

M I N U T E S

SPECIAL COMMITTEE ON WAYS AND MEANS

September 23-24, 1976

(Room 514-S - State House)

Members Present

Representative Wendell Lady, Chairman
Senator Billy McCray
Senator Ted Saar
Senator Bob Talkington
Senator D. Wayne Zimmerman
Representative Bill Bunten
Representative Keith Farrar
Representative Mike Hayden
Representative John Ivy
Representative Roy Garrett
Representative Irving Niles
Representative Richard Harper

Staff Present

Julie Mundy, Kansas Legislative Research Department
Marlin Rein, Kansas Legislative Research Department
Alden Shields, Kansas Legislative Research Department
Carl Tramel, Kansas Legislative Research Department
Robert Epps, Kansas Legislative Research Department
Jim Wilson, Revisor of Statutes Office
Bill Edds, Revisor of Statutes Office

September 23, 1976

The Special Committee on Ways and Means convened at 10:00 a.m., Thursday, September 23, 1976 with Representative Wendell Lady presiding. Upon a motion by Representative Keith Farrar, seconded by Representative John Ivy, the minutes of the August Committee meeting were adopted.

Proposal No. 44 - Arson Detection

A hearing was held on the proposed draft legislation (Attachment No. 1) relating to the strengthening of the statutes regarding arson reporting or reporting of fires of a suspicious nature. The only conferee providing testimony was Mr. L.M. Cornish, Kansas Association of Property and Casualty Companies. Mr. Cornish indicated that the bill had been reviewed and that the insurance industry finds no significant problems with the bill. Several technical changes were made in Section 3(a) of the proposed draft. Upon a motion by Representative Niles and a second by Representative Farrar, the word "believe" in line 15, was stricken and the word "suspect" was inserted in lieu thereof; in line 16, the word "was" was stricken in both instances and the words "may have been" inserted in lieu thereof. Upon a motion by Senator Zimmerman and a second by Representative Ivy, the Committee unanimously adopted a further change in language in line 5 of Section 1(b) by inserting the language "or physical evidence" following the word "information."

Senator Talkington made the motion that the Committee recommend the bill to the Legislative Coordinating Council for introduction. The motion was seconded by Representative Hayden and was unanimously passed by the Committee. Representative Lady inquired as to whether the Committee wished to make a recommendation on the request of the State Fire Marshal that additional investigators be authorized in the budget.

Upon a motion by Representative Ivy, and seconded by Representative Harper, the Committee unanimously recommended that the request be considered by the Ways and Means Committee at the 1977 Legislative Session. The Committee then requested the staff to prepare a final report on this proposal for their review at the October meeting.

Proposal No. 46 - Day Care Reimbursement

Representative Lady advised the Committee that they had considered the preliminary report at the last meeting; however, that report did not include recommendations or conclusions. Representative Lady indicated that at the August meeting the Committee had directed the staff to complete the report and Mr. Shields would now present the total draft report (Attachment No. 2).

Mr. Shields briefly reviewed for the Committee the new material which had been added to the report concerning the Committee's conclusions and recommendations. Following the presentation, Representative Farrar expressed some concern over the allocation of state dollars to the 17 area offices, inasmuch as that allocation did not fully take into account the level of locally generated dollars in each of the regions. Upon motion by Representative Bunten, seconded by Representative Mike Hayden, the Committee unanimously approved the report.

Proposal No. 45 - State Computers

The staff briefed the Committee on the preliminary report (Attachment No. 3), on utilization of computing by state agencies. Part One included a summarization of the total computing effort of the state including those agencies under the State Board of Regents. The summarization included sections on applications, expenditures, equipment, personnel, and sources of funding. The report indicated that total expenditures for computing in FY 1976 totaled \$19.3 million. Principal components included personnel, \$8.6 million; equipment acquisition, \$3.2 million; and equipment rental \$2.7 million. Of the total expenditures, \$7.7 million were by the institutions under the State Board of Regents and \$11.6 million were by other state agencies. Of the total expenditures, \$3.1 million represents the purchase of services from the Division of Computer Services of the Department of Administration.

Representative Farrar inquired as to whether the summarization of costs of state agencies included amounts spent for computing by unified school districts, community junior colleges, and vocational-technical schools. The staff indicated that no such costs were included in the totals. The staff did indicate, however, that in certain instances computing equipment owned or leased by the colleges or universities are located in certain of the unified school districts in which case such costs would be included in the totals.

Following up his earlier question, Representative Farrar inquired as to whether there was any way to determine which portion of the state aid to unified school districts, community junior colleges, and area vocational-technical schools was used for data processing functions. He was particularly interested in educational applications as opposed to administrative applications. The staff indicated there may be some difficulty in determining those amounts but that they would inquire of Mr. Dale Dennis of the Department of Education.

Chairman Lady inquired as to whether any cost factors were built into the charges made by the Division of Computer Services to user agencies for depreciation. Staff indicated that there was a factor for depreciation and that in FY 1976 depreciation charges passed through to state agencies totaled approximately \$200,000.

Senator Saar inquired as to what factors are taken into consideration in deciding whether to lease or buy equipment. The staff indicated that the trend now is to buy equipment rather than to lease it. In earlier years computer technology was advancing so rapidly that it was more feasible to lease equipment, however, that trend now appears to be subsiding. Mr. Virgil Basgall, Director of the Division of Computer Services, indicated that another factor is that equipment from various vendors is more interchangeable than was the case in earlier years. A further factor to consider is the saleability of the equipment when it is no longer needed.

Before leaving Section One of the report, the staff indicated that the computing expenditures total had been arrived at in such a manner so as to eliminate any double accounting of expenditures. Funds made available to user agencies for

purchase of data processing services are recorded once as expenditures when the agencies pay for the services and additionally as expenditures when the agency providing the services pays the expenses incurred by their operations. This "double-accounting" of expenditures has been avoided by the exclusion of payments made by state agencies to both the Divisions of Computer Services and Accounts and Reports for services purchased by other agencies.

Finally, a comment was made by the staff with respect to the personnel section of Part One. With respect to the compilation of numbers of positions involved in data processing statewide, it was pointed out that in some agencies it was not possible to identify a specific number of full-time equivalent positions associated with said function or to make an accurate accounting of the salary costs attendant thereto inasmuch as some individuals devote only a designated portion of their time performing data processing functions.

The staff indicated that Part Two of the draft report was a summarization of principle Topeka-based data processing centers and included the Division of Computer Services of the Department of Administration, the Division of Accounts and Reports of the Department of Administration, and the Employment Security Division of the Department of Human Resources. Part Three was a summary of the computing and data processing efforts of all state agencies except colleges and universities under the State Board of Regents. The staff indicated there was an error in the draft report in the last paragraph on page 8 where it is indicated that the IBM system operated by the Division of Computer Services is operated at 92.7 percent of its operational capability. The text should read that the system is operated at 92 to 97 percent of its operational capability.

Senator Saar inquired as to what was the basis for determining the operating capability of the unit. The staff indicated that it is based on operations of 24 hours per day, seven days per week. Senator Saar inquired as to whether the report made any recognition of donated equipment at the colleges and universities under the Board of Regents. Mr. Rein indicated that the University of Kansas owned a few items of equipment that were donated and that they will be reported on the inventory that will be included as an attachment to the final report.

Senator McCray inquired of Mr. Basgall as to what kind of operating control his division exercised over the computing operations of the colleges and universities. Mr. Basgall indicated that his division must approve all purchases and lease agreements on all hardware but that he exercised no authority or control with respect to their operations or purchase of software. Mr. Basgall indicated that one of the reasons his division had less control over the computer operations of the colleges and universities is that most of their applications are academic in nature as opposed to administrative. He further indicated that for the most part he thought the schools made efficient use of their computing equipment. In addition, he stated that he was a member of a computer advisory committee on the computing operations of the universities and colleges that met on a regular basis.

Mr. Ivy inquired of Mr. Basgall as to whether the equipment of the various manufacturers could be interchanged without the use of translators. Mr. Basgall indicated that generally the equipment could be interchanged but that the computer language employed was the more pivotal factor.

Senator Zimmerman asked Mr. Basgall whether the Division of Computer Services was meeting the full computing demands of state agencies. Mr. Basgall indicated that they were presently out of capacity on the IBM computer and that they were utilizing the UNIVAC computer as often as they could. He indicated that the Department of Administration was in the process of determining the long term computer needs of the state.

The staff then proceeded with a discussion of Part Four on the Board of Regents institutions. Staff asked that particular attention be given to the information contained on pages 32 through 34 with respect to costs associated with central systems and the departmental systems. The central computer systems at each of the colleges and universities generate their own income through charges assessed to other campus activities for which it provides service. Work performed for the business office, student records, academic departments and research projects are billed in accordance with a schedule of charges. Those activities receiving the service finance the charges from their budgeted funds. In addition to the centralized computer operations, a limited data processing capability exists within selected academic departments. This capability includes both data processing personnel and equipment.

The equipment, generally of a special use nature, includes mini computers. In most cases the equipment is acquired originally with federal research grant funds, private gifts, or other restricted use funds. Such equipment is generally utilized for general research and instructional purposes.

Of the total expenditures of \$7.7 million by the Board of Regents' institutions, approximately \$6.6 million was expended for the central computing systems and approximately \$1.1 million for the departmental systems. The staff indicated that the costs associated with the departmental computing systems are not as precisely measurable as are those of the central installations. This is due to the element of judgment involved in allocating portions of salary costs of faculty and other staff who utilize the computing capability on a part-time basis.

In response to a question as to the means by which the colleges and universities acquire their computer systems, the staff indicated that the University of Kansas and the Kansas State University have purchased their principle systems. The three colleges have acquired their principle systems through a lease arrangement while Wichita State University has acquired its principle system through a third-party vendor.

Following completion of the overview of the draft report, the Committee authorized the staff to provide each of the affected agencies with the write-ups on their portions of the report for purposes of further verification. The staff also indicated that an inventory of all equipment owned and leased by the various state agencies will be provided as an attachment to the final report. The Committee also determined that the report filed with the Legislative Coordinating Council would be limited to Part One of the report and that the remainder of the report would be separately produced and made available.

Proposal No. 43 - Energy Conservation

Mr. Hal Hudson, Kansas Power and Light Company, presented an assessment of the Stone and Webster Study to the Committee as viewed by his corporation. A copy of Mr. Hudson's testimony is included as Attachment No. 4 to these minutes. Following Mr. Hudson's testimony, Representative Ivy inquired as to whether a central heating and cooling system was more efficient than individual units. Mr. Hudson responded that it would depend upon the type of central system. His general reaction was that individual units within each of the buildings was more efficient than central steam plants.

In response to Mr. Hudson's remarks suggesting that the report did not adequately address the alternative of purchasing electrical power, Representative Ivy questioned whether the real concern should not be the availability of natural resources regardless of who consumed them. Representative Ivy elaborated by saying that to purchase electrical power from a supplier such as KP&L would still require that supplier to utilize either coal or natural gas to generate electrical power and did it really matter who actually consumed the natural resource. Mr. Hudson responded that a large capacity plant such as KP&L was more efficient. He indicated that KP&L could produce more electricity from a given amount of coal that could a smaller plant such as the one proposed at Kansas State University. He indicated that KP&L had spent \$200 million on emission control devices at the Jeffrey Energy Center. This remark was in response to the Stone and Webster Report recommendation that the plant at Kansas State be constructed in such a manner so as to preclude application of federal environmental regulations to the emission control devices on the plant.

Representative Hayden inquired as to how much longer natural gas purchased from KP&L would be a reliable source of fuel. Mr. Hudson responded that the interruptible contract at Kansas State University could be viewed by some as no longer being a reliable source. He went on to suggest that interruptions in natural gas supply in the future would probably be more frequent.

Representative Lady stated that two years ago at a meeting at Kansas State University, Mr. Nicholson of the Kansas Power and Light Company said that natural gas would not be available for generating steam beyond 1983. He also indicated that Mr. Nicholson had said that pessimistically the availability of natural gas for such purposes could be ended by as early as 1978. The Stone and Webster Report suggests 1987 as the date by which natural gas will no longer be available. Representative Lady inquired why the change and where did Stone and Webster get their information. Mr. Hudson replied that natural gas supplies were in a constant state of change and that the date that one projects as to when a supply will be no longer available is in part influenced by the conditions prevalent at the time that one makes the projection.

Representative Hayden inquired as to when the Jeffrey Energy Center would be able to supply electrical power to Kansas State University. In response to the question, Mr. Hudson indicated that four units are planned at the center, with the first generating unit to go into production in 1978. The three additional units would come on line approximately each two years thereafter. Mr. Hudson went on to suggest that any conversion at Kansas State University to electricity as the principle source of power would likely be a phased process. He suggested that any new buildings to be built on the campus would initially be constructed to use electricity as the principle source of power and then the conversion of the other buildings would occur thereafter in some kind of an orderly process. Under such an arrangement he felt that beginning in 1978 the Jeffrey Energy Center could begin to supply the electrical needs of Kansas State University under such a plan.

Representative Ivy inquired of Mr. Hudson as to whether the Kansas Power and Light Company had any hydro-generated sources of power. The response given by Mr. Hudson was that they had none at all. Representative Ivy followed with a second question inquiring as to the future availability of coal as a principle source of power. Mr. Hudson responded by saying that KP&L had contracts for delivery of coal extending through the year 2014 with options to extend beyond that date. He further suggested that the United States had a 300-year supply of coal.

Part of Mr. Hudson's testimony, which is attached as Attachment No. 1, suggested the need for an additional study on a building-by-building basis to identify specifically the power needs at the University. In response to that testimony, Senator Saar inquired as to who KP&L would suggest to make that study. Mr. Hudson responded by stating that Stone and Webster was a fine organization and would be one possibility. He also indicated there were other firms who could perform such a study.

Senator McCray raised the question of whether another study would not just create more delays. Mr. Hudson responded by saying that conclusions which are read into the Stone and Webster report that electricity was not an efficient source were incorrect. He felt, however, that the basic concern of his company with the report was whether heating and cooling should be by individual units within buildings or by a central plant as suggested by Stone and Webster. He felt the issues were of sufficient concern to warrant another study.

Representative John Vogel, who had been invited to the meeting in light of his association with the study made by the Stone and Webster Company, was then asked to make any comments he wished to share with the Committee. He indicated a general agreement with the report as well as some agreement with the comments made by Mr. Hudson. He did, however, indicate that there were some points made by Mr. Hudson that he disagreed with pending the availability of additional information. He believed the Stone and Webster Engineering Consulting firm was of a high caliber and would probably agree with the need for a building-by-building study. He indicated that the initial study did not incorporate such an analysis due to the unavailability of either time or money.

Representative Lady then inquired of Mr. Warren Corman of the Office of the Board of Regents as to whether their office was sufficiently satisfied with the Stone and Webster Report to proceed with the recommendations made by that report rather than investigating a total electric power concept. Mr. Corman responded that the Stone and Webster Study was limited but that his organization was generally happy with the study although they likewise did not totally agree with some of the conclusions. He indicated that the Board of Regents is requesting approximately \$100,000 in the FY 1978 budget for additional study. Additionally, he noted the fact that no budget request was forthcoming for \$18 million for the construction of a coal burning power plant at the Kansas State campus. Mr. Corman expressed some concern and disappointment with the Kansas Power and Light Company, inasmuch as they had not discussed their concerns and reservations with the report with the Board of Regents prior to making a public presentation to the Committee.

Representative Lady inquired as to whether more information was needed to which Mr. Corman responded yes.

Representative Farrar inquired whether the Board of Regents had a firm in mind to make the study. Mr. Corman responded by saying that the Board of Regents had no recommendation as to whom should conduct the additional study, but were merely requesting the funds to permit such study to be undertaken.

There being no further questions by the members of the Committee the discussion on Proposal No. 43 was concluded.

Proposal No. 42 - Review of the
Comprehensive Corrections Plan

Robert Raines, Secretary of Corrections made introductory remarks concerning the need for improvements in the Kansas Correctional System. In those remarks, Mr. Raines indicated that there is a need for additional work programs and improved living quarters for the inmates. He cited statistics which indicate that the annual commitments to the correctional system are increasing. In addition, he indicated that some states are under court order to improve the facilities in which inmates are housed. In concluding his opening remarks, Mr. Raines indicated that the "reform measures" recommended by the Governor are an attempt to provide the program and facility improvements without court intervention at a price the state can afford.

Chairman Lady inquired as to whether the purpose of a new minimum security institution would be to provide housing for additional commitments or whether it would allow the population levels of other institutions to be reduced. Mr. Raines responded that a new institution would serve both functions. Chairman Lady, then inquired as to when a new institution could be ready to receive commitments. Mr. Raines responded that a new institution could not be ready for approximately two years. As a follow-up, Chairman Lady questioned whether, in view of the current population levels, the annual increase in commitments, and the time lag before a new institution would be available, a 200-bed capacity institution would be adequate. To the question Mr. Raines responded that the new institution would be built on the basis of a 400-bed capacity but that initial furnishings would be provided for 200 beds. He further indicated that the additional 200-beds could be easily provided if needed.

