until 1:15 p.m.

Afternoon Session

Before going into the scheduled agenda items, Chairman Lady briefly discussed assignments for the budget hearings that are now in progress. Representative Whiteside moved that the minutes of the last meeting be approved. Vice Chairman Buntun seconded this motion. Committee vote was made and the motion was carried unanimously.

Proposal No. 55 - Cost and Distribution of KANSAS! Magazine

Mr. Haley briefly discussed a handout on the proposal that showed consensus on the following matters: deficiency of the circulation of the magazine; concern over its fee structure; and an agreement that both agencies should conduct a readership survey. Representative Whiteside recommended that the staff report be adopted as written. Representative Farrar seconded the motion. Motion was carried unanimously.

Proposal No. 52 - Estimation of Special Revenue Fund Income

Mr. Shields reviewed the Committee's basic charge and the various factors the Committee considered. He then noted the Committee's recommendations that there were sufficient safeguards in the appropriations process to ensure that approved budget levels are adhered to and that the Committee desires to maximize the use of non-State General Fund revenues. Representative Whiteside recommended that the report be approved as written. This was seconded by Representative Hayden and the motion carried unanimously.

Proposal No. 53 - Educational Incentives

Mr. Rein briefly summarized the Capitol Complex Program, making reference to the existence of the advisory council. He then noted the lack of uniformity in application of Senate Bill No. 1014 among state employees.

The Committee report carries three basic recommendations:

1. It is undesirable at this time to mandate uniform policy on employee education through legislation.
2. General support of the program is endorsed.
3. No legislative action should be taken until the Secretary of Administration develops rules and regulations.

Representative Farrar moved that the report be approved as written. Representative Hoy seconded the motion. The motion was then carried unanimously.

Election of Welfare Payments or Unemployment Insurance

Committee consideration was given to the Supreme Court ruling that an unemployed head of household may elect to receive either unemployment benefits or welfare, whichever is higher. Mr. Shields explained that staff has not prepared a real proposal on this item in that the issue is not a formal proposal. Mr. Shields suggested that a letter be prepared to the Coordinating Council on the matter, suggesting that no action be taken other than close monitoring of the situation.

It was noted that the fiscal ramifications as indicated in the previous meeting by Dr. Harder, Secretary of Social and Rehabilitation Services, were too great in terms for its fiscal impact. Mr. Shields indicated that there was not sufficient evidence at this time to indicate much concern over the financial ramifications. It was suggested by Mr. Shields that the Committee may wish to recommend a resolution be made during the session to have Congress strike the pertinent sections of the period.

Chairman Lady stated since there was no great shift from unemployment to ADC at the present time, it was best to monitor the program and if necessary, to then make recommendations. On the motion that would direct a letter to the Coordinating Council and call for a resolution during the 1976 session, Representative Whiteside moved that the motion be adopted. This was seconded by Representative Harper; the motion carried.

Biennial Tour

Concerning the upcoming Joint Ways and Means Committees biennial tour, Mr. Rein explained the tour itinerary for each day. Basically, the tour calls for a departure from Topeka (from the State Capitol Building) at 7:30 a.m. on Monday, December 1. Visits of two community agencies in Newton will be followed by a trip to Hutchinson via the Sand Hills Park for an inspection of the Kansas State Fair. After spending Monday night in Hutchinson, the group will tour the State Reformatory from 8:00 a.m. until 10:00 a.m., then proceed to Great Bend for a tour of the Barton County Community College. After lunch the group will travel to Larned to inspect the Larned State Hospital. Wednesday morning at 8:00 a.m. the group will travel from Larned to Hays to visit the State College. After lunch in Hays the group will briefly visit the Frontier Historical Park and then proceed on to Norton to tour Valley Hope Alcoholism Treatment Center. Wednesday night will be spent in Norton. Thursday morning is set aside for touring Norton State Hospital and travel to Beloit. After visiting the Area Vocational School and the Youth Center in Beloit, the group will travel to Salina. Friday

morning is scheduled for Kansas Technical Institute and the Vocational Rehabilitation Center located on the grounds of the former Schilling Air Base immediately south of Salina. After visiting a second area vocational school after lunch, the group will depart for Topeka with an anticipated arrival time of approximately 5:00 p.m. Vice Chairman Bunten expressed a desire to have the Area Vocational Technical School tour scheduled for Friday afternoon moved up to Friday morning in order to shorten the day's schedule. General concurrence was then expressed by other members of the Committee in favor of this adjustment period.