Senator Zimmerman questioned how the "specified capacities" of the correctional institutions were determined and how those compare to the actual numbers of inmates housed in the institutions ten years ago. Mr. Raines responded that the current capacity of each institution is based on the program, staff, and cell availability. He further indicated that in the two major male institutions that a number of cells have been converted to shower stalls and to office space for the unit team members. In addition, Mr. Raines indicated that the top tiers of the cellhouses at the Kansas State Penitentiary are not being used because of inadequate plumbing, etc.

Chairman Lady inquired as to the reasoning behind the Governor's recommendation to construct the "outside" dormitories at the Kansas State Industrial Reformatory and the State Penitentiary to house 100 inmates each rather than 50 as recommended by the consultants. Mr. Raines responded that there are currently 100 minimum security inmates being utilized in maintenance type jobs outside the walls at the Kansas State Penitentiary and that projected utilization of inmates outside the walls at the Kansas State Industrial Reformatory approximate 100, i.e., work release, expansion of the correctional industries program, and outside maintenance activities.

Mr. Rein inquired as to whether the rehabilitation of inmates would be enhanced in a smaller institution. Mr. Raines responded that he had not indicated that inmates could be rehabilitated better in smaller institutions but that smaller institutions would be much easier to manage.

Chairman Lady inquired as to the value of an evaluation process and how mandatory pre-sentence investigations at the local level would affect the post-sentence evaluation process. Mr. Raines responded that the evaluation is very significant because it provides a means for learning about the inmate and determining the institution to which the inmate should be assigned. He further indicated that the post-sentence evaluation can be completed in less time if a pre-sentence investigation report is available. To a question posed by Chairman Lady as to whether there would be a reduction in commitments, particularly from Sedgwick County, if a pre-sentence investigation were conducted; Mr. Raines indicated that he could not predict the effect a pre-sentence report might have upon the judge's decision.

September 24, 1976

The Special Committee on Ways and Means was called to order September 24, 1976 at 9:00 a.m. by Chairman Lady.

Proposal No. 62 - Sunset Laws

Chairman Lady introduced Michael Farmer, a representative of Common Cause. Mr. Farmer read from a prepared statement about sunset laws (Attachment 5), and also distributed a paper from National Common Cause entitled "Sunset: A Proposal for Accountable Government," (Attachment No. 6).

Mr. Farmer defined sunset legislation as an action forcing mechanism designed to increase executive branch accountability through increased executive and legislative scrutiny of programs and agencies. In his prepared statement he discussed how broad sunset coverage should be; where evaluation would be conducted and criteria to be used; public participation; safeguards against arbitrary termination; and the review cycle. He also discussed the ten basic principles Common Cause has identified as those that must be included in sunset laws. He emphasized public hearings, as being the key to an effective sunset law.

Chairman Lady asked Mr. Farmer to explain the rationale behind the odd-year cycle for agency review advocated by Common Cause. Mr. Farmer explained that odd-year cycles were encouraged to assure that review does not take place in an election year. He said sunset was a powerful tool and odd-year cycles could help prevent misuse of the law. Representative Talkington indicated that odd-year cycles would not necessarily prevent misuse of a sunset law.

Chairman Lady asked Mr. Farmer who would conduct the necessary evaluations of agencies in Kansas. Mr. Farmer said that a system similar to that proposed in pending federal legislation would be appropriate; the agency would submit a report, the Legislature would conduct hearings, and the Governor would make recommendations. Chairman Lady asked what involvement the Legislative Post Audit Committee would have. Mr. Farmer said it could be an effective tool but that Legislative hearings would still be necessary and substantial change and reorganization of the present committee system could be required.

Representative Farrar asked Mr. Farmer about the ninth Common Cause principle which addresses the issue of protecting displaced personnel if an agency were terminated. Mr. Farmer noted that the size of Kansas government has not been declining and will most likely continue to expand in the future. He said that accordingly, displaced personnel could be shifted to other agencies. He also explained that since sunset legislation was a relatively new concept, little, if any, displacement has yet occurred. Chairman Lady commented that although attrition and expansion might be factors, the elimination of jobs would still cause problems. Mr. Farmer said that the thrust of sunset legislation was not to eliminate jobs, but to provide efficiency and accountability in state government. He said it could also motivate inefficient workers to do better jobs.

Representative Ivy asked Mr. Farmer if he had a copy of the fiscal note from Colorado's law. He expressed concern with the cost of implementing such a law and the possible need for longer legislative sessions. Mr. Farmer said that although he did not have a copy of Colorado's fiscal note, the staggering of agency reviews would prevent extensive costs and the necessity of longer sessions.

Senator Talkington said that the Legislature would have to be careful in its choice of agencies to review since legislative hearing and review costs could create a new bureaucracy. He said the concept was good if it would limit the bureaucracy but it could possibly expand government for the purpose of limiting government. Mr. Farmer commented that the purpose of sunset legislation would be to ensure that agencies of government were doing their assigned jobs properly.

Representative Hayden stated that review for the sake of review was not important; and that the real question was related to whether or not people are getting their money's worth from government. He asked Mr. Farmer what criteria could be used after the review to make the final decision about an agency or program. Mr. Farmer said Common Cause recently discontinued one of its programs through a hearing and review process which directly involved members throughout the United States. He stressed the importance of hearing from people and not just agencies. Representative Hayden asked what prevented citizens from doing this under the present system. Mr. Farmer said a formal mechanism was needed since many citizens did not know or understand the present system of access to the Legislature.

Senator McCray asked if sunset, through the review and hearings process, would help discourage further growth of bureaucracy. Mr. Farmer said that it would.

Chairman Lady discussed the difference between the current review of agencies through the Post Audit Committee and review as outlined in the sunset concept. He said the primary difference was that sunset was a forced review process as opposed to the present system where specific reviews are not systematically initiated. He expressed agreement with the sunset concept but said that the Legislature must be very careful not to create a bureaucracy to regulate the other bureaucracy.

Senator Zimmerman asked why there would be more public interest under a forced review system than under the present system. Chairman Lady said that the affirmative method under which sunset laws operate - the Legislature must initiate new legislation or the agency dies - could generate more public interest than is presently the case.

Representative Farrar asked if zero-based budgeting would accomplish the same results as would sunset legislation. Mr. Farmer said that zero-based budgeting and sunset legislation were compatible tools.

Representative Hayden made a motion which directed staff to draft a bill patterned after Colorado's sunset law, to be used for discussion purposes at the October meeting. He said the motion was not an endorsement of need for such a law in Kansas, but that the draft legislation could be used as a tool to discuss the mechanics of the sunset concept. Senator McCray seconded the motion and it was passed.

Proposal No. 41 - State Aid Programs
to Local Facilities for the Care of the
Mentally Ill, Retarded, and Alcoholic

The staff presented the Committee with a memorandum which compared the distribution of funds under the existing state aid formula with distribution of alternate state aid formulas (Attachment 7). The memo detailed, through a series of tables, the impact of each alternate formula on individual community mental health and mental retardation centers in Kansas. Data were based on FY 1976 appropriations.

The staff explained that formulas used in Tables I through VI would reduce allocations to the larger urban areas and increase distributions to the more rural areas; Johnson County Mental Health Center, Prairie View Mental Health Center, Sedgwick County Department of Mental Health, Shawnee County Mental Health Corps, and High Plains Community Mental Health Center all would receive less. It was also noted that overlapping catchment areas in Southeast Kansas distorts distribution formulas based on population. The same individual might be counted in two or more catchment area populations.

After a brief staff review of the present allocation system, there was a discussion on the various options presented to the Committee. Representative Hayden asked if there were any statistics available concerning the effectiveness of the services delivered. Staff explained that until recently no data was available but that now such data was beginning to be collected. It was explained that the cost/reimbursement allocation formula would favor more efficient centers, thereby forcing less efficient centers to improve.

Representative Farrar asked if need for service could be determined by checking the number of patients in relation to the catchment area population. The staff said that such information could be obtained and analyzed. The number of patients to catchment area population would probably be distorted by the geographic size of the catchment area; Wyandotte, Johnson, and other urban centers would show a higher ratio since the location of centers is more convenient for patients.

The staff then discussed the purpose for state aid to community mental health and mental retardation centers. The need to identify state objectives for the funding of such programs was mentioned. In addition, the issue of outpatient program duplication among state institutions and community centers was discussed. The staff said the allocation formula illustrated in Table VII represented a substantial change in direction from the other formulas. Under Table VII, aid would be based on a flat reimbursement schedule for actual services rendered. The staff said that a different formula for mental retardation programs might be necessary if formula VII were adopted.

Chairman Lady directed the staff to prepare a comparison of the number of patients served to catchment area population for the next meeting. The Committee decided to further study the staff report before the next meeting; recommendations will be made at that time. The staff was directed to prepare a draft report on Committee study of Proposal No. 41 for the next meeting.

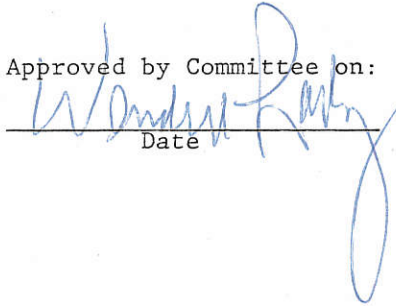
Planning Session

For the October meeting the Committee directed the staff to prepare final reports on arson and computers; preliminary reports on energy, corrections, retirement, and mental health aid; and draft a bill for discussion purposes on sunset legislation.

The meeting was adjourned.

Prepared by Alden Shields

Approved by Committee on:


Date

PRELIMINARY DISCUSSION DRAFT
For Consideration by Special Committee
on Ways and Means

Re Proposal No. 44--Arson Detection

AN ACT

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) In the absence of fraud, malice or bad faith, no fire insurance company, statistical and reporting organization, or person who furnishes information to the state fire marshal in accordance with the provisions of K.S.A. 40-903 or 40-904, and any amendments thereto, shall be liable for damages in a civil action or shall be subject to criminal prosecution for any oral or written statement made or for any other action taken that is necessary to supply such information.

(b) The state fire marshal, or any authorized deputy or other authorized official of the office of the state fire marshal, may request any fire insurance company which is transacting business and investigating a fire loss of real or personal property in this state, to release any information in its possession relative to such loss. Such company shall release the information requested and shall cooperate with the state fire marshal or any such deputy or official. No such company or any one acting in its behalf, in the absence of fraud, malice or bad faith, shall be liable for damages in any civil action or shall be subject to criminal prosecution for any oral or written statement made or any other action taken that is necessary to supply information in accordance with this subsection.

New Sec. 2. The state fire marshal and any deputy or other official of the office of the state fire marshal who is authorized by the state fire marshal, is hereby authorized to make

arrests for the following crimes:

(a) Arson as defined in K.S.A. 21-3718 and any amendments to said section;

(b) aggravated arson as defined in K.S.A. 21-3719 and any amendments to said section;

(c) attempted arson as defined in K.S.A. 21-3301 and 21-3718 and any amendments to said sections;

(d) attempted aggravated arson as defined in K.S.A. 21-3301 and 21-3719 and any amendments to said sections;

(e) conspiracy to commit arson as defined in K.S.A. 21-3302 and 21-3718, and any amendments to said sections; and

(f) conspiracy to commit aggravated arson as defined in K.S.A. 21-3302 and 21-3719, and any amendments to said sections.

Sec. 3. K.S.A. 31-137 is hereby amended to read as follows:
31-137. (a) The state fire marshal, his all deputies of the state fire marshal, the chief of any organized fire department of any municipality, whether such fire department is regular or volunteer, or any and each member of any such fire department who has been duly authorized by the chief thereof, shall enforce the provisions of this act and any rules and regulations adopted pursuant thereto. Said persons are authorized to make any investigations deemed necessary of any fire or explosion occurring within this state and they shall make an investigation of any fire or explosion occurring within this state, or an attempt to cause any fire or explosion within this state, if there is reason to believe that the fire was of an incendiary origin or was an attempt to defraud an insurance company. Whenever in any such investigation there is reason to believe that any fire or explosion was of an incendiary origin or was an attempt to defraud an insurance company, a report of such circumstances shall be made immediately to the state fire marshal.

(b) In order to carry out such investigations, the state fire marshal and those persons herein designated shall have the right and authority at all times of day or night to enter upon or examine, in accordance with existing laws and regulations, any

building or premise where any fire or explosion or attempt to cause a fire or explosion shall have occurred.

(c) Every person designated herein shall make a written report to the state fire marshal of the findings of any investigation conducted by ~~him~~ such person pursuant to this section ~~which shall be filed and shall file such report~~ in the office of the state fire marshal.

Sec. 4. K.S.A. 31-137 is hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.

MEMORANDUM

TO: Special Committee on Ways and Means September 17, 1976
FROM: Kansas Legislative Research Department
RE: Preliminary Report on Proposal No. 46 -
Day Care Reimbursement

Background

Proposal No. 46 directed the Committee to review the reimbursement system and levels of reimbursement for the day care programs funded by the Department of Social and Rehabilitation Services. The programs in question include the purchase of day care for Aid to Families with Dependent Children and qualifying families under Title XX of the Social Security Act, so-called "income eligibles." Interest in the matter has focused on both the level of reimbursement as well as the differential rate policy as applied to day care centers and day care homes.

A measure was introduced in the 1976 session of the Legislature that would have eliminated the rate differential and provided for like rates for both day care homes and day care centers. In its consideration of the measure, the Senate Committee on Ways and Means requested that the matter be an item of interim study. At the time the study was authorized the Department was reimbursing day care homes at a flat rate of \$3.85 per day. Centers were required to submit cost statements to the Department with the reimbursement being made at allowable cost up to a maximum of \$5.50 per day.

Committee Activity

Initial consideration of the matter focused on the joint licensing responsibilities of the Department of Social and Rehabilitation Services and the Department of Health and Environment. Representatives of each of the departments appeared before the Committee explaining the licensing requirements for each type of care. Day care homes are licensed for up to six children and generally operated in the context of the family home. Day care centers are licensed for seven or more children and are generally housed in separate free-standing facilities or public or quasi-public facilities. Many of them are operated on a non-profit basis. Day care center licensing requirements are generally more numerous and more stringent than are the requirements for day care homes. Centers are generally better equipped and more likely

to be staffed by trained personnel which makes them more costly to operate. In its consideration of the licensing requirements, the Committee gave special attention to the home capacity limitation on the number of children that can be cared for under the age of two. Kansas licensing requirements for day care homes limit capacity to four if two children are cared for under the age of two.

The Committee also received testimony from representatives of various day care organizations around the state, including the Wyandotte Association for Child Care and the Wichita Child Day Care Association. Testimony centered on the need for increasing the reimbursement rates.

The Committee also surveyed neighboring states with respect to their policy on capacity, rate differentials, capacity limitations on infants and rates for homes and centers. In addition to Kansas, seven neighboring states were surveyed including Arkansas, Colorado, Missouri, Nebraska, New Mexico, Oklahoma, and Wyoming. Of the eight states, "Home" care capacity was limited to five children in two states, six children in four states (including Kansas), seven children in one state and ten children in one state (Arkansas). Conversely, "Center" care was defined as six or more children in two states, seven or more children in four states (including Kansas), eight or more children in one state and eleven or more children in one state (Oklahoma).

A variety of payment standards and rate differentials were revealed. Four of the states (Kansas, Nebraska, Oklahoma, and Wyoming) had a specific rate differential between "Home" care and "Center" care with the balance of the states prescribing no specific differentials. The average rates for "Homes" and "Centers" in the latter group however, suggested a distinct differentiation in rates be they based on cost, negotiation or usual and customary charges. With respect to payment rates, "Home" care varied from up to a maximum of \$3.00 per day in Oklahoma to a maximum of \$5.00 per day in Nebraska. (Kansas provides for a flat fee of \$3.85 per day.) "Center" rates varied from up to a maximum of \$4.00 per day in New Mexico to up to a maximum of \$6.50 per day in Nebraska. In certain instances, "Center" rates could be even higher in Wyoming where reimbursement is made at the "private-pay" rate. In addition, Missouri reported a separate payment standard for Title XX income eligible/donated funds contracts wherein payment is based on actual cost. Such payments were reported to be running from \$7.00 to \$10.00 per day.

The Arkansas system contained a unique feature wherein a post-contract adjustment is made based on actual audited costs (subject, of course, to their \$6.00, maximum).

Each of the states prescribed some restriction on the care of children under the age of two. In three of the states (including Kansas), maximum authorized capacity is reduced where care is provided to children under the age of two. Three of the states provide limitations on the number of infants that may be cared for without reducing capacity and the balance (two states) prescribe increased staff/child ratios when such care is provided.

At the July meeting Dr. Robert Harder, Secretary of the Department of Social and Rehabilitation Services, proposed new increased rates to become effective in August or September. The new rates increase the reimbursement for day care homes from a flat rate of \$3.85 per day to \$4.00 per day. Rates for day care centers will continue to be based on allowable costs but the maximum daily rate is increased from \$5.50 to \$5.75. The adjustment also contains a graduated feature based on the age of the child and the hours of care provided the child per day.

Conclusion/Recommendations

The Committee is supportive of the modest rate increases proposed by the Department. Testimony provided by day care operators and certain of the day care organizations documents the need for some upward adjustment in rates. The Committee is also supportive of those graduated features in the proposed rate schedules that give consideration to the age of the child and the hours of care provided per day.

The Committee also finds no justification for discontinuing the rate differential between day care homes and day care centers. The costs associated with operating a center are sufficiently higher than those costs associated with home care to warrant continuation of the differential rate.

In its consideration of the proposal, considerable attention was given to the "income eligible" component of the day care caseload. "Income eligibles" are those families whose incomes exceed the cash assistance standard but do not exceed 110 percent of Kansas median income. Day care services are also provided to families whose incomes are between 80 percent and 110 percent of Kansas median income, subject to the assessment of a portion of the cost to the family. The

1976 Legislative appropriated \$250,000 in state funds for this purpose in FY 1977 which, together with federal matching funds of \$750,000, provides \$1,000,000 in day care services for these families. The Committee recommends that the Department make every effort to ensure that such funds are made available on a uniform statewide basis. To the maximum extent possible, such distribution should recognize such factors as need, the level of locally donated funds that are available, and such other factors as will ensure that a uniform policy prevails.

Attachment No. 3

UTILIZATION OF COMPUTING
BY STATE AGENCIES

Draft Report for
Discussion Purposes

It should be noted that the revolving fund method of financing centralized computer services tends to distort the total expenditure figures presented. Funds made available to user agencies for purchase of data processing services are recorded once as expenditures when the agencies pay for the services. But those same funds are again recorded as expenditures when the agency providing the services pays the expenses incurred by its operations. Thus, funds available for data processing do not accord precisely with the total amount of expenditures. This "double-accounting" of expenditures has been largely avoided by the exclusion from the above total of payments made by state agencies to both the Divisions of Computer Services and Accounts and Reports for services purchased by other agencies.

Equipment

One of the most salient aspects of data processing is the equipment employed in its operation. This necessarily includes a number of types of equipment which are not easily subject to precise categorization. The inventory of data processing equipment sought to include several kinds of information.

First, a brief description of each item of equipment was identified, including manufacturer and model identification. Also, each item of equipment was identified according to the function it performs -- that is, central processing unit (CPU), memory, or peripheral. Second, the number of each equipment item on hand as of June 30, 1976, was recorded. Third, the method of financing was established, which required that a distinction be drawn between equipment leased and that purchased outright or by lease-purchase agreement.

In any event, only that data processing equipment was included for which the vendor was paid directly by the agency. In situations where equipment was leased or owned for only part of FY 1976, costs were annualized to ensure comparability. In some other cases agencies provided a brief history of payments on a given equipment item being purchased over a period covering several years. Also, whenever possible, annualized maintenance costs were listed separately.

Fourth, the inventory listings indicated where the equipment is located -- that is, whether it is located in the agency or at another location. Since it is not uncommon for the equipment of one agency to be located at another, this is likewise intended to include only the equipment for which the vendor is paid directly by the agency. Finally, the inventory identifies the source of funds used to lease or purchase each item of data processing equipment.

The following summarizes expenditures in FY 1976 for rental and purchase of equipment together with an estimate of maintenance costs for equipment.

<u>Total Equipment Costs - FY 1976</u>		<u>Percent of Total</u>
Lease of Equipment	\$2,699,546	40.0
Purchase of Equipment	3,206,849	48.0
Maintenance of Equipment	770,110	12.0
TOTAL	<u>\$6,676,505</u>	<u>100.0%</u>

Personnel

Given the fact that data processing tasks assigned to personnel do not vary much from one agency to another, there is a relatively high degree of comparability among personnel assigned to data processing functions. That makes possible a more thorough accounting of the state's personnel devoted to data processing tasks, in terms of salary expenditures and total F.T.E. positions assigned.

Personnel in data processing during FY 1976 were engaged thusly:

<u>Position Type</u>	<u>Regents' Institutions</u>		<u>All Other State Agencies</u>	
	<u>F.T.E.</u>	<u>Salary</u>	<u>F.T.E.</u>	<u>Salary</u>
Managerial	24.0	\$ 483,197	23.9	\$ 419,944
Technical	139.3	1,712,277	174.3	2,316,577
Data Input/Clerical	86.0	590,023	261.7	1,904,517
Other	--	270,288	--	371,137
TOTAL	<u>249.3</u>	<u>\$3,055,785</u>	<u>459.8</u>	<u>\$5,012,175</u>

Amounts shown for the personnel employed by the Regents' institutions represent combined totals for central and departmental operations. Moreover, it should be noted that student employees are personnel employed exclusively by the Regents' institutions and appear above in the category labeled "other". Also, salary benefits have been excluded from the above totals.

Total salary costs, exclusive of benefits, of all state agencies and institutions combined were \$8,067,960 for a total of 709.13 F.T.E. positions devoted to data processing functions.

Despite the relatively high comparability of personnel data among state agencies, one significant problem arises. In some agencies it is not possible to identify a specific number of F.T.E. positions associated with data processing functions or to make an accurate accounting of the salary costs inasmuch as certain individuals devote only a designated portion of their time to performing data processing functions.

Sources of Funding

Similar to several other components of data processing, it is necessary to make a distinction between funding for the Regents' institutions and funding for other state agencies in order to provide a meaningful categorization of funding sources. In large measure, the sources of funding for the colleges and universities correspond more closely with the functions for which the moneys are expended, whereas sources of funding for most other state agencies have been categorized in a more general fashion in order to accommodate a variety of funding sources.

A final accounting of funds utilized for computing by source for both the Regents' institutions and other state agencies is tabulated below:

<u>Regents' Institutions</u>			<u>Other State Agencies</u>		
	<u>Amount</u>	<u>Percent of Total</u>		<u>Amount</u>	<u>Percent of Total</u>
General Use Funds	\$5,588,055	71.7%	State General Fund	\$5,275,510	44.7%
Research Overhead Funds	1,419,700	18.2	Special Revenue Fund	2,263,473	19.2
Auxiliary Enterprise Funds	198,018	2.6	Federal Funds	4,233,229	35.8
Other Restricted Use Funds	586,143	7.5	Other	32,188	.3
TOTAL	<u>\$7,791,916</u>	<u>100.0%</u>	TOTAL	<u>\$11,804,648</u>	<u>100.0%</u>

Here, as elsewhere, amounts indicated for the Regents' institutions represent combined sources of funding for both central and departmental operations, with consideration given to the fact that the method of funding each operation is not the same. Explanation of funding methods is left to the discussion of individual agencies.

Because of the clearing fund concept employed at the Regents' institutions for financing central computing operations, and the revolving fund method of financing the Division of Computer Services and a portion of the operations of the Division of Accounts and Reports, the reported total funds available by source will not precisely correspond to actual total expenditures. This is due to the fact that the above tabulation by source of funds is limited to the income sources of the Regents' institutions, DCS, and Accounts and Reports. In instances where income exceeded expenditures, balances were carried forward to Fiscal Year 1977; where expenditures were greater than income the difference was offset by balances on hand as of June 30, 1975.

Owing to the importance of identifying funds from different governmental sources, an ideal accounting of funding sources would include the total amount expended from the State General Fund. But an accounting which aspires to that degree of accuracy is not possible because of the funding methods used by some agencies. In those agencies revenues derived from several sources are combined in a single fund. Each of the Regents' institutions, for example, traditionally treats appropriations from the State General Fund and its General Fees Fund as a combined general use funds amount. Nevertheless, it is possible to combine the General Use Funds of the colleges and universities with the State General Funds of other state agencies utilizing data processing in order to arrive at a total for all state-derived general use funds spent on data processing. Total general use funds, therefore, amounted in FY 1976 to \$10,863,565. That figure constitutes 55.4 percent of funds derived from all sources.

PART TWO

PRINCIPAL TOPEKA-BASED DATA
PROCESSING CENTERS

The principal data processing service centers in the Topeka area are the Division of Computer Services of the Department of Administration, the Division of Accounts and Reports of the Department of Administration, and the Employment Security Division of the Department of Human Resources.

Division of Computer Services

A centralized data processing system for state government had its genesis in 1972 within the Department of Administration. Initially it serviced only the Department of Administration; however, in 1973 its data processing services were expanded to include other state agencies as well. At the same time, the director of the agency was authorized to regulate purchases of data processing equipment in other agencies -- excluding the Regents' institutions -- in an effort to promote efficiency and avoid unnecessary duplication of services. In recent years the agency has become a sizeable operation, and that presumably is a reflection of the increasing demands for data processing services within state government.

Apart from the colleges and universities, the Division of Computer Services is the largest provider of data processing services to state agencies. Agencies serviced by the Division of Computer Services range from small licensure boards to large departments such as Transportation, Revenue, and Social and Rehabilitation Services. It should be pointed out that the Division of Computer Services provides a full range of data processing services with the exception of keypunching or data entry functions. That function in state government is usually provided by the Division of Accounts and Reports.

A summary of the agency's expenditures is given on the next page:

Expenditures

Personnel	\$ 745,024
Equipment Rental	302,683
Equipment Acquisition	1,082,625
Maintenance Contracted	308,484
Rental of Software	40,471
Purchase of Software	11,767
Maintenance of Software	2,165
Data Processing Consulting Service	31,036
Capital Improvements	69,939
Supplies and Other Costs	194,011
Depreciation	200,517
TOTAL	<u>\$2,988,722</u>

The amount of \$2,988,722 represents the total expenditures of the agency for FY 1976. Being a provider of data processing services, it is not surprising that a substantial portion of the total expenditures has been devoted to the acquisition and maintenance of equipment. In point of fact the agency is in possession of a wide variety of data processing equipment, most of which is located on the eleventh floor of the State Office Building.

Several items of equipment, however, are located elsewhere. The Departments of Revenue, Education, Health, Social and Rehabilitation Services, and the Divisions of Personnel and Accounts and Reports within the Department of Administration all have data processing equipment in their possession that is owned or leased by the Division of Computer Services. The types of equipment in remote locations consist primarily of printers, terminals, and packages of equipment operated as systems.

The summary of the agency's expenditures reveals that substantially more equipment is owned than leased and, in terms of expenditures, makes use of more IBM than UNIVAC equipment. Although equipment of both types function as separate systems, each is operated by the same personnel (24 hours a day, seven days a week) and most projects can be programmed for either system. The IBM system is operated at 92.7 percent of its operational capability. In addition, it can handle communications, establish data bases, and support remote job entry functions, none of which features can be found in the UNIVAC system. Lacking conversion equipment which would improve its efficiency, the UNIVAC system functions at about 50 percent of its operational capability. Costs incurred by agreements to lease or purchase all data processing equipment are financed by the income generated from charges to user agencies.

Personnel assigned to data processing functions fall predominantly into the category of programmers and technicians. Of the 53.4 F.T.E. personnel serving in a data processing capacity, 46.4 -- or 87 percent -- have been classified as technicians. Total salary costs -- including benefits -- of all 53.4 F.T.E. positions was \$745,024 in FY 1976.

One of the characteristic features of the Division of Computer Services is its method of funding. Since it receives no funds from the State's General Revenue Fund, the agency is obliged to bill user agencies for specific data processing services rendered. The rationale for the present funding arrangement is twofold. First, it removes the Division of Computer Services from competition with other state agencies for direct funding from the General Revenue Fund and, as a consequence, accords some measure of independence and flexibility in its operations. Second, and most importantly, the arrangement encourages agencies to be judicious in their purchase of data processing services since funds expended for that purpose limit expenditures in other areas. Consequently, there is a mechanism built into the arrangement which works to ensure the efficient use of data processing services purchased from the Division of Computer Services.

A list of state agencies for which the Division of Computer Services provides data processing services is given on the following page. Included is the total amount charged to each agency for services rendered and the source of funding used to purchase such services.

Agency	Amount Charged - FY 1976	Sources of Funding	
		State General Fund	Other
Accounts and Reports	\$ 159,319	\$ 159,319	\$ -
Administration, Department of	22,534	4,473	18,061
Attorney General, KBI	147,495	147,495	-
Capitol Area Park	1,105	1,105	-
Central Accounting	275,947	275,947	-
Consumer Credit	353	-	353
Corporation Commission	5,175	-	5,175
Corrections, Department of	11,426	7,205	4,221
Economic Development, Department of	2,747	313	2,434
Education, Department of	60,474	20,138	40,336
Forestry, Fish and Game	4,523	-	4,523
Governmental Ethics	179	179	-
Health and Environment, Department of	27,830	-	27,830
Highway Patrol	187,581	-	187,581
Insurance, Department of	16,114	16,114	-
Kansas Public Employees Retirement System	48,701	-	48,701
Kansas University	61	-	61
Kansas University Medical Center	168	-	168
Kansas State University	280	-	280
Legislative Post Audit	741	741	-
Legislative Research	271	271	-
Legislative Administrative Services	77	77	-
Park and Resources Authority	270	270	-
Personnel, Division of	150,456	134,599	15,857
Public Employee Relations Board	217	217	-
Real Estate Commission	9,188	-	9,188
Revenue Department	1,298,400	721,576	576,824
Revisor of Statutes	41,474	41,474	-
Secretary of State	2,010	2,010	-
Social Welfare (SRS)	225,002	109,970	115,032
Social Security	2,563	-	2,563
State Library	13,819	91	13,728
State Treasurer	9,677	9,677	-
Transportation, Department of	355,659	-	355,659
Unified Judicial Department	5,903	5,903	-
Workmen's Compensation	3,627	-	3,627
Miscellaneous	41	Unknown	Unknown
TOTAL	\$3,091,407	\$1,659,164	\$1,432,202

Division of Accounts and Reports

This division purchases services from the Division of Computer Services and leases equipment for processing accounting information and for providing services to other state agencies. The cost of services purchased from the Division of Computer Services was \$437,978 in FY 1976. The services purchased include accounting reports, payrolls, and various other billings and special reports. The services rendered to other state agencies include keypunching, program analysis, and scanning. For services provided to other agencies, \$107,305 was recovered.

Equipment leased by the agency include an optical scanner, a RJE terminal, a sorter, a twenty keystation keyplex system, and two data recorders. The annualized lease cost for the equipment was \$114,636 in FY 1976. In addition the Division owns two check signers for which maintenance costs amounted to \$1,005 in FY 1976.

The data processing function required forty-five equivalent full-time positions (a Data Processing Manager, four Computer Systems Analysts, nine Programmers, twenty-five Data Entry Operators, and six other clerical and support positions) at a salary cost of \$477,160 in FY 1976. The total cost of the data processing function was \$1,070,413 in FY 1976 of which \$1,068,011 was financed from the State General Fund.

On the following page is a tabulation of agencies provided services in FY 1976 and the level of charges assessed each agency by type of service.

Agency (Company) Name	Type of Services			Total
	Keyplex	Prog/Analyst	Scanner	
State Agencies:				
Corporation Commission	\$ 1,804.84	\$ -	\$ -	\$ 1,804.84
Employment Security Div. (1)	-	-	-	30.00
Fort Hays Kansas State College (1)	-	-	-	30.00
Department of Administration				
DSC-Administration	\$ 329.68	\$ 63.00	\$ 677.20	\$ 1,069.88
State EEO	-	1,001.00	-	1,001.00
Purchasing	1,839.33	-	-	1,839.33
Intergovernmental Pers.				
Federal	2,873.16	-	-	2,873.16
Personnel	413.93	66.00	-	479.93
Central Mail	2,323.16	-	-	2,323.16
Central Motor Pool	1,868.53	-	-	1,868.53
WATS/FX Telephone Billing	8,542.27	-	-	8,542.27
KANS-A-N Telephone Billing	136.12	3,807.18	-	3,943.30
Capitol Area Parking	549.30	-	-	549.30
Total Department of Administration (excluding services for the Division of Accounts and Reports*)	\$18,875.48	\$4,937.18	\$ 677.20	\$24,489.86
Forestry, Fish and Game				
Commission	\$ 1,969.98	\$ -	\$ -	\$ 1,969.98
Governmental Ethics	63.10	1,020.00	-	1,083.10
Highway Patrol	-	-	229.84	229.84
Department of Economic Devel.	1,406.15	-	-	1,406.15
Insurance Department	1,951.83	-	-	1,951.83
Kansas Public Employees Retirement System				
Kansas State University (1)	18,219.95	-	-	18,219.95
1202 Commission	-	-	-	30.00
Legislature	629.25	751.50	864.36	2,245.11
State Library	89.46	-	-	89.46
	741.85	-	-	741.85
Consumer Credit Commission	248.68	-	-	248.68
Park and Resources	41.05	-	-	41.05
Department of Corrections	517.71	-	-	517.71
Legislative Div. of Post Audit	-	9.00	-	9.00
Real Estate Commission	797.90	-	-	797.90
Department of Revenue	-	-	25,620.00	25,620.00
Revisor of Statutes	45.80	-	-	45.80
Dept. of Social and Rehab. Services (3)	1,892.70	-	-	9,310.90
Supreme Court	5,959.89	-	-	5,959.89
Supreme Court-Aid to Indigent Criminal Defend.	189.84	-	-	189.84

<u>Agency (Company) Name</u>	<u>Type of Services</u>			<u>Total</u>
	<u>Keyplex</u>	<u>Prog/Analyst</u>	<u>Scanner</u>	
(Continued)				
State Treasurer	\$ 552.03	\$ -	\$ -	\$ 552.03
University of Kansas (1)	-	-	-	60.00
Water Resources Board	-	189.00	410.44	599.44
Wichita State University (1)	-	-	-	30.00
Workmen's Compensation Director	7,637.24	-	-	7,637.24
 TOTAL STATE AGENCIES	<u>\$63,634.73</u>	<u>\$6,906.68</u>	<u>\$27,801.84</u>	<u>\$105,941.45</u>
 <u>Other:</u>				
Blue Cross/Blue Shield	\$ -	\$ -	\$ 219.32	\$ 219.32
Goodyear	-	-	1,131.99	1,131.99
KALS Labels (2)	-	-	-	12.00
 TOTAL	<u>\$63,634.73</u>	<u>\$6,906.68</u>	<u>\$29,153.15</u>	<u>\$107,304.76</u>

(1) Represents costs of creating KANS-A-N billing magnetic tapes.