Mr. Rein also indicated that the fiscal staff had prepared brief summaries of all budget requests which are available to the members. Chairman Lady indicated that the next committee meeting would be the biennial tour scheduled for the week of December 1 - 5 , 1975. Meeting adjourned at 1:58 p.m.

Prepared by Robert Epps

Approved by the Committee on:

Jan 11, 1976
(Date)
Wendell Lady
(Chairman)

October 16, 197

MEMORANDUM

TO: Special Committee on Ways and Means - House
FROM: Legislative Research Department
RE: Proposal No. 52 - Estimation of Special Revenue
Fund Income

Background

Proposal No. 52 directed the Committee to study that part of the budget and appropriations process wherein State General Fund appropriations are used to supplement federal funds or other special revenue funds in the funding of certain state programs. In the review of agency budgets during the 1975 legislative session, concern was expressed about the number of instances in which state funds were used to supplement either federal or other special revenue funds in which it appeared that state agencies underestimated special revenue fund income, thereby requiring increased State General Fund appropriations. The matter received particular attention in conjunction with federal extension funds at Kansas State University and the Hospital Revenue Fund at the Kansas University Medical Center. In the case of Kansas State University, federal extension funds had in recent years been appropriated "no limit" and to the extent that actual receipts exceeded the estimates, the University had the opportunity and capability of exceeding the approved budget. House Committee action placed an expenditure limitation on these funds for FY 1976.

Specifically, the Committee was directed to identify agencies in which State General Fund appropriations were used to supplement special revenue funds in the funding of agency programs and to evaluate special revenue fund income estimating procedures. The Committee was further charged with consideration of methods, where warranted, by which improved legislative control could be placed on the expenditure of special revenue funds through the appropriations process.

As a means of looking at the problem, committee staff assembled data on state agency special revenue funds that are supplemented by State General Fund appropriations to fund specific agency programs. The tabulation encompassed 34 separate state agencies and 49 separate special revenue funds. Funds surveyed included the General Fees Funds of the colleges and universities, the institutions under the Department of Social and Rehabilitation Services, the Park and Resources Authority, the State Historical Society, the Hospital Revenue

Fund of the Kansas University Medical Center, Institutional Title XIX receipts and a variety of other special revenue funds representing the different functional areas of the budget and representing both federal and non-federal sources. The respective funds were reviewed with respect to the accuracy of the receipts estimates as well as the means by which appropriations were made from these funds.

Appropriations

Appropriations from special revenue funds are generally of two types. For the vast majority of special revenue funds studied, expenditure limitations are established. These limitations cannot be exceeded except upon the approval of the Legislature or the State Finance Council. In a limited number of cases "no limit" appropriations are made which, in effect, allow the agency to make expenditures from the fund without limit. Of the 49 special revenue funds surveyed by the Committee, expenditure limitations were established on all but two funds, those being the Social Welfare Fee Fund and the Federal Child Welfare Service Fund of the Department of Social and Rehabilitation Services. In its review of these two funds, the Committee found special circumstances associated with the overall funding of the welfare program that made it desirable to appropriate these funds on a "no limit" basis. In addition, other mechanisms in the Department of Social and Rehabilitation Services appropriations tend to limit expenditures from the funds anyway.

The Committee also reviewed its 1975 action of establishing an expenditure limitation on Federal Extension Funds at Kansas State University. During Fiscal Years 1973 and 1974, it was found that the University had exceeded its approved extension budget by \$181,667 and \$410,557 respectively, by merit of the "no limit" appropriation. With the establishment of a limitation on the fund for FY 1976, this will no longer be possible.

The Committee found no other significant cases where the approved budget of a state agency program could be exceeded because of a "no limit" appropriation.

Revenue Estimates

A number of factors tend to influence the success or difficulty with which special revenue fund receipts can be accurately estimated. In the case of the General Fees Funds of the colleges and universities enrollment projections are paramount, both as to total enrollments and the mix of regular and part-time students. In the case of the Hospital Revenue Fund

of the Kansas University Medical Center, patient volume, third party collections and other related factors tend to impact the estimates. A diversity of problems are encountered with respect to federal funds. Some federal programs have a high degree of predictability, particularly in the case of certain formula grants. In other cases, certain of the categorical federal programs pose different kinds of problems. Differences in authorizations and appropriations at the federal level have a significant impact on the amounts available to individual states or for specific state programs. Many of the budgets for given state agency programs are developed and approved prior to final determination of the actual federal dollars available. Administrative problems related to the means by which the federal funds are remitted to the states are also encountered. Some federal programs provide for prospective funding while others are funded on a reimbursable basis. In a limited number of cases, total grant amounts are remitted to the state in one payment. Another circumstance influencing federal receipts is the matter of retroactive adjustments made in favor of the state on the basis of an audit on a specific program. The audit may have revealed for example, that the state was authorized additional claims in which case the receipt of these additional claims would be deposited to a particular special revenue fund, despite the fact that the claim relates to a prior fiscal year.

With respect to the actual survey of the special revenue funds, actual receipts for Fiscal Years 1972, 1973, and 1974 were compared to the original estimate of receipts for those fiscal years for the 49 special revenue funds surveyed. Actual receipts were also compared on a composite basis with the revised receipts estimates submitted with the succeeding year's budgets. The major focus was on the original official estimates contained in the detailed agency budget requests adjusted for any changes made in the estimates during budget review. The original estimates were selected for comparison purposes inasmuch as they were believed to have more influence on the budgetary decision-making process than do the revised estimates submitted in the succeeding year's budget. As a general practice, any adjustments made in the receipts estimates for the current year are reflected in the succeeding years funding of a specific program, with no adjustment in the State General Fund share of the program funding for the current year.

Actual receipts for the 49 special revenue funds surveyed totaled \$55.6 million in FY 1972, \$64.4 million in FY 1973, and \$64.5 million in FY 1974. These actual receipts compare with original budget estimates of \$51.9 million in FY 1972, \$56.7 million in FY 1973, and \$63.3 million in FY 1974. Actual receipts for the three fiscal years exceeded the original budget estimates by 7.1 percent in FY 1972, 13.6 percent in FY 1973, and only 1.4 percent in FY 1974. The margins of difference were cut substantially when comparing actual receipts with the revised estimates submitted in the succeeding year's budget.

A simplistic reading of the overages would be to assert that excess State General Fund appropriations were made in each of the fiscal years for the respective amounts. However, as excess receipts are used to fund succeeding years' operations, thus reducing State General Fund requirements for those years, this is not the case. It is true, for example, that had the estimates of receipts for FY 1972 been reflective of actual receipts, the original State General Fund appropriations for FY 1972 could have been reduced by \$3.7 million. Future State General Fund appropriations, however, would have had to have been increased to reflect the smaller carry-over balance.

Conclusion and Recommendations

1. From the appropriations standpoint, the Committee finds adequate safeguards in the appropriations process to ensure that approved budget levels are adhered to. With the exception of the Social Welfare Fee Fund and the Federal Child Welfare Services Fund of the Department of Social and Rehabilitation Services, expenditure limitations have been established on those special revenue funds that together with State General Fund appropriations, fund agency activities and programs. In the case of the Department of Social and Rehabilitation Services, the unique nature of the programs funded by these funds as well as certain other appropriation mechanisms, tend to limit expenditures from these funds anyway.

2. With respect to the estimation of special revenue fund receipts, the Committee finds that while funding problems can arise on an individual agency or program basis as a result of problems in estimating receipts, the significance and importance of the estimating process is in the impact on the total budgeting process. On an individual agency or agency program basis the problems are of a relatively short term. When receipts exceed the budget estimates for a particular year, they are simply shifted forward to succeeding years and in effect, reduce future State General Fund requirements. From the standpoint of the orderly commitment of State General Fund dollars in the total budgeting process, however, the accurate estimating of special revenue fund receipts becomes particularly important. The maximization of non-State General Fund funding of agency operations and programs will ensure that the limited State General Funds available can be timely and appropriately committed to the variety of programs which they support.