(2) Represents costs of mailing labels provided to KALS.

(3) Includes reimbursements of \$7,418.20 for special warrant forms required for SRS payments.

Employment Security Division

The agency is a division of the Department of Labor. It is a Topeka-based operation with a network of Employment Security branch offices throughout the state. Data processing represents an integral part of the agency's operations, and its utilization of those functions is distinguished by the fact that it is exclusively an in-house operation.

The agency utilizes data processing in all of its major programs. Employment Services (ES) is designed to match available jobs with unemployed persons qualified to fill them. The Employment Security Automatic Reporting System (ESARS) maintains statistical data on employment matters, including a current assessment of conditions in the labor market. The Unemployment Insurance Program (UI) processes claims for unemployment compensation; maintains a file of several hundred thousand claims; distributes checks each week in the amount of some one million dollars; and compiles statistics on such items as extended benefits. Administrative Staff and Technical Systems (ASAT) is a nationwide cost accounting system sponsored by the federal government.

The Employment Security Systems Institute (ESSI) is a training program conducting courses and seminars in data processing functions. It employs 15 instructors and, at any given time, has an enrollment of 50-60 students from around the world. The institute also has a 30-member staff which works under the direct functional control of the federal government for the purpose of providing program and systems support.

Personnel in ESSI have been treated separately from other data processing personnel in the agency. 36.3 F.T.E. personnel are employed of which 29.3 are technical positions. ESSI personnel costs amounted to \$492,361 in FY 1976. Other personnel in the Employment Security Division performing data processing tasks included 60.58 F.T.E. positions at a cost of \$654,631. These positions, however, are more evenly divided between technical and clerical functions. Total F.T.E. positions in the agency assigned to data processing functions equaled 96.88 F.T.E. in FY 1976 and the total personnel costs amounted to \$1,146,992.

Because the agency's computer operations are functionally independent, it must have for its use all equipment essential to its operations. The agency does, in fact, possess a variety of equipment items which are dispersed through the state. To be sure, most are centrally located at 503 Kansas Avenue in Topeka, but the agency has recently installed 19 C.U. terminals in Employment Security branch offices and expects to have one installed in each of the 41 offices by January, 1977. Nor are equipment items in remote locations limited to terminals. Other equipment at such locations include sorters, printers, and modems.

The agency recently completed payment on its primary computer system (IBM Model 370/158). The payment schedule for the purchase is given below:

<u>Date</u>	<u>Amount of Payment</u>
December 9, 1974	\$ 95,614
April 18, 1975	218,307
May 14, 1975	114,840
December 31, 1975	383,375
July 16, 1976	<u>1,233,414</u>
TOTAL	<u>\$2,045,550</u>

Other short-term purchases and their total costs included Disk Drives at \$370,185 and Tape Drivers and Control at \$741,236. Total cost in FY 1976 for acquisition and rental of data processing equipment, including maintenance, was \$1,004,900. Rental of software amounted to \$18,223.

Total data processing expenditures for FY 1976, including personnel, totaled \$2,286,061. The entire amount was provided by federal funds.

PART THREE

STATE AGENCIES UTILIZING DATA PROCESSING

Summary

For many agencies in state government data processing constitutes an essential and growing part of its operations in terms of the time and expenditures allotted for it. In some of the larger agencies these operations can amount to a considerable commitment of the agency's resources. The larger agencies usually own or lease data processing equipment as part of their own in-house operations and must, as a result, employ additional personnel or convert some of their existing personnel to data processing tasks. The smaller agencies generally do not own or lease data processing equipment; consequently, they have fewer personnel devoted to data processing functions and are compelled to purchase services outside the agency. Notable among the exceptions to this general rule are such agencies as Emergency Preparedness and Grain Inspection, each of which owns or leases several items of data processing equipment.

The Division of Computer Sciences is the foremost provider of data processing services to state agencies. It does not, however, perform data entry services. That function is most frequently provided by the Division of Accounts and Reports. A smaller portion of the services purchased are from sources outside state government. The following summarizes the nature and extent of each state agency's commitment to the utilization of data processing, including equipment, purchased services, personnel, sources of funding, and total expenditures.

Department of Social and Rehabilitation Services

Fiscal Year 1976 computing and data processing costs totaled \$2,797,092, including \$1,267,083 in State General Funds and \$1,530,009 in federal funds. The major expenditure was the fiscal agent contract with Blue Cross-Blue Shield for the processing of medical claims which totaled \$1,918,772 or approximately 68.6 percent of total computing and data processing expenditures.

Computing and data processing personnel costs totaled \$307,589 in FY 1976 and included the salaries and employer contributions of 26.0 equivalent full-time positions. Personnel assigned to the data processing function include 1.0 in management, 12.0 in systems and programming, 10.0 in data entry, and 3.0 in control and clerical functions. Among other expenditures were \$225,002 in services purchased from the Division of Computer Services, \$192,489 in supplies and related costs, and \$52,761 in equipmental rental. Services purchased from the Division of Accounts and Reports totaled \$9,311.

Included in equipment rental costs is \$18,096 for equipment rental at Osawatomie and Larned for the Mental Hospital Billing and Accounts Receivable System. The system performs a variety of billing and internal cost allocation and budget functions as well as certain clinical functions. Equipment located at each facility includes a remote data entry key station with attached hard copy printer, a remote data entry key station with communications ability to a convertor located in the Topeka office and a hard copy printer for the second key station. The equipment located in the Topeka office includes a key to disk data entry system with tape drive 16K memory CPU. A total of nine key stations are available to access the unit as well as certain other peripheral equipment. The annual rental cost of the CPU and related equipment totals \$15,228. The annual cost of the convertor totals \$9,192. A display station and printer is also located at the Kansas City Area Office at an annual cost of \$3,744.

The Department uses computing and data processing applications for a variety of its programs, principal among them being financial assistance, medical assistance, food programs, and a variety of administrative functions.

Department of Revenue

Fiscal Year 1976 computing and data processing costs totaled \$2,707,824. These expenditures were financed by \$1,895,121 in State General Funds and \$812,705 in Division of Vehicles Operating Funds (principally vehicle registration activities). A total of 133.0 equivalent full-time positions were assigned to such activities at an FY 1976 cost of \$1,329,072. Personnel employed in computing and data processing functions included 4.0 in management, 17.0 in systems and programming, 87.0 in data entry, and 25.0 in control and clerical functions. The vast majority of the computing and data processing equipment located in the Department is assigned to the Division of Computer Services. Rental costs of equipment actually assigned to the Department totaled \$39,097.

Services purchased from the Division of Computer Services in FY 1976 totaled \$1,298,400. The major applications included \$386,453 for vehicle registration (29.8 percent); \$359,063 for individual income tax (27.7 percent); \$264,040 for sales tax (20.3 percent); and \$118,834 for drivers' licensing (9.2 percent). Fiscal Year 1976 services purchased from the Division of Accounts and Reports totaled \$25,620 and were for scanner services.

Kansas Department of Transportation

The Kansas Department of Transportation uses computer services to support both the engineering and management operations of the agency. Some of the engineering support operations include evaluation of various proposed highway routes, compilation of accident records, computations needed in the design of roads and bridges, verification of construction contract costs, and maintenance of material and equipment inventories. An example of computer support of management operations is the daily report available to agency officials indicating the remaining expenditure limitation available to an organizational unit.

The agency spent \$982,314 for computer services in FY 1976. State highway funds provided \$860,705 with federal funds providing the remaining \$121,609. Of the total cost, services purchased from the Division of Computer Services amounted to \$355,659. Of that amount, 34 percent was for engineering services; 27 percent was for fiscal management; 21 percent was for planning activities; and the remainder was for the various other activities. The agency had a \$502,839 computer related expenditure for the salaries of three management positions, 15 programming positions, 14 data entry positions, and eight clerical positions. MacAuto received \$12,000 in FY 1976 for maintenance of the "Integrated Civil Engineering System" software package and \$5,000 for bond modeling.

The agency leases seven Sycor Model 340 terminals with a lease cost of \$33,372 and annual maintenance costs of \$10,308. The Kansas Department of Transportation has an Inforex key to disk data entry system. This system consists of a controller with an annual lease cost of \$7,800 and an annual maintenance cost of \$2,520; two stations with an annual lease cost of \$1,368 and an annual maintenance cost of \$192; and 12 stations that they own with an annual maintenance cost of \$1,152. Conventional equipment includes an IBM 26 keypunch with an annual lease cost of \$780; nine IBM 29 keypunches with an annual lease cost of \$8,964; five IBM 129 keypunches with an annual lease cost of \$10,320; and an IBM 83 card sorter with an annual lease cost of \$1,656.

The Kansas Department of Transportation owns a Cal-Comp Drum Plotter and Tape Drive with an annual maintenance cost of \$2,280. The agency also owns two Auto-Trol digitizers, five Keltch stereo plotters, an H. Dell Foster mono comparitor, and an Auto-Trol coordinator graph.

Kansas State Department of
Health and Environment

Computing and data processing costs for this agency totaled \$164,169 for FY 1976. A major portion of these expenditures, \$119,400, provided salaries for 11 F.T.E. positions allocated to the agency's computing and data processing functions. Other expenditures included \$15,670 for equipment rental; \$27,830 for the purchase of services from the Division of Computer Services; \$1,050 for supplies; and \$219 for the rental of software.

The total FY 1976 expenditures of \$164,169 for computing and data processing activities were funded from three sources: \$60,169 from State General Funds; \$100,000 from Vital Statistics Fee Fund; and \$4,000 from federal funds.

The major applications for the agency's computing and data processing services include the preparation of various statistical reports for public health nursing activities, statewide immunization activities, laboratory tests, occupational safety and health reports and environmental health activities.

The Department of Health and Environment's leased equipment inventory includes the following items: 1-Inforex data entry system (No. 1302) with seven-key stations; 1-IBM card sorter with auxiliary card counter; 1-IBM interpreting card punch; 1-RJE terminal with stand alone capability; and 2-modems. The terminal and modems are owned by the Division of Computer Services. All of the leased equipment is located at the agency's headquarters in Topeka.

Department of Education

In FY 1976 the actual expenditures for data processing totaled \$207,798. Of that amount, \$7,067 was for equipment rental; \$3,780 was for equipment acquisition; \$712 was for contracted maintenance; \$5,000 was for supplies; \$60,474 was for purchasing data processing; and \$130,765 was for personnel costs.

The annualized cost for leased equipment for FY 1976 was \$10,659, while the actual cost was \$7,067. Two pieces of equipment included in the annualized cost are no longer being leased. One IBM 029 keypunch is leased at an annualized cost of \$1,140. In addition, one IBM 026 keypunch is owned by the department. Seven Data 100 Key Batches were on a lease-purchase basis at an annualized cost of \$13,716 and an actual FY 1976 cost of \$3,780. The Key Batches are remote job data entry terminals used in conjunction with a mini-computer placed at the department by the Division of Computer Services.

In FY 1976 twelve applications, at a total cost of \$60,474, were purchased from the Division of Computer Services. The major applications were \$15,953 for school finance and statistical activities and \$16,349 for the school food activities. Other applications included fiscal, personnel, development, and vocational education activities (\$2,641); data processing and communications activities (\$10,715); teacher certification activities (\$3,061); special education activities (\$160); curriculum activities (\$432); Title I and disadvantaged programs (\$1,062); research activities (\$10); accreditation (\$2,525); information retrieval (\$6,987); and vocational education (\$240).

Agency personnel employed in computing and data processing functions totaled 11.0 F.T.E. at an FY 1976 salary cost of \$130,765. Management personnel totaled one F.T.E., Systems/Programming personnel totaled four F.T.E., Data Entry personnel totaled five F.T.E., and Control/Clerical personnel totaled one F.T.E.

Department of Insurance

In FY 1976 the actual expenditures for data processing totaled \$60,392. Of that amount, \$9,361 was for equipment rental; \$32,965 was for personnel costs; and \$18,066 was for purchasing data processing services.

The annualized cost for FY 1976 for leased equipment on hand as of June 30, 1976, was \$20,790. The actual FY 1976 cost was \$9,361. Equipment leased was used for entry, capture, and storage of the various records required in recording the \$20,000,000 received by the agency in taxes and fees. The equipment was also intended for use in the issuance and printing of agents' licenses but did not have the necessary capacity to adequately perform that function. All equipment was located at the agency.

In July, 1976, the agency leased an IBM System 32 to replace all but two other pieces of equipment. The IBM System 32 is a mini-computer. It is used by the Department of Insurance for three functions: (1) to program materials and records required by the enactment of medical malpractice legislation; (2) to perform the necessary bookkeeping functions required in the processing of receipts; and (3) to issue licenses on a daily basis. The issuance of licenses through use of the IBM System 32 will only be done if capacity exists after the first two functions are completed. The remaining equipment will be used as the data input sources for the System 32. It is estimated that the annualized cost of the new leased equipment will total \$18,462 in FY 1977.

In addition, the new equipment is expected to reduce slightly the cost of the agents' licensing application in the Division of Computer Services in FY 1977.

In FY 1976 five applications were made for purchase of services from the Division of Computer Services. The major application, used for the issuance and printing of agents' licenses, totaled \$12,000. Other applications included Firemen's Relief Fund payments, Accident and Health Statistical Report, Life Statistical Report, and the Fire and Casualty Statistical Report. The three reports are required by statute. The total cost of services purchased from the Division of Computer Services was \$16,114. In addition, \$1,952 of keypunching services were purchased from the Division of Accounts and Reports.

Agency personnel employed in computing and data processing functions totaled 3.5 F.T.E. at a total salary cost of \$32,965. Data Entry personnel totaled 1.8 F.T.E. and Control/Clerical personnel totaled 1.7 F.T.E.

Kansas Public Employees Retirement System

Fiscal Year 1976 computing and data processing costs totaled \$66,921 and were limited to the purchase of such services from the Division of Computer Services and the Division of Accounts and Reports. Keypunching services totaling \$18,220 were purchased from the Accounts and Reports Division and computing and processing services totaling \$48,701 were purchased from the Division of Computer Services.

Computing and processing services relate to four principal applications; the preparation of annual statements for active members, the processing of quarterly reports from approximately 800 local participating jurisdictions, the processing of the monthly retirement payroll, and the ongoing updating of active member files.

Kansas Department of Economic Development

The Kansas Department of Economic Development spent \$10,768 for computer services in FY 1976. Of that amount, \$6,928 was from the State General Fund and \$3,840 from federal funds. The federal funds were used to complete a community development survey. The Division of Computer Services received \$2,434 of the federal funds and the Division of Accounts and Reports received \$1,406 for keypunching services.

The Division of Computer Services also received \$313 to conduct a study of the feasibility of compiling a directory of manufacturers. The remaining \$6,615 was spent with Capitol Service Bureau, Inc. for the actual production of the directory. The state agency does not own or lease any data processing equipment, nor are any of its personnel assigned to data processing tasks.

Governmental Ethics Commission

No data processing equipment is owned or leased by the agency. Utilization of data processing is restricted to purchase of services from the Division of Computer Services and consultant services from the Data Processing Section of the Division of Accounts and Reports.

The only application made to the Division of Computer Services is the listing of all state employees who earn over \$15,000 per year, at a cost of \$179. This listing is used to notify state employees earning \$15,000 or more per year, except teachers under the State Board of Regents, that under the state conflict of interest law they must file a statement of financial interests.

The Data Processing Section of the Division of Accounts and Reports was employed as a consultant in the development of the program used to provide the listing. Total cost for those services was \$1,083.

No agency personnel are employed in a data processing function.

Forestry, Fish and Game Commission

The Commission leases a batch remote job entry terminal with concurrent key to disk entry. This system communicates with both Kansas State University's and the Division of Computer Services computer facilities. The agency purchases data processing services from the Division of Computer Services, Kansas State University, Emporia Kansas State College, Barton County Community College, and the Division of Accounts and Reports.

Analysis of research statistics is currently the primary application of the system; however, increasing administrative support uses are being made of computing. Kansas State University time sharing costs for research projects for the Fisheries and Game Divisions amounted to \$2,349 in FY 1976. Other FY 1976 research costs included further Game Division

projects contracted with Emporia Kansas State College, \$1,146 and Barton County Community College, \$750. Administrative support purchased from the Division of Computer Services included ledger postings, \$1,975; magazine subscriptions, \$550; and deer permit distribution, \$1,998. The Division of Accounts and Reports provided keypunching for the deer permit program costing \$1,970. The Commission purchased services from the Division of Computer Services totaling \$4,523; services from other sources were \$6,215; with the total FY 1976 cost for purchased services amounting to \$10,738.

Equipment lease and maintenance costs totaled \$16,330. For FY 1976, personnel expenses for one system analyst and 1.5 data entry operator positions amounted to \$24,209. The Commission did purchase one storage disk for \$660. Total FY 1976 costs amounted to \$51,612.

Park and Resources Authority

The agency purchased data processing services from the Division of Computer Services in the amount of \$270 and from the Division of Accounts and Reports amounting to \$41. Total cost to the agency for data processing services purchased in FY 1976 was \$311. Purchase of these services permitted the agency to maintain an inventory of facilities in the various state parks in Kansas. The agency's administrative operations, of which the utilization of data processing services is a part, are funded both from the State General Fund and the agency's fee fund.

Workmen's Compensation

The agency purchased data processing services from both the Division of Computer Services and the Division of Accounts and Reports. Data processing services were utilized for processing accident reports and maintaining statistics as a consequence of those reports. It is estimated that approximately 40,000 reports a year have been handled in this manner. The agency also maintained a master file of the names and addresses of insurance companies and self-insured employers who are notified periodically of changes in the laws and regulations governing Workmen's Compensation. Data processing services purchased from the Division of Computer Services for the above applications, amounted to \$3,627 in FY 1976. Cost of the service provided by the Division of Accounts and Reports, which was exclusively a keypunching function, was \$7,637. In addition, the agency employed two clerk typists at a cost of \$16,176 to code the materials that are sent to the Division of Accounts and Reports for data entry preparation. Total cost of all data processing utilized by the agency in FY 1976 amounted to \$27,440. The entire amount was funded from the agency's special revenue fund.

Grain Inspection Department

The agency leases an IBM System 32 mini-computer and an IBM RPG compiler. This in-house system was installed in the last month of FY 1976.

Three system functions are now implemented. These are (1) the maintenance of an accounts receivable ledger for grain inspection, sampling, weighting, and protein determination services provided to all grain buyers or sellers in the state, (2) the preparation of billing statements for the above accounts and (3) accounting for the resulting cash receipts.

Actual FY 1976 costs represented one month of operation and included \$935 for equipment lease and maintenance, \$72 for supplies, \$15 for software lease, and \$1,053 for two data entry operators. The agency also purchased programming services from IBM for \$1,254. Total FY 1976 costs were \$3,329. The annual equipment lease and maintenance cost for the system will run \$10,596 in FY 1977.

Kansas State Fair

No data processing equipment is owned or leased by the Fair. Limited utilization of data processing began in FY 1976 and involved the purchase of services from the MAN Del Company of Hutchinson, Kansas.

The service agency provides mailing labels for the distribution of (1) Daily Programs to advance ticket buyers, county agents, news media, and fair participants; (2) Premium Books to county agents and previous fair entries; and (3) exhibits and concessionaire correspondence. FY 1976 costs totaled \$450 for these services. Agency personnel are involved only in the clerical responsibility of submitting names for recording.

State Library

Central cataloging services are currently being provided to participating libraries by the Ohio College Library Center. The State Library has recently acquired an OCLC 100 Display Terminal in order to take advantage of those services. Also in its possession is a package of three items of data processing equipment, consisting of a printer, terminal, and coupler. These are utilized in operating the agency's Inter-library Loan Program. Total cost for purchase and maintenance of data processing equipment in FY 1976 was \$6,300, all of which was financed by federal funds.

The agency purchases data processing services from both the Division of Accounts and Reports and the Division of Computer Services. The Division of Accounts and Reports provided keypunch services in FY 1976 in the amount of \$742. Total cost of services purchased from the Division of Computer Services was \$13,819. The agency utilized these data processing services to publish its Subject Index (for the Legislative Reference section), Serials Listing, and Public Library Statistics. The Public Library Statistics publication was financed exclusively by federal funds at a cost of \$14,409. The other two publications were financed through funds from the State General Fund and the agency's Duplicate Fee Fund.

A .75 F.T.E. position was identified as being responsible primarily for coding, sorting, and other tasks related to data entry, although some programming functions are performed as well. Cost of the data processing portion of this position was \$7,243.

Total data processing costs for the agency in FY 1976 was \$28,104. It is important to note, however, that utilization of data processing is a relatively new feature of the agency's operations. Some initial costs associated with its establishment are not expected to be repeated. On the other hand, there are costs associated with its operation -- such as supplies -- which will not be realized until the agency has normalized data processing operations.

State Treasurer

Fiscal Year 1976 computing and data processing costs totaled \$93,388, the principal item being the personnel costs of \$62,103 associated with 7.0 full-time equivalent positions. Equipment rental totaled \$12,318 consisting principally of unit record equipment for the tabulating processing of payment warrants. The use of this equipment will be discontinued in FY 1977 when the Treasurer will convert to electronic processing of payment warrants at which time other more sophisticated equipment will be leased. Services purchased from the Division of Computer Services totaled \$9,677 and keypunching services purchased from the Division of Accounts and Reports totaled \$552. All expenditures were financed from the State General Fund.

Data processing activities of the Office of the State Treasurer are limited to the processing of state payment warrants and cash balance reconciliations.

Kansas Corporation Commission

Fiscal Year 1976 computing and data processing costs for the Kansas Corporation Commission totaled \$15,895. An amount totaling \$4,432 was expended for the purchase of an NCR Model 250-7000 as modified to a Model 250-7100 Validating Machine. All cash receipts transactions will be validated by use of this equipment.

Fiscal Year 1976 services purchased from the Division of Computer Services totaled \$5,175, the principal application being the preparation of monthly oil production allowable reports. Similar monthly reports for gas allowables are prepared by the Wichita State University Computing Center. Such costs totaled \$4,483 in FY 1976.

Fiscal Year 1976 keypunching charges assessed the Commission by the Division of Accounts and Reports totaled \$1,805.

Division of Emergency Preparedness

The agency leases two teletype machines for emergency communications purposes. Message switching is provided by a computer located in the Division of Computer Services. Because of their connection to the state computers, the machines could be used to access information from the state computers. Annual leasing cost in FY 1976 was \$4,860 which was financed equally from the State General Fund and federal funds.

Consumer Credit Commissioner

The agency's use of data processing is limited to purchase of services from the Division of Computer Services and the Division of Accounts and Reports. Applications include a notification for registration under the Truth-in-Lending Act (now part of the Uniform Consumer Credit Code) and addressing certificates pursuant to the Investment Certificate Act. Total cost for services provided in FY 1976 was \$602, funded entirely by the agency's special revenue fund. Of the total amount, \$249 was for purchase of data entry services from the Division of Accounts and Reports and the remaining \$353 purchased data processing services from the Division of Computer Services.

Real Estate Commission

Utilization of data processing is restricted to purchase of services from the Division of Computer Services and the Division of Accounts and Reports. Total cost of services purchased in FY 1976 was \$9,986. The Division of Computer Services provided data processing services at a cost of \$9,188, while the Division of Accounts and Reports supplied keypunch services costing \$798. None of the agency's personnel can be identified as serving, wholly or in part, a data processing function.

Primary among the agency's applications for data processing services is the printing and renewal of real estate licenses. Secondly, the agency annually publishes a directory which provides a listing of all licensed real estate brokers and salesmen in the state. The services purchased permit an efficient and accurate update of the information contained therein. Related applications include an assortment of inventory listings of real estate brokers and salesmen similar to the above directory, with the exception that each is organized differently. One, for example, is arranged by zip code (geographical area); another by broker; and so forth. Finally, the agency issues a notification to inactive licensees regarding the status of their licensure with the Commission.

Legislative Research Department

During Fiscal Year 1976, the agency purchased services in the total amount of \$319. Of that amount, \$271 was paid to the Division of Computer Services principally for systems consultation on the use of a programming package entitled Statistical Program for Social Services (SPSS). An additional \$48 was paid to the University of Kansas Computing Center for keypunching of data.

Revisor of Statutes

Estimated Fiscal Year 1976 computing and data processing costs totaled \$236,464 and were financed in total from the State General Fund. Computing and data processing applications employed by the Revisor include compilation and maintenance of the Kansas Legislative Information System (KLIS), bill typing (ALTER), statutory search (SIRS), and a limited number of other special applications.

Expenditures for personnel totaled \$45,213 and included \$18,545 for the salary and employer contributions of the agency's Information Systems Specialist who has overall responsibility for computing and data processing functions, \$9,859 for partial-year systems and programming support and an estimated \$16,809 for data input support by the clerical staff.

Fiscal Year 1976 equipment rental costs totaled \$59,549. Equipment on hand as of June 30, 1976 included three Delta Data Multiterm Control Units, eight Delta Data 5200 CRTs, three GE 1200 Terminet Printers, one IBM 3271-2 Remote Control Unit, two IBM 3277-2 CRTs (eight were on line during the legislative session), two IBM 2741-1 Typewriter Terminals (six were on line during the legislative session) and four SWB Dataphone 4800 (pairs). It is planned that certain of the equipment will be purchased during FY 1977.

Other FY 1976 expenditures included \$41,474 in services purchased from the Division of Computer Services (principally for bill typing and statutory search), \$46 in services purchased from the Division of Accounts and Reports, \$17,805 in programming services purchased from the Boeing Company for modification of KLIS and \$36,010 from Data Retrieval for updating the statute data base. Purchase and maintenance of software totaled \$12,500 in FY 1976; equipment maintenance amounted to \$13,325; and other costs for supplies and services totaled \$10,542.

Unified Judicial Department

This agency purchases data processing services from both the Division of Computer Services and the Division of Accounts and Reports. The primary services purchased from the Division of Computer Services are statistical reports of case-loads in the district courts and data on payments made for the defense of indigent persons charged with a felony crime. In addition, the agency maintains a directory of attorneys admitted to practice law in Kansas. Key punching services are purchased from the Division of Accounts and Reports.

The cost of the services purchased in FY 1976 was \$12,054, financed totally from the State General Fund. Of the total cost, \$6,150 was paid to the Division of Accounts and Reports and \$5,904 was paid to the Division of Computer Services.

Kansas Bureau of Investigation

This agency owns and operates a mini-computer (Inforex system) and purchases services from the Division of Computer Services. In addition the agency owns a data entry device and printer and leases a data entry device to support and back up the Automated Statewide Telecommunications and Records Access System. Because the system is tied into the state computers, the operation of the system is considered to be a data processing function.

The primary services purchased from the Division of Computer Services are message switching, disk storage and file search. The cost of those services was \$147,495 in FY 1976.

Personnel involved in operation of the Automated Statewide Telecommunications and Records Access System include a Computer Systems Analyst, seven Telecommunications Operators and .3 other equivalent full-time positions in control and general supervision of the system. The cost of those positions was \$74,391 in FY 1976.

The total cost attributable to the data processing functions identified as such above was \$263,415 in FY 1976. Of the cost, \$54,359 was financed by a federal LEAA grant and \$209,056 was financed from the State General Fund.

Department of Corrections

This agency is in the process of developing a computerized information system. The data processing function includes one full-time Computer Systems Analyst position and the purchase of services from the Division of Computer Services and the Division of Accounts and Reports. The services purchased from the Division of Computer Services include programming, systems analysis, and a limited amount of processing of information. The cost of those services in FY 1976 was \$11,426. Key punching services from the Division of Accounts and Reports cost \$518 in FY 1976.

The total data processing function cost in FY 1976, including \$14,282 for the salary of the Computer Systems Analyst, was \$26,226. The cost was financed by \$19,021 in federal LEAA grant funds and by \$7,205 from the State General Fund.

Highway Patrol

The Highway Patrol uses data processing equipment to provide rapid searches of files for information needed by officers in the field and to provide management support. The officer can obtain driver license information, vehicle registration information, and other similar information by radio contact with his division office. The division offices have access to law enforcement data files maintained not only by Kansas but by other states and national organizations. The agency also maintains computer records on the cost of operating each of its patrol cars and on arrest by officer and by type of offense. These records are maintained to help the agency evaluate its performance and plan adjustments.

The Highway Patrol spent approximately \$249,033 for computer services in FY 1976. This includes \$187,581 for purchased services from the Division of Computer Services, \$230 for scanner services furnished by the Division of Accounts and Reports, \$5,307 for access to the Kansas City, Missouri, police computer files, and \$30,815 for salaries of four keypunch operators. Equipment leasing costs amounted to \$14,398 in Fiscal Year 1976. Items of equipment leased include four IBM 129 keypunches \$6,636, one IBM 82 sorter \$996, and ten Bell 201 Data Sets (modems) \$6,766. Equipment maintenance costs of \$6,279 were incurred for maintenance on nine IBM 3275 cathode ray tubes and IBM 3284 printers. These items were purchased in 1972 at a cost of \$65,934 for the cathode ray tubes and \$50,508 for the printers. At the same time the agency also purchased ten IBM Data Sets at a cost of \$48,830 which are not currently being used, having been replaced by the lease of the Bell Data Sets.

Department of Administration

The major users of data processing equipment are the Division of Computer Services, the Division of Accounts and Reports, the Division of Personnel, and the Division of Printing. Part Two of this report deals with the Division of Computer Services and the Division of Accounts and Reports. The cost of data processing services for certain of the other divisions of the Department totaled \$42,600 in FY 1976. The primary services purchased were billings of telephone charges and central mail services. Separate sections follow for the Division of Printing and the Division of Personnel.

Division of Printing. Under the supervision of the Printing Advisory Committee, the Division of Printing undertook implementation of a computerized photocomposition process during FY 1976. The two principal components of the system, a Digital

Equipment Corporation PDP 8/E computer with 8K and the Linotron 303TC and ASR33 Teletype unit, were received in December, 1975, together with peripheral supporting equipment for the two systems. The process was tested during the 1976 legislative session.

Both equipment systems were acquired on a lease basis with an option to purchase. Monthly payments were made on both systems; seven payments on the Linotron of \$3,498.78 per month, and six monthly payments of \$3,350 on the PDP/8E computer during FY 1976.

The agency exercised the purchase options on both systems as of August 1, 1977. For the Linotron, the July payment was again \$3,498.78 with a final payment in August of \$76,353.91. The July payment on the computer system was \$17,125 with the final payment of \$178,575 in August. Both systems included manufacturer software costs; \$71,430 for the computer system and \$5,750 on the Linotron phototypesetting system.

Total FY 76 costs amounted to \$111,868, of which \$79,680 was financed from State General Funds and \$32,188 from Division of Printing funds. Of the actual FY 1976 costs, \$38,576 was for personnel, \$49,446 for equipment rental, and \$15,769 for rental of software. All costs represent seven months of actual operation. The actual equivalent full-time staffing complement for the fiscal year was 2.7 F.T.E.

Division of Personnel. FY 1976 expenditures for support of data processing amounted to \$197,777. The data processing functions of this division include operation of a personnel information system, test scoring, and special surveys. The data entry devices, etc., for the system are located within the Personnel Division under lease agreement with the Division of Computer Services and are operated by 6.8 equivalent full-time Clerk Typist II positions. In addition, a sorter and card punch are leased from a vendor. The cost of equipment leased and information processing services from the Division of Computer Services was \$150,456 in FY 1976. Other costs were \$1,464 for leasing of the sorter and card punch and \$2,341 for test scoring purchased from Iowa State University and Kaw Valley Area Vocational Technical School. The salary cost of the personnel who operate the system was \$40,163 in FY 1976. In addition, keypunch services amounting to \$3,353 were purchased from the Division of Accounts and Reports in FY 1976.

PART FOUR
BOARD OF REGENTS INSTITUTIONS

Summary

The centralized computer operations at the colleges and universities are funded as service clearing activities. The state does not generally make specific appropriations for their operation except in cases where the institutions have requested special funding consideration. The most recent example where the Legislature made specific provision for computers was in FY 1976 when special funding of \$664,728 was provided to the University of Kansas and \$125,000 to Wichita State University for upgrading equipment, and \$50,000 to Kansas State University for increasing the level of general operating support.