3. The Committee recommends that the 1976 Ways and Means Committee give special attention to the review of special revenue fund estimates. Particular attention should be given to the Hospital Revenue Fund of the University of Kansas Medical Center, the Social Welfare Fee Fund, the general fee funds of the colleges and universities and state institutions and Institutional Title XIX receipts.

October 16, 1975

MEMORANDUM

TO: Special Committee on Ways and Means - House
FROM: Legislative Research Department
RE: Proposal No. 53 - Educational Incentives

Proposal No. 53 directed that a study be made of educational incentive programs for state employees in Kansas. The proposal was assigned to the House Special Committee on Ways and Means.

Background

During the 1975 legislative session, House Bill No. 2477 was referred to the House Committee on Ways and Means. The subject bill directed the Secretary of Corrections to prepare and implement procedures to provide incentives to encourage correctional officers at state correctional institutions to further their education. The bill further directed the Secretary of Corrections to recommend to the Director of Personnel amendments to the civil service pay plan necessary to implement such a procedure. The Committee took no action on House Bill No. 2477. A motion was adopted asking that the Legislative Coordinating Council assign responsibility to an interim study committee to determine the advisability of providing a program of educational incentives for all state employees.

Upon consideration of the general application of the bill, the Committee opted to concentrate its study on a review of the Capitol Area Complex Management Program established by the 1974 Legislature. Funds totaling \$77,051 were appropriated for Fiscal Year 1975 to the University of Kansas to initiate the program. During the same 1974 session, the Legislature enacted Senate Bill No. 1015, authorizing any agency to pay tuition and other educational expenses for personnel of the agency when it was determined by the head of the agency that such education or training was of value to the state.

During the 1974-75 school year, approximately 75 students were enrolled in the Capitol Area Complex Management Program. 59 employees representing 21 state government agencies were included in the enrollment. The remaining 16 students were employed by city and county government departments, Social Security administration, Menninger Foundation, and Kansas Blue Cross - Blue Shield.

Following the passage of Senate Bill No. 1015, coupled with the establishment of the Capitol Area Complex Management Program, by Executive Order Governor Robert Docking established an advisory council for the Capitol Area Complex Management Program comprising a number of state agency directors. The council was charged with the responsibility of coordinating the graduate program and adopting rules and regulations governing the application of Senate Bill No. 1015. In September, 1974, the council adopted guidelines for the payment of tuition and other educational expenses. These guidelines provided generally the conditions under which the state could reimburse for tuition and books and the procedures governing the allowance for time off to attend class. Because it was determined that the council was not legally able to adopt rules and regulations, its efforts were thus limited to making suggested guidelines for agency heads. On August 15, 1975, by Executive Order, Governor Robert Bennett abolished the council and directed the Secretary of Administration to adopt rules and regulations governing the application of Senate Bill No. 1015.

In the committee's review of policies which have been established by various state agencies with regard to reimbursement for tuition costs, cost of books, and time off to attend classes, it became apparent that there was no uniformity in the application of the suggested guidelines which were laid down by the advisory council. Some agencies were providing full reimbursement of tuition costs and books and allowance of time off to attend classes whereas other agencies provided no financial reimbursement. In some cases, agencies were even reluctant to allow students an hour off to attend classes.

Committee Recommendations

The Committee concluded that it would be undesirable to mandate by legislation a uniform policy with regard to tuition and books reimbursements, and allowance for time off. The Committee also concluded that it would be to the state's advantage to support the development of the program inasmuch as it serves as a valuable recruiting device for state government.

The Committee would recommend that no legislative action be taken until the Secretary of Administration has promulgated rules and regulations governing the administration of the program. It is anticipated that rules and regulations will be developed prior to the second semester of the current academic year.

October 21, 1975

MEMORANDUM

TO: Special Committee on Ways and Means - House
FROM: Legislative Research Department
RE: Preliminary Report on Proposal No. 54 -
Use of State-Owned Aircraft

Proposal No. 54 relates to the question of how agency needs for air travel could best be met.

Background

The Forestry, Fish, and Game Commission requested moneys in its FY 1976 budget for purchase and operation of a single engine aircraft to be used for both administrative travel and law enforcement purposes.

After considering the request, the House Ways and Means Committee adopted a motion recommending an interim study into the question of how agency needs for air travel could best be met. One concern was whether agency requirements could not be served better by an expanded "pool" arrangement.

Inventory of Aircraft Usage by State Agencies

The Committee directed an inventory be prepared of aircraft usage by the state agencies other than the Military Department and the Kansas Technical Institute. The inventory indicated there are six aircraft owned and operated by state agencies and two leased aircraft operated by the Kansas Highway Patrol. The leased aircraft are used for limited transportation of the Patrol staff and the Governor and his staff, traffic enforcement and surveillance, and for assistance of other law enforcement agencies and the civil defense division. The following indicates the agencies owning aircraft, the type of aircraft, and its usage.

1. Department of Transportation - a Cessna 210 used for aerial surveys;
2. University of Kansas -
 - a. Cessna Skyhawk II - a 1974 single engine, four-seat airplane used almost solely by the staff and faculty of the Aerospace Engineering Department. The plane was flown 268 hours in FY 1975.

- b. Beechcraft C454 - a twin engine, five passenger aircraft manufactured in the 1940's with a major remodeling in 1953. The plane is used primarily for transporting university personnel. The plane was flown 404 hours in FY 1975.
 - c. Cessna 177 Cardinal - a 1970, single engine, four-seat airplane used solely for research investigation and flight testing. The plane was flown approximately 15 hours in FY 1975.
 - d. Beech TC-45J - a twin engine, five passenger aircraft. The plane is used for research. During FY 1975 the plane was flown approximately 125 hours for magnetometer surveys in northeastern Kansas for the Geological Survey.
3. Governor's Department - a Cessna 421, twin engine, five passenger aircraft. Priority usage is by the Governor.

Survey of State Agencies as to Air Travel Needs

A survey was mailed to all state agencies seeking responses to the following two questions:

1. To what extent does the agency utilize state-owned aircraft for transportation?
2. Has the availability of the state-owned aircraft operated by the Governor's Office been satisfactory for meeting the agency's air travel needs?

The responses from the agency heads indicated general satisfaction with the availability of the state-owned aircraft operated by the Governor's Office. Of the Topeka based agencies, three agency heads indicated a belief that a smaller and more economical aircraft than the one operated by the Governor's Office would better serve their needs. However, no estimate of the usage nor the frequency of usage was given.

In addition, the Committee met with the staff of the Forestry, Fish, and Game Commission concerning its proposed purchase and operation of a single engine aircraft.

Conclusion and Recommendations

The Committee concluded that of the aircraft owned or leased by the state, only the aircraft operated by the Governor's Department is generally available for transporting other agency personnel. The aircraft owned by the University of Kansas are restricted through condition of acquisition or donation to research or use by University related personnel. The two aircraft leased by the Highway Patrol would not accommodate additional transportation needs beyond the "overflow" from the Governor's Department. Likewise, the aircraft owned by the Department of Transportation would not lend itself to serving transportation needs of other agencies.

October 13, 1975

MEMORANDUM

TO: Special Committee on Ways and Means - House
FROM: Legislative Research Department
RE: Proposal No. 55 - Cost and Distribution of the
KANSAS! Magazine

Subject of Study

The study was requested during the House Ways and Means Committee's consideration of the budget request of the Department of Economic Development. The Committee was concerned with the distribution and cost of the KANSAS! magazine and its relation to the Kansas Fish and Game magazine. The House Special Committee on Ways and Means thus concentrated its study on the following major issues:

1. Purposes of the magazines and their relation to the general interest of the state;
2. Distribution patterns of the magazine;
3. The current policy of providing the magazine without charge;
4. Selling of advertising in the magazines; and
5. Coordination or consolidation of the magazines.

Background

The Department of Economic Development is charged by K.S.A. 1974 Supp. 74-5005 to promote the state's advantages for commercial and industrial operations, to acquaint the people of this state with the industries within the state, and to encourage the traveling public to visit Kansas. The Forestry, Fish and Game Commission indicates that its Information-Education Division is responsible for providing information concerning laws and regulations, informing the public of the work and activities of the Commission, advancing the broad concepts of wildlife conservation and ecology, and providing information consistent with the wise use of the resources.