The use of the service clearing mechanism emphasizes the "service" aspect of the computer to campus operations. The computer facility, as a "service" activity, generates its own income through charges assessed other campus activities for whom it provides service. The schedule of charges is designed to generate sufficient income to finance all salaries and operating costs of the computer center. Work performed for the business office, student records, academic departments, research projects, etc., are billed in accordance with the schedule of charges. Those activities receiving the service finance the charges from their budgeted funds. Use of the service clearing mode encourages potential users to use care in requesting computer services since they must pay for them. In addition, work performed in conjunction with federally funded research projects is paid from the research grants or contracts. The major users of the service, administrative and academic departments, finance their charges from the funds appropriated by the state for other operating expenditures.

In addition to the centralized computer operations, a limited data processing capability exists within selected departments. This capability includes both data processing personnel and equipment. The equipment, principally of a special-use nature, includes "mini" computers. In most cases the equipment was acquired originally with federal research grant funds, private gifts, or other restricted use funds. Such computing equipment is generally utilized for research and instructional purposes. Some departmental equipment may have a basic function other than computing but the equipment includes as an integral part of its operating control structure a functioning "mini" computer. Illustrative of such equipment are the sophisticated diagnostic units purchased and operated

by the Department of Radiology of the University of Kansas Medical Center. Personnel who utilize the equipment include not only persons funded from such restricted use fund sources but also regular faculty members who use the equipment for instructional and research purposes. At the university campuses, some data entry equipment and personnel are employed in administrative offices to support administrative applications.

Expenditures - FY 1976

Each of the colleges and universities operate a centralized computer installation servicing the entire campus. As noted previously, the computers are operated as a service clearing fund activity deriving income through charges assessed to user activities and departments on the campus. With the exception of the University of Kansas and Kansas State University, all administrative, instructional, and research functions are performed on one computer system. At these two campuses, there are separate computer systems -- one performing administrative support, the other principally being used for instructional and research purposes. Both installations are under one general management structure.

Total FY 1976 expenditures for computing at the colleges and universities amounted to \$7,714,119. Of that amount, \$6,597,036 was expended by the centralized computer centers and \$1,117,083 represents the estimated cost for operation of departmental systems. Amounts expended by campus are as follows:

<u>Campus</u>	<u>Central Systems</u>	<u>Departmental Systems</u>
University of Kansas	\$1,941,743	\$ 517,484
University Medical Center	1,381,469	279,639
Kansas State University	1,594,515	191,590
Wichita State University	779,010	116,948
Fort Hays Kansas State College	294,284	--
Emporia Kansas State College	326,774	2,590
Kansas State College of Pittsburg	279,241	8,832
TOTAL	<u>\$6,597,036</u>	<u>\$1,117,083</u>

The following is a summary of the total expenditures by the seven campuses by major cost element:

<u>Cost Element</u>	<u>Central Systems</u>	<u>Departmental Systems</u>
Personnel	\$2,783,650	\$ 673,594
Equipment Rental	1,332,241	29,930
Equipment Purchase	1,456,281	266,554
Estimated Equipment Maintenance Costs	275,914	54,557
Rental/Purchase of Software	51,462	16,306
Supplies and Other Operating Costs	697,488	76,142
TOTAL	\$6,597,036	\$1,117,083

Uses of Computing

The uses made of the central computing system at each of the campuses reflect not only the uniqueness of the institutions from an academic standpoint, but also perhaps differences in philosophy of the campus administrations. Some campuses utilize the system heavily for instruction whereas other campuses, particularly Fort Hays Kansas State College, Kansas State College at Pittsburg, and Wichita State University, have made proportionately greater use of the computer resources in FY 1976 to support administrative applications. The following table compares by institution the proportion of the total service committed to various service components during FY 1976. Given the significant difference in computer capacity and costs between the campuses, caution should be used in attempting to make inter-campus comparisons, particularly between colleges and universities.

<u>Campus</u>	<u>Instruction</u>	<u>Research</u>	<u>Admin.</u>	<u>Extension & Public Service</u>	<u>Other</u>
University of Kansas	33.7%	23.7%	34.9%	3.0%	4.7%
University Medical Center	18.0	4.0	25.0	--	53.0
Kansas State University	25.5	24.0	34.9	8.3	7.3
Wichita State University	18.0	23.0	48.0	3.0	8.0
Fort Hays Kansas State College	20.4	3.6	66.5	8.6	.9
Emporia Kansas State College	43.9	2.2	35.9	--	18.0
Kansas State College of Pittsburg	47.1	1.2	50.3	1.0	.4
System-wide Utilization	27.1	16.6	36.5	3.7	16.1

The "Other" use of computing at the University of Kansas Medical Center of 53.0 percent is for services provided to the University Hospital. In the case of Emporia Kansas State College, the 18.0 percent is represented in part by the sizeable amount of computing support purchased by the Bureau of Educational Measurements. Other types of activities in this category reflected in varying degree by each of the institutions would be the library, auxiliary activities, etc.

Sources of Funds

The central computer installations fund all expenditures from service clearing funds. Income to such funds is generated through charges assessed users of the service. Charges assessed by the central computer operations at the seven campuses amounted to \$6,674,833 during Fiscal Year 1976. Actual expenses incurred by the systems totaled \$6,597,036, or \$77,797 less than fees assessed and collected. The excess income remained in the individual institutional clearing funds to be carried forward to Fiscal Year 1977. Income generated through fees by fund source for Fiscal Year 1976 is as follows:

	<u>Amount</u>	<u>% of Total</u>
General Use Funds	\$4,986,665	74.7%
Research Overhead Funds	1,103,629	16.5
Federal Research Grants	236,259	3.6
Auxiliary Enterprise Funds	148,102	2.2
Other Restricted Use Funds	200,178	3.0
TOTAL	<u>\$6,674,833</u>	<u>100.0%</u>

The major source of income, General Use Funds, is principally derived from charges made to administrative and instructional departments for services provided. Such departments utilize funds allocated to them from the legislative authorizations for other operating expenditures.

The departmental computer operations are not financed by service clearing charges but are directly supported by funds available to the individual department budgets. In this respect, however, the reported costs for departmental computing are not as precisely measurable as are the central installations. This is due to the element of judgment involved in

allocating portions of salary costs of faculty and other staff who utilize the computing capability on a part-time basis. The Fiscal Year 1976 cost reported in the survey of \$1,117,083 was funded in the following manner:

	<u>Amount</u>	<u>% of Total</u>
General Use Funds	\$ 601,390	53.8%
Research Overhead Funds	316,071	28.3
Auxiliary Enterprise Funds	49,916	4.5
Restricted Use Funds	149,706	13.4
TOTAL	<u>\$1,117,083</u>	<u>100.0%</u>

Personnel

The single largest cost in providing data processing services to college and university campuses is not equipment but rather is personnel. During Fiscal Year 1976, \$2,783,650 was expended for salaries and benefits paid to 199.3 F.T.E. employees in the central computer installations. In addition, it is estimated that personnel costs of \$673,594 were incurred in support of departmental operations. The following tables analyze by type of position and by campus the reported actual F.T.E. positions for Fiscal Year 1976 dedicated to supporting data processing functions (no F.T.E. value assigned student employees):

<u>Position Type</u>	<u>Central Systems</u>	<u>Departmental Systems</u>
Managerial	19.9	4.1
Technical	106.4	32.9
Data Input/Clerical	72.0	13.0
Other	1.0	--
TOTAL F.T.E.	<u>199.3</u>	<u>50.0</u>

<u>Campus</u>	<u>Central Systems</u>	<u>Departmental Systems</u>
University of Kansas	50.0	24.5
University Medical Center	53.0	15.5
Kansas State University	50.5	2.4
Wichita State University	19.5	7.5
Fort Hays Kansas State College	8.0	--
Emporia Kansas State College	9.5	--
Kansas State College of Pittsburg	8.8	.1
TOTAL F.T.E.	<u>199.3</u>	<u>50.0</u>

Institutional reporting of personnel is influenced by variations in institutional policies on the manner in which internal budgets are constructed. Some institutions budget personnel that largely support computer applications within the departments in which they principally work; whereas, some institutions budget similar types of positions in the computer center. The types of positions involved are generally programming staff. In the above tables, both campuses of the University of Kansas reflect certain staff as departmental while Kansas State University includes such staff in the central computing center.

Fort Hays Kansas State College

The central computing system upgraded its hardware configuration on March 1, 1974, with the installation of an IBM Model 370/125 computing system. Replacement of the IBM Model 1401 computing system was made possible by appropriations approved in the 1973 and 1974 legislative sessions. Some peripheral equipment was retained at the time of the conversion, namely a sorter, collator, reproducing punch, and interpreter. The Fiscal Year 1976 expenditures included \$123,045 in equipment leasing costs and \$19,260 in contracted maintenance costs.

Apart from equipment leasing costs, the most significant cost to the computer center was \$120,816 for salary and fringe benefits for 8.0 F.T.E. positions, including \$16,619 paid to student employees. The 8.0 F.T.E. regular positions consist of the director of the center, 5.0 F.T.E. technical level positions, and 2.0 F.T.E. clerical/data entry positions.

Fort Hays State College makes substantial use of the computer capability to support campus administrative functions. Of the total services provided in Fiscal Year 1976, 66.5 percent of services were for administrative applications with 20.4 percent of utilization for instructional program support. The computer center is operated from 7:00 a.m. to 9:00 p.m. on all school days and from 7:00 a.m. to 5:00 p.m. weekdays when school is not in session. While the center is closed on weekends and holidays, it is available at all times, 24-hours a day, to staff of the center.

In addition to servicing campus activities, the center provides limited service to non-college users on a contractual basis. Among the organizations serviced in this manner during Fiscal Year 1976 are the Fort Hays Endowment Association, High Plains Mental Health Clinic, Ellis County Assessors Office, Kansas Library Association, Hays High School, Northwest Kansas Educational Cooperative, Fort Hays Athletic Association, City of Hays, and the Hays United Methodist Church.

Time-sharing services purchased by the computer center were limited to a direct telephone line to the Kansas State University computer center for interactive computing using an IBM 2741 typewriter terminal. The typewriter terminal lease cost is reimbursed by the college to Kansas State University. This remote computing capability is generally utilized for research and instructional projects which cannot be efficiently performed on the college's IBM 370/125 computer. In addition to the typewriter terminal, the college's IBM 370/125 CPU can also be employed as a terminal utilizing the direct line to the Kansas State University computer. Because the college has only one telephone line, it is not possible to utilize both the typewriter and the computer as terminals simultaneously.

Emporia Kansas State College

Fiscal Year 1976 estimated expenditures for support of computing services totaled \$329,364, of which \$326,774 was expended by the central computer center and \$2,590 represented the estimated cost associated with departmental operated computing services.

Emporia Kansas State College upgraded its computing capability in March, 1974, in the same manner as the other two state colleges, with the replacement of the IBM Model 1401 system with an IBM Model 370/125 system. At the time of the conversion, the center retained the Optical Scanning Corporation OpScan 100 which was originally installed in March, 1972. The center also has several items of unit record equipment, most of which was originally purchased from IBM approximately ten years ago.

Fiscal Year 1976 expenditures for the central computer system included \$145,872 for salaries and wages, \$124,775 for lease of equipment, \$3,750 for contracted maintenance on owned equipment, \$25,752 for maintenance on leased equipment, \$4,608 for rental of software, and \$22,017 for supplies and other costs. A total of 9.5 F.T.E. personnel were employed in the computation center -- 3.0 F.T.E. managerial level positions, 4.5 F.T.E. technical level positions, and 2 F.T.E. clerical/data input positions. In addition, student salaries of \$6,845 were paid in FY 1976.

The expenditures for software rental were made to IBM for compiler programs and for two months' use of the production package SOCRATES for student scheduling and enrollment, both for on-campus use and for student enrollment services provided by the Bureau of Educational Measurements to public schools in Kansas.

Of the total services provided by the central computer center in FY 1976, 42.9 percent were in support of instructional programs and 35.9 percent in administrative applications. A third major service component, auxiliary activities, comprised 15.4 percent. Included in this latter category is the campus-based Bureau of Educational Measurements.

The computation center is generally operated from 7:30 a.m. to 10:00 p.m. Monday through Friday and 8:00 a.m. to noon on Saturday while school is in session.

Purchased time-sharing services by the computation center were limited to a direct telephone line to Kansas State University for interactive computing using an IBM 2741 Communications Terminal. Unlike Fort Hays State College, the central processor is not equipped with the necessary communications adaptor to permit using the 370/125 as a terminal. The college reimburses Kansas State University for the lease cost of the terminal. The remote capability is basically used for instructional purposes. Courses are offered in APL (Automated Programming Language), computer-aided instruction, and mathematics.

Services are provided by the central computer center to off-campus users through the Bureau of Educational Measurements. Test scoring and validation utilizing the optical scanner and computer system is provided to the public schools in Kansas as well as various public schools throughout the United States and Canada. As noted earlier, some public school systems in Kansas also contract their student enrollment procedures with the Bureau of Educational Measurements. Apart from services to school systems, patient accounting services are provided to the local mental health center. In addition, data analysis is performed for the Forestry, Fish and Game Commission on the annual deer kill and trapper surveys.

Departmental Systems. Departmental-conducted computing is generally limited to on-line search programs carried out by the Library with System Development Corporation and the Lockheed Corporation, two California-based computer centers. The Library expends \$1,200 per year for lease of a TWX which permits access to the bibliographical files of the California centers. During FY 1976, 35 on-line searches and 20 batch searches were made for users of the library. The program was initiated with federal grant funds. The grant, which was \$3,000 in FY 1976, funds the cost of the searches including line costs.

The Department of Mathematics has a Hulett-Packard 9820A with plotter which was acquired in June, 1973, and one IBM 026 card punch. These equipment items are used for instructional purposes. FY 1976 maintenance costs on the equipment amounted to \$457 and were funded from general use operating funds.

Kansas State College of Pittsburg

Estimated FY 1976 expenditures for support of computing services amounted to \$288,073, of which \$279,241 was expended by the central computing center and \$8,832 for departmental computer activities.

The college upgraded its computing capability in April, 1974, with the installation of an IBM Model 370/125 computing system to replace the outdated IBM Model 1401 system. While the central processing unit and basic system is similar to the equipment installed at the two other colleges, Pittsburg has opted for greater usage of remote terminals. At the present time, seven IBM 2741 terminals are employed for interactive computing with six of the terminals located on campus and the seventh terminal located at the Girard, Kansas High School. The six on-campus terminals are used for instructional computing purposes.

FY 1976 expenditures for central computer operation included \$122,865 for salaries and wages, \$135,202 for equipment leasing and maintenance, \$6,132 for rental of software, and \$15,042 for other operating costs. A total of 8.8 F.T.E. personnel were employed by the computer center in FY 1976 -- 1.5 F.T.E. managerial level positions, 4.3 F.T.E. technical level positions, and 3.0 F.T.E. clerical/data input positions. In addition, student salaries of \$16,763 were paid in FY 1976.

Of the total services by the central computer center in FY 1976, 47.1 percent were in support of instructional programs and 50.3 percent for administrative applications.

Regular service hours for the computing center during the fall and spring semesters are 8:00 a.m. to 10:00 p.m. weekdays and 8:00 a.m. to 2:00 p.m. on selected Saturdays.

The computer center provides limited service to off-campus users. Less than one percent of the total computer utilization for FY 1976 was for support of such services. The principal service to a non-campus user in FY 1976 was to USD 248, Girard, Kansas, through a contract with the Gladys A. Kelce Center for Business and Economic Development. An instructional terminal (IBM 2741) is located at the high school for remote computing for instructional purposes.

Departmental Systems. The principal departmental computer system is located in the library. The library operates a Teletype Model 33ASR for search of bibliographical files. Two files which are accessed by this means are the Lockheed Corporation DIALOG data base at Palo Alto, California, and the ERIC data base in the State Department of Education. Computer search services (purchased time-sharing) costs amounted to \$2,080 in FY 1976. Equipment leasing cost and maintenance on the Teletype amounted to \$1,347.

The Department of Technology reported an FY 1976 cost of \$3,500 for purchase of software. The cost was for the LeBlond DOS TOOLPATH NC programming system software package to be used on IBM 370/125 in support of the LeBlond numerical control machine located in the School of Technology and Applied Sciences. The cost of the software package included training for two members in its use.

Kansas State University

FY 1976 expenditures in direct support of computing activities at Kansas State University are estimated at \$1,786,105. Of that total amount, expenditures for the central computing facility amounted to \$1,594,515 and \$191,590 was expended in support of departmental computer activities.

The University maintains and operates two separate central computing installations -- a central computing center serving research and instructional needs and one other system devoted to administrative applications. The central computing center upgraded its hardware configuration with the installation of an IBM Model 370/158 central processing system with one million bytes of real storage on January 1, 1974. The University has contracted to purchase the system over a six-year period. An initial down-payment of \$92,049 was made, with annual payments being made to date as follows: FY 1974, \$179,193; FY 1975, \$480,988; and FY 1976, \$455,632. The three remaining

annual payments on the system will be \$343,990 in FY 1977; \$324,397 in FY 1978; and \$182,564 in FY 1979. Total cost of the system is \$2,058,813. Annual maintenance cost of the CPU is estimated at \$36,060.

The administrative computing system mainframe is an IBM Model 360/30 which is owned by the University. The system was originally leased by the Department of Administration in Topeka and was acquired by the University when the Department of Administration upgraded its system.

FY 1976 expenditures for centralized computer operations totaled \$1,594,515. The largest budget component is personnel for which expenditures of \$708,652 were made. Actual personnel employed in FY 1976 totaled 50.5 F.T.E., 3.0 F.T.E. managerial, 30.5 F.T.E. technical level positions, and 17.0 F.T.E. data input/clerical positions. The actual authorized staff for FY 1976 was 61.8 F.T.E. positions. Expenditures for personnel included student salaries of \$58,243. FY 1976 costs also included \$176,789 for equipment rental and \$493,728 for acquisition of equipment. Maintenance costs for equipment amounted to \$75,425.

Utilization of the two central systems in FY 1976 by type of application is as follows: administrative applications, 34.9 percent; instructional support, 25.5 percent; research computing, 24.0 percent; public service programs, 4.0 percent; and all other applications, 11.6 percent.

The computing center is generally attended by staff from 6:00 a.m. to 2:00 a.m. weekdays and from 8:00 a.m. to 6:00 p.m. on weekends during the school year. When unattended, the system can generally be accessed from remote terminal locations for other than batch operations.

The University provided some services to other Regents' institutions on the basis of the same schedule of fees as those charged to Kansas State University departments. Communications terminals are located at Fort Hays Kansas State College, Emporia Kansas State College and the University of Kansas for remote access to the University's 370/158 CPU. The colleges are billed the lease cost of the terminals and user charges for computing services actually utilized. A remote batch terminal is also located at the Manhattan Area Vocational Technical School.

The principal means of providing services to off-campus users is through the provision of computing services to the Institute for Computational Research in Engineering for research and public service activities. The Institute contracts with users for the provision of such services. Users include other educational institutions, other state agencies, faculty members performing as consultants, and individuals, foundations, or institutions who are engaged in activities which are

principally research and/or governmental in nature. Income from services provided the Institute in FY 1976 amounted to \$53,345. A major state agency is the Forestry, Fish and Game Commission. Service to the Commission is provided via a dial-up communication line to a remote job entry terminal in Pratt.

Purchased time-sharing expenditures totaled \$5,997 in FY 1976. The principal costs were for library search systems used to provide bibliographic information for student and faculty research.

Departmental Systems. Operating expenditures in FY 1976 in support of departmental-conducted computer systems totaled \$191,590. These expenditures were funded \$52,650 by general use funds; \$103,930, Research Overhead Funds; and \$35,010, restricted fees. The reported expenditures tend to understate the scope of departmental activities inasmuch as a great deal of the equipment is either owned or is being acquired with the benefit of a significant manufacturer's discount. "Mini computers" are located at the Fort Hays experiment station, the KSU Department of Electrical Engineering, the KSU Department of Computer Science, the KSU Department of Chemistry, Chemical Engineering Department and the Department of Physics. For a detailed listing of departmental equipment, please refer to the appendix of this report.

Wichita State University

Fiscal Year 1976 expenditures for computing services are estimated to total \$895,958. The central computing center, which services all campus departments, reported expenditures totaling \$779,010; departmental-conducted computer services are estimated at \$116,948.

The central computing center equipment inventory as of June 30, 1976, included IBM Model 360/40 and IBM Model 360/44 central processing systems as the major hardware configuration. Both units were leased from a third-party lessor, DPF, Inc. In addition, an IBM Model 1131 was available to students for instructional purposes. This unit was purchased in FY 1968 at a cost of \$43,500.

The center is upgrading computer capability as a result of funding approved by the 1975 Legislature. Shortly after the beginning of the current fiscal year, the University contracted with DPF, Inc., for installation of an IBM Model 370/145 to replace the IBM Model 360/040. The Model 360/044 will be either combined with the new system or may be eventually phased out.

Fiscal Year 1976 expenditures for centralized computer operations of \$779,010 included \$292,786 for personnel, \$237,471 for equipment rental, \$81,276 for equipment acquisition, and \$50,062 for contracted maintenance. The institution also reported an \$18,000 expenditure made to IBM systems engineering for assisting in the installation of the new computing system. The personnel component consists of 21.5 F.T.E. authorized positions, with 19.5 F.T.E. being reported as actually filled in FY 1976. The actual staffing pattern consisted of 2.4 F.T.E. managerial positions, 12.1 F.T.E. technical level positions, and 5.0 F.T.E. clerical/data input positions.

The University has developed extensive administrative applications for computing, with 48 percent of computer usage being for administrative services. An additional 23 percent of utilization was for research applications, 18 percent for instructional services, and 5 percent of services were utilized by the library.

The central computer is accessible 24 hours a day by both remote terminal and the work input center at the computation center. However, when unattended, students can enter batch-mode applications but cannot pick up products until the following morning. The Center is attended 20 to 24 hours per day on weekdays during the school year and 12 to 20 hours per day on weekends.

The Wichita State University Computing Center maintains a 2400-baud dial-up telephone data communications link which can be used to receive or transmit computer programs and data to on-campus locations outside the computer center and to other Board of Regents' institutions. Under contractual agreement, the computer center provides computer services for other Regents' institutions and use their services in return. Examples include exchange of operating system software and applications programs between Kansas State University, the Kansas University Medical Center, and Wichita State University.

The computer center also provides services for a number of on-campus departments or organizations where these services are primarily used to fulfill contracts with off-campus entities. These organizations and their scope of activity include:

- A. WSU Research Office which contracts for and monitors sponsored research activities at WSU.
- B. WSU Testing Office which provides a wide range of testing and evaluation services.

- C. Education Field Services which provides liaison between the College of Education and the public school systems for research and developmental activities.
- D. Center for Urban Studies which does independent and contract research on economic, sociological, cultural, and governmental issues.
- E. Engineering Wind Tunnel which provides subsonic and supersonic wind tunnel testing service for aircraft companies and other industrial organizations on a restricted fee basis.

The computer center has, or is currently negotiating, agreements with local off-campus entities to provide emergency computer service in the event of a catastrophe and for off-campus vault storage of duplicate computer records. The agreements are essentially reciprocal in nature, in which the University agrees to provide similar emergency service or vault storage at no regular cost to either party.

The WSU Computing Center purchased \$5,129 of special virtual machine time-sharing services from Boeing Computer Services during FY 1976. The services were utilized to assist in the bid specifications of the new WSU time-sharing computer facility. Later the services were used to perform preliminary computer personnel training and program development for the new computer system.

Departmental Systems. The University reported expenditures of \$116,948 for support of departmental-operated systems comprised of the following:

Institute for Logopedics	\$ 9,880
Library	9,318
Financial Aids Office	14,217
Department of Electrical Engineering	18,875
Department of Chemistry	12,050
Controller's Office	52,608
TOTAL	<u>\$116,948</u>

The Institute for Logopedics has a Hewlett-Packard 2108A Microprogrammable Processor. The system is basically used for research applications on speech and hearing defects.

The University library utilizes keypunch equipment for entry of data to the central system on book circulation and control. Plans are to expand applications to include cataloging and acquisition.

The Student Financial Aids Office has an IBM 29 data-entry unit which is tied to the central system and is used for administrative applications. Because a portion of the work relates to federal student loan programs, a portion of the cost is borne by federal funds.

The Department of Electrical Engineering currently has two mini-computers included among its equipment inventory. Both of the units are Hewlett-Packard and were acquired in 1971 and 1975 respectively. The equipment serves as an integral part of the electrical engineering laboratory experience.

The Department of Chemistry maintains and operates a Digital Equipment Corporation PDP-8 mini-computer. This unit was purchased in FY 1973 with restricted fees at a cost of \$15,920. A Varian 620-I computer was acquired in FY 1976 from Federal Government Excess Property.

The Controller's office separately leases from IBM an IBM 029 keypunch and 082 sorter. In addition, some equipment is leased from the central computing center. Extensive administrative applications have been developed in personnel, purchasing, accounting, and budgeting. A total of five F.T.E. positions were reported for the Controller's office as supporting computing operations.

University of Kansas

The University of Kansas (Lawrence) reported estimated Fiscal Year 1976 expenditures for support of computing services totaling \$2,459,227. Expenditures by the central computation center accounted for \$1,941,743, and departmental-conducted computing operations the remaining \$517,484.

As of the close of Fiscal Year 1976, the hardware configuration in the central computation center was in the process of undergoing major change. The 1975 Legislature authorized funds for upgrading the center's capability. As a part of that improvement, the University has acquired two separate computing systems, one to be devoted principally to administrative applications and the other to instructional and research applications. The new administrative system mainframe is an IBM Model 370/145 which became operational in June, 1976. The instructional and research system will be a Honeywell 66/60 which was accepted in July, 1976. The current Honeywell 635 computing system will be replaced by the 66/60 following conversion of programs to the new system.

The IBM 370/145 system began operation in mid-June under the terms of the State and Local Government Lease Plan. Assuming that all items are purchased upon accrual of maximum purchase credits, the flow of payments will be as follows:

<u>Fiscal Year</u>	<u>Processor</u>	<u>Disc</u>	<u>Printer</u>	<u>Tape</u>
1976	\$ --	\$ --	\$ --	\$ --
1977	278,400	14,220	9,696	4,800
1978	278,400	50,112	9,696	4,800
1979	312,216	18,225	9,696	--
1980	312,216	--	9,696	--
1981	312,216	--	9,696	--
1982	273,204	--	9,128	--

The Honeywell 66/60 computing system had arrived at the University by June 30, 1976, although it was still being assembled and tested. Transfer of the equipment to the University will occur upon successful completion of certain acceptance tests which have been outlined in the bid specifications and contract with Honeywell.

While the basic system is on an installment purchase, certain components are being leased during the period of conversion of administrative computing systems to the IBM 370/145. The expected flow of payments for the Honeywell 66/60 are as follows:

<u>Period</u>	<u>Purchase</u>	<u>Lease</u>	<u>Maintenance</u>
FY 1977	\$234,000	\$17,724	\$84,528
FY 1978	312,000	2,046	
FY 1979	389,247		
FY 1980	414,996		
FY 1981	414,996		
FY 1982	414,996		
FY 1983	414,996		
FY 1984	103,749		

Maintenance contracts are being negotiated on a year-to-year basis based upon Honeywell's then-current service rates.

In addition to the two new major computing systems, the computation center also has an IBM Model 1401 System which is leased from IBM and will be released in October, 1976; a Computer Automation Alpha 16 mini computer which is purchased; and a Honeywell Datanet 700 System which is under a purchase agreement. The Datanet 700 System is currently being purchased on a five-year contract which began in December, 1974, following a 90-day consignment of equipment. Payments are scheduled as follows:

FY 1974	\$ 7,786
FY 1975	14,772
FY 1976	14,772
FY 1977	14,772
FY 1978	14,772
FY 1979	6,986

A review of FY 1976 expenditures reported for the central computing center indicates that outlays for equipment represented the single largest component of the \$1,941,743 budget. \$659,948 was expended for equipment acquisition with an additional \$141,801 for equipment rental. Maintenance on equipment amounted to \$118,186. An additional \$750,962 was paid for salaries and benefits for a personnel complement of 50 F.T.E. positions. Staffing consisted of 5.0 F.T.E. managerial positions, 15.0 F.T.E. technical level positions, and 30.0 F.T.E. clerical/data input positions.

A review of reported usage of the services provided by the computation center in FY 1976 indicates that 34.9 percent of the services were used for administrative applications, 33.7 percent for instructional uses, 23.7 percent for research, 4.7 percent for support of library programs, and 3.0 percent for public service functions.

A substantial level of computing service is afforded to campus-related functions, other Board of Regents' institutions, and other state and federal agencies. Illustrative of such groups receiving services during FY 1976 are the following users:

1. Student campus organizations such as Campus Vets, Graduate Student Council, Jayhawker Staff, S.U.A., etc.

2. University Organizations such as Alumni, Army ROTC, Union Bookstore, Endowment, Museum of Natural History, School of Education, ISES, etc.
3. University-sponsored training or research programs such as those conducted by the School of Business, Chemical Engineering, Center for Research, Inc., etc.
4. State agencies or offices such as Legislative Research, Water Resources, Board of Regents' Institutions, etc.
5. University faculty, staff, and students who wish to pursue areas of interest in computing in addition to their regular jobs or studies and who are not supported by departmental funds.
6. Federal or city government groups who have requested computer services such as the U.S. Geological Survey (West Campus), V.A. Hospitals (Topeka and Leavenworth), K.C. Kansas City Planning, etc.
7. Federal-funded research projects from the University of Kansas Medical Center.

Purchase of off-campus computer services was made in FY 1976 by both the School of Law and the University Library. The School of Law has a contract for access to the LEXIS System of computer assisted legal research. The LEXIS System consists of a data base housed in Dayton, Ohio, that includes major legal sources in United States law and the law of major states, including New York, Ohio, Missouri, Texas, Illinois, and Kansas. Costs for FY 1976 for the LEXIS contractual computing service were \$4,894.

The University Library has a contract with the Bibliographical Center for Research, Rocky Mountain Region, Inc., to access the capability of performing automated literature searching through on-line computer data systems such as the Lockheed DIALOG system data files, SDC Search Service's ORBIT system data files, New York Times Information Bank, and the BALLOTS Network. Costs for FY 1976 for the library bibliographical services were \$15,000.

Department Systems. The estimated cost of \$517,484 incurred in FY 1976 for departmental-conducted computing embraces activities in a wide variety of departments and an array of computing equipment. Departments possessing such equipment include the Geological Survey, Space Technology Center, Department of Computer Sciences, Bureau of Child Research, Department of Chemistry, Department of Physics, Department of Geography, and the School of Engineering. For a detailed list of such equipment items, please refer to the appendix of this report.

University of Kansas Medical Center

Fiscal Year 1976 estimated expenditures for computing services total \$1,661,108 of which \$1,381,469 was expended in support of central computing services and \$279,639 for departmental-conducted computing operations.

Fiscal Year 1976 expenditures for the central computer system included \$641,697 for salaries and wages; \$348,146 for equipment rental; \$221,128 for equipment acquisition; and \$27,630 for contracted maintenance of equipment. A total of 57.0 F.T.E. positions were authorized for the computer center, with the following 53.0 F.T.E. actually being employed in FY 1976: 4.0 F.T.E. managerial positions; 35.0 F.T.E. technical level positions; 13.0 F.T.E. clerical/data input works; and 1.0 F.T.E. other position.

The central computing center hardware configuration is built about an IBM Model 370/145 computing system. This system was installed in FY 1974 and is being acquired by the University with payments extending over a seven-year period on the following payment schedule: FY 1974, \$88,493; FY 1975, \$212,458; FY 1976, \$209,468; FY 1977, \$161,305; FY 1978, \$149,653; FY 1979, \$76,485; and FY 1980, \$4,271.

Of the total services provided by the central computer center in FY 1976, 53.0 percent were in support of hospital operations including patient accounting, billing, admissions, inventory, dietary, etc. An additional 25.0 percent of the service was utilized by administrative applications, 18.0 percent for instructional program support, and 4.0 percent for support of research activities.

The University Medical Center is presently working with the Lawrence campus in the joint development of a student information system as well as common administrative systems. An IBM 3275 CRT terminal on the Lawrence campus communicates with the Medical Center computer. Current planning calls for installation of a similar terminal at the Medical Center to communicate with the recently installed IBM Model 370/145 computer on the Lawrence campus.

Services to off-campus users are presently limited to the presentation of computer-assisted courses available on dial-up terminals to students on the Wichita campus and several other locations throughout the state.

Departmental Systems. Departmentally controlled computer operations fall into two broad categories, one being small, general computing systems for support of instructional and research activities, the other being those instances where a mini-computer is a basic component of a sophisticated diagnostic or analytical item of equipment used in the provision of patient care. Illustrative of this second category of equipment would be electronic equipment utilized in the clinical laboratory and the Department of Diagnostic Radiology. For a complete listing of departmental equipment reference should be made to the appendix to this report.

Board of Regents

The Student Assistance Section annually contracts with the American College Testing Program, Inc., (ACT) for processing of Kansas applications for tuition grants and state scholarships. The FY 1976 expenditures for this service were \$18,500. Much of the service rendered by ACT is computer-based.

No other expenditures for data processing were incurred in FY 1976. As the Office of the Board of Regents has need for computer support for special projects, such service is acquired through contracting with one of the institutions governed by the Board. When such services are purchased, the Board is assessed on the same fee schedules as campus departments.

Kansas Technical Institute

Total FY 1976 expenditures in support of computing amounted to \$55,278. The expenditures were financed by \$20,322 from State General Funds, \$26,780 from the General Fees Fund, and \$8,176 in federal funds.

The principal costs were for personnel (\$22,178) and for equipment rental (\$29,422). Personnel employed for computing support included 1.2 F.T.E. management level positions and .2 F.T.E. technical level positions.