A major difference between the two magazines is that KANSAS! is charged with promoting tourism and Kansas Fish and Game is designed to provide information on conservation to Kansas residents. It could, perhaps, be stated that the policy of the Forestry, Fish, and Game Commission is in fact not to encourage a large influx of out-of-state hunters to avoid reducing the quality of hunting for Kansas residents.

The Committee found that, while most of the states that responded to the survey had similar purposes, significant variations did exist. The Arizona promotional magazine is intended to draw out-of-state tourists, but the Texas promotional magazines is designed to encourage travel within the state. Another variation is the Arkansas Tour Guide which is designed to provide information as to commercial accommodations and attractions.

The KANSAS! magazine has four issues per year with a regular distribution of about 38,000 copies. One of the issues this year was a travel guide which had a printing of 85,000 copies. The additional 47,000 copies of the special issue are used as a substitute for the travel packet. The KANSAS! magazine was the only magazine surveyed that had a waiting list. About 25 percent of the regular issues are distributed out-of-state.

The Kansas Fish and Game magazine is published six times a year. Of the 76,000 copies published of the March-April issue, only 1.3 percent was distributed out-of-state. The rapid rate of growth in recent years may be curtailed by the new policy of charging.

The survey of selected states obtained information on the in-state/out-of-state distribution relationships. The Committee found that tourist magazines had the largest variation in this distribution pattern. KANSAS! and Oklahoma Today have policies of providing the publication both in-state and out-of-state. They distribute between 60 and 75 percent in-state. Arizona Highways distributes only 8.5 percent in-state, because its purpose is to encourage non-resident tourism. Texas Highways follows the opposite policy of promoting in-state travel and thus distributes 98.4 percent in-state. Most conservation magazines follow the policy of providing a large percentage of their publications to state residents.

The Committee also reviewed the cost structures of the two magazines and selected magazines of other states. Preparation costs appear to be a function of the number of issues per year and the number of pages per issue. Printing costs, which are the largest cost activity for both magazines, vary with changes in the number of copies per issue. The average cost per copy of Kansas Fish and Game decreased from \$0.227 at an average printing of 9,633 in 1966 to \$0.172 at an average printing of 67,000 in 1974.

Both KANSAS! and Kansas Fish and Game magazines have been distributed free in the past. However, the Forestry, Fish and Game Commission has adopted a policy of charging for future issues. The agency is expecting a major decrease in circulation at first and then a recovery in future years. The information from the survey conducted by the Committee indicates that magazine sales can produce a large part of the required revenue, but the magazines will still need revenue from other sources.

The Arizona Highways is the most successful at producing revenue with 96.8 percent of its revenue from magazine sales. Other tourist magazines may not be as successful with one producing only 35 percent of its revenue from sales. Conservation magazines that charge tend to earn from 60 to 80 percent of their revenue from magazine sales.

The Committee found that selling advertising did not tend to produce as much revenue as charging for the magazines. Only two of the states responding to the Committee survey had any revenue from advertising and in both cases the revenue produced was less than eight percent of total revenue.

Both the Department of Economic Development and the Forestry, Fish, and Game Commission expressed concern over editorial control and increased administrative problems and costs of advertising. The Department of Economic Development noted that it would need much more detailed knowledge of its readership before it could successfully attract advertisers.

The staff of both the agencies expressed concern that the purposes of the two magazines were not the same. The KANSAS! magazine is intended to appeal to a broad spectrum of interests, while the Kansas Fish and Game magazine is concentrated on wild-life conservation. This lack of common purpose would reduce the possibility of consolidation or coordination of the two magazines.

The Committee also tried to determine how many people were receiving both magazines. Neither of the agencies could produce any information on this subject.

Committee Recommendations

The Committee expressed concern that the circulation of the KANSAS! magazine was not adequate to promote Kansas or to inform the residents of Kansas. Interest was also expressed in charging for the magazine. The Committee also discussed the possibility of magazine stand sales to increase the public's awareness of the publication.

The Committee recommends that the Department of Economic Development and the Forestry, Fish, and Game Commission conduct surveys to determine the readership patterns of the magazines, including the amount of overlap in the circulations. The Committee also recommended that the Chairman of the House Ways and Means Committee and staff review the survey tool to ensure Committee concerns are met. The survey results are expected to produce information to determine the size of the needed increase.