The computing system is an IBM Model 1131. Principal use for the system is to provide a laboratory experience to students enrolled in the institution's computer technology program. The institution has also developed considerable administrative applications including personnel and payroll, student records, and accounting.

Through a consortium arrangement with Kansas Wesleyan University and Marymount, students at these institutions are permitted an opportunity for limited exposure in data processing.

THE KANSAS POWER AND LIGHT COMPANY
STATEMENT BEFORE THE
SPECIAL COMMITTEE ON WAYS AND MEANS
SEPTEMBER 23, 1976
BY HAL HUDSON

Throughout the first century of growth and development of Kansas State University, adequate energy supplies were available at such low cost that neither supply nor cost were major factors in determining how energy was to be used on the campus.

Buildings on the K-State campus now are supplied with several combinations of energy from a number of sources. Some are heated with steam from the central plant, while others have their own separate heating systems utilizing electric and natural gas energy. Air conditioning also is provided from a combination of systems. And, while some electricity for general purpose use is generated by the central steam plant, most buildings use electricity purchased from The Kansas Power and Light Company. Thus, there is no single source of energy for any one use on the campus.

In 1973, the administration at Kansas State University requested a Legislative appropriation of \$6 million for improvement of power plant facilities on the campus at Manhattan. Included were repairs and replacement of some existing steam boiler equipment and planned expansion of the central plant to provide for increased steam heating requirements of the University.

In the course of investigation by the Legislature's House Ways and Means Committee, a number of questions arose relating to possible alternatives available and justification of enlarging the steam plant. Foremost among these questions was

availability of fuel for an enlarged steam plant. KSU has an interruptible contract with KPL to supply natural gas to the central steam plant, and in recent years the number and duration of interruptions has increased, creating need for a greater reliance on oil as fuel.

Thus, in 1975, the State of Kansas, Department of Administration, engaged Stone & Webster Management Consultants, Inc., to conduct a study to identify a course of action to solve the short-term and long-term energy needs of Kansas State University, and to make a general survey and analysis of the long-term energy supply and conditions at Wichita State University and Osawatomie State Hospital.

Stone & Webster is a reputable firm, and there is no question of the validity of their study, if the limitations of that study are recognized. It is entitled an "energy study," but it is limited to the study of energy availability and costs for continuing operation of the central boiler steam plant and expanding it to meet future needs of the campus. That's all. No consideration was given to single building energy systems, providing either existing or planned buildings with individual heating or cooling equipment, regardless of the type of energy to be used.

It has been widely reported that Stone & Webster has ruled out the possibility of using electricity as the prime source of future energy needs of the Campus. The report does state that "electricity is the highest cost source of energy," and that most certainly is true if electricity was considered as the source of heat for the steam boilers.

But there are more efficient ways to use electricity that have been tried and tested in large commercial buildings and by a number of other institutions. The following quote best answers why these applications were not studied.

"We have not studied the individual building system using a heat pump or a double bundled condenser system because the economics associated with those systems must be calculated on an individual basis and cannot be done on a hypothetical analysis such as we have used. This is beyond the scope of this study." (page 22)

Energy requirements must be calculated on an individual basis, taking into consideration specific design characteristics and use of existing or proposed buildings. Economic comparisons have no validity unless energy input requirements are known. Since the study did not undertake such analyses, the following is the only conclusion that Stone & Webster could draw:

"Assuming a \$20,000,000 investment to convert the campus to Total Electric energy, the energy usage would have to be only 36% of the steam used at KSU to break even. This would have to be proven by an in-depth engineering economic analysis. At this time it would be very difficult to recommend electric energy as the total source of power without conducting a thorough building-by-building requirement study..." (page 29)

This is not a rejection of the total electric concept. It is an admission of the limitations of the study. In other words, a total electric campus was not even considered.

The Stone & Webster conclusions actually make a good case for converting the entire KSU campus to electricity and shutting down the steam plant altogether. With adequate design of heating and cooling systems and proper thermal treatment of buildings, electric energy usage of only 36% of the steam requirement is realistic. Conversion to electricity could avoid additional steam plant investment with its inherent pollution problems, and reduce the overall energy input requirements of the University campus.

KPL has no basis for projecting the total campus energy requirement on a steam only basis, because it is not now operated that way. However, we do have the current total electric and natural gas energy input, from our metered records, for the buildings supplied with central steam and the buildings with individual conditioning systems at KSU. These records show that the total energy input per square foot to the buildings with separate heating and cooling systems, and these are not of good thermal design, is only 41% of the total energy use per square foot by the central steam system buildings.

On this basis, conversion to a total electric campus would seem to be the best solution. Metered, total energy input at other total electric institutions further verifies this.

At Missouri Western State College, the total energy use is only 42% of the energy use per square foot of buildings served by the KSU central steam system.

At College of Steubenville, the total energy use is equal to 30% of the total energy used per square foot in buildings served by the central steam system at KSU.

At Shawnee Heights High School, the total energy use is only 17% of the central steam system buildings at KSU.

Conversion of the steam plant to coal-fired boilers, as proposed by Stone & Webster, would create environmental pollution problems which could be avoided by converting KSU to a total electric campus. The Stone & Webster study does not propose to solve the pollution problems. Instead, it proposes that KSU sidestep the problem by taking advantage of a loophole in the Federal air pollution control regulations, by building a number of small units in a manner to be exempt from SO₂ control. (See pages 6 and 101.) We would expect the KSU community to be the first to object to the discharge of SO₂ emissions into Manhattan.

If the assumption was accepted that a central steam plant is the only means of meeting the future energy needs of the KSU campus, then the Stone & Webster study would be a reasonable approach to achieving that goal. However, this is not a complete energy study. It does not take into consideration the various requirements for energy, other than for heating and cooling, either with existing or proposed buildings. Nor, does it make comparisons of energy requirements of the total campus, utilizing modern energy conserving self-contained systems for individual buildings.

With respect to these concerns, the report repeatedly states, "this is beyond scope of this study."

It is KPL's contention that a complete study of the total energy requirements of the total campus would show many opportunities for energy conservation. Buildings designed or remodeled to meet currently accepted thermal standards, and equipped with efficient energy saving heating and air conditioning systems, can substantially reduce total energy requirements of the campus. In these times of rising energy costs, this course could result in substantially lower overall operating costs in the future than further expansion of the existing central steam boiler systems.

It is reasonable to expect the cost of all forms of energy to rise in the years ahead. It also is reasonable to expect, as the years go by, that the cost differential among natural gas, oil, coal and electric energy will be less. Therefore, the emphasis of any meaningful study should be on energy use, without regard to 1975 or 1976 energy costs.

If the cost of coal for the steam plant is half that of a comparative energy source, but $2\frac{1}{2}$ times as much coal is required to supply the energy needs of the campus, where are the savings?

We urge the Committee to press for answers to these questions before making commitments into the 21st century to tie the KSU campus to a 19th century energy supply system.

KPL GROSS ENERGY UTILIZATION STUDY

Customer: Kansas State University
 Manhattan, Kansas
 Type of Operation: Campus - Central Steam plant
 and some structures with individual conditioning
 systems

Buildings on Central Plant

<u>Energy</u>	<u>Annual Use (1974)</u>	<u>BTU Equivalent</u>
Interruptible Gas	596,356 MCF	575.48×10^9
Firm Gas	273,750 MCF	264.17×10^9
Fuel Oil (#5)	562,000 GAL.	81.49×10^9
Purchased Electricity	39,722,400 Kwhrs.	921.14×10^9
	TOTAL BTU INPUT- - - - -	135.60×10^9
		1056.74×10^9

Square Feet Conditioned Space (81 buildings) 4,044,938 sq. ft.

$$\text{INPUT BTU/sq. ft./yr.} = \frac{1056.74 \times 10^9}{4,044,938} = \underline{\underline{261,262}}$$

Buildings with Individual Conditioning Systems

<u>Energy</u>	<u>Annual Use (1974)</u>	<u>BTU Equivalent</u>
Interruptible Gas	0	
Firm Gas	45,844 MCF	44.24×10^9
Purchased Electricity	2,577,360 Kwh.	8.80×10^9
	TOTAL BTU INPUT- - - - -	53.04×10^9

Square Feet Conditioned Space (40 buildings) 495,626 sq. ft.

$$\text{INPUT BTU/sq. ft./yr.} = \frac{53 \times 10^9}{495,626} = \underline{\underline{107,106}}$$

Note: Gas & Electric energy usage from KPL billing records. Fuel oil used from KSU. The square foot of buildings on campus were obtained from the Board of Regents office.

KPL GROSS ENERGY UTILIZATION STUDY

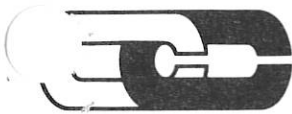
Customer: Kansas State University
 Manhattan, Kansas
 Type of Operation: Campus - Central Steam plant
 and some structures with individual conditioning
 systems

Buildings on Central Plant

<u>Energy</u>	<u>1974 Usage</u>	<u>1975 Dollars</u>
Interruptible Gas	596,356 MCF	\$ 238,542
Firm Gas	273,750 MCF	153,300
Fuel Oil (#5)	562,000 GAL.	140,500
Purchased Electricity	39,722,400 Kwhrs.	<u>730,892</u>
		\$1,263,234
		31.2¢/sq. ft./year

Buildings with Individual Conditioning Systems

<u>Energy</u>	<u>1974 Usage</u>	<u>1975 Dollars</u>
Interruptible Gas	0	
Firm Gas	45,844 MCF	\$ 51,547
Purchased Electricity	2,577,360 Kwhrs.	<u>25,673</u>
		\$ 77,220
		16¢/sq. ft./year



COMMON CAUSE/KANSAS

Mills Building, 109 W. 9th, Topeka, Kansas 66612

NEWS

from

COMMON CAUSE

913/234-3044

For Information: Michael Farmer

FOR IMMEDIATE RELEASE

STATEMENT BEFORE THE SPECIAL COMMITTEE ON
WAYS AND MEANS, SEPTEMBER 24, 1976

Mr. Chairman, I am pleased to have the opportunity to appear before this Subcommittee. I would like to begin with a quotation from the Rocky Mountain News: " 'The General Assembly finds that state government actions have produced a substantial increase in numbers of agencies, growth of programs, and proliferation of rules and regulations and that the whole process developed without sufficient legislative oversight, regulatory accountability, or a system of checks and balances. The General Assembly further finds that by establishing a system for the termination, continuation, or re-establishment of such agencies it will be in a better position to evaluate the need for the continued existence of existing and future regulatory bodies.'

"This rather remarkable statement is the "preamble" to the just-passed Colorado 'sunset law.' It is remarkable in that, for the first time anywhere, a legislative body has acknowledged that it has created over the years a system of regulatory agencies and programs that is, in large measure, out of control."

In 1973, pollster Louis Harris made a survey of public attitudes toward government; and the results were a fireball in the night for anyone who believes in our representative form of government. Seventy-four percent of the people believe that "special interests get more from government than the people do." Fifty five percent felt that "people running the country do not really care what happens to you." And today, three years later, things have not improved. Some months ago, Harris reported that "72% of the public no longer feel they get good value from their tax dollars." Seventy-two percent---what kind of government of, by and for the people is that?

To what extent is our Kansas system of agencies and programs "out of control"? Ask yourself a few divergent questions and you will begin to wonder. 1) How efficient is the Department of Social and Rehabilitative Services in its income maintenance program? When was the last time a State Legislative Committee talked with a welfare recipient or a state employee at the service delivery level to find out? 2) How many graduates of the Kansas University Medical School actually practice medicine in Kansas in those areas in need of physicians and how many leave the state never to return? 3) What does the State Highway Commission do with its appropriations? If you want to see a "fireball in the night," just look in the phone book under State of Kansas. Only the Revenue Department has more phone numbers than the Highway Commission. By a sort of crude logic, one can see that there's a message in all those phone numbers. The Highway Commission has a large and, to some extent, unaccounted-for budget---unaccounted for in the sense that one wonders why Kansas needs more bridges over wheat fields and asphalt lawns in the name of wider roads. The Revenue Department collects our money to build those bridges and lay that asphalt; instead of to finance hospitals

or encourage Kansans to practice medicine in Kansas.

Do not mistake the issue. The med school, SRS and the Highway Commission are not at fault or alone. The problem is more subtle.

What is Sunset?

Sunset is an action-forcing mechanism designed to increase executive branch accountability through increased executive and legislative scrutiny of programs and agencies. While Sunset has many possible applications, a typical Sunset law would establish a timetable for review of a group of programs or agencies under the threat of termination. The programs or agencies would terminate on certain established dates unless affirmatively re-created by law, this is the action-forcing mechanism.

Sunset was conceived and named by Colorado Common Cause after extensive research regarding the state's regulatory agencies. Colorado Common Cause found these agencies to be largely invisible and often impenetrable. Dominated by special interest constituencies, these agencies were virtually immune from legislative scrutiny. In order to put the public spotlight on these agencies and to establish the discipline necessary to ensure comprehensive legislative review, Colorado Common Cause proposed a Sunset law to provide for the automatic, periodic termination of the state's 43 regulatory agencies unless affirmatively re-created by law. Colorado Common Cause held public hearings across the state in the fall of 1975 and received strong support from the public, media, and elected officials. A bill was drafted and it was sponsored by a liberal Democratic member of the House and the conservative Republican Senate President. The bill passed both Houses by substantial margins and was signed by the Governor in April.

Why is Sunset a Top Priority for Common Cause?

The present means of controlling the bureaucracy and the growth of the government are simply not working. Common Cause recognizes that even a government free of secrecy and conflicts of interest can fail the test of accountability through sheer inefficiency. In this situation, government is a tempting target for demagogues. While many of the criticisms of government are justified, demagoguery simply does not help.

Sunset is a positive approach to making government work. It melds together two exciting new issue areas approved for state organizations by the Common Cause Governing Board in July of 1975 -- executive branch accountability and budget reform. Sunset gives Common Cause a responsible alternative to the anti-government rhetoric that fills the air in this campaign year. Sunset is consistent with our campaign '76 theme -- Common Cause is not anti-government, we are for making government work. Common Cause will make a major push for Sunset legislation at the federal and state levels this year and in the years to come.

Under the present budgetary system, direct state expenditures are already subject to ongoing reviews through the appropriations process. The Sunset concept, strongly supported by Common Cause, is intended to provide greatly increased scrutiny and control of state agencies and programs and will expand public confidence in the state's ability to control state expenditures.

With the enactment of its new Sunset law, Colorado became the first state to provide for the automatic termination of certain government agencies without reauthorization. Florida has just enacted a similar measure, and other states as well as the federal government may soon join them.

The Sunset idea as pioneered by Colorado provides that the regulatory agencies of state government will cease to exist on a specified date unless the legislature, after rigorous analysis, finds sufficient justification to continue them. The essence of the idea is that termination rather than continuation is automatic--a reversal of traditional procedures. Bills considered in some other states as well as the pending federal legislation extend the automatic termination to nearly all agencies and programs.

These measures reflect the growing conviction of public officials and the electorates they represent that government has become inflexible, costly and unresponsive. While the Sunset notion has been termed "the hottest political idea of the year," serious issues which merit the close attention of state legislators include the following:

1. How Broad Should Sunset Coverage Be? The breadth and scope of coverage of the statute is a fundamental question. Should automatic termination apply only to regulatory agencies, as in Colorado and Florida, or to all agencies of state government as in the bill passed by the Iowa legislature? If coverage extends beyond regulatory agencies to line departments, should termination be on a departmental basis or on a program by program basis? Should some programs or agencies be omitted from coverage either because they are so central to state operation as to be of unquestioned necessity (state revenue department) or because termination would be so unpopular as to risk the success of the idea?

A related issue is how programs should be grouped for review and what effect program grouping will have on the committee structure of the legislature.

Common Cause, a leading advocate of the Sunset idea urges caution

in initial attempts at implementation and suggests that an unrealistic approach could discredit the idea before it has a fair chance of success. Common Cause recommends a jurisdiction should extend coverage beyond regulatory agencies only on the basis of such criteria as areas of greatest proliferation, program maturity, or funding levels. Further, Common Cause recommends that programs and agencies in the same policy area should be reviewed simultaneously to encourage coordination, consolidation, and responsible pruning.

2. Where Will Evaluation be Conducted and What Criteria Should be Used? Typically Sunset statutes provide for automatic termination of programs or agencies unless they are recommended for continuation on the basis of rigorous evaluation. Colorado's statute provides that "the legislative audit committee shall cause to be conducted a performance audit of each division, board or agency scheduled for termination under this section." The bill passed by Iowa's legislature puts evaluation responsibility in the hands of the appropriations subcommittees, while Senator Muskie's federal bill requires evaluation reports from the agencies themselves, the President, and the appropriate authorizing committees. It is clear that evaluation, whether using a "zero base" budget concept, or more traditional evaluative techniques, requires staff, time, and money.

Criteria for review are equally important. Colorado's statute lists nine criteria against which regulatory agency performance is to be measured. Similar criteria were included in bills considered by the legislatures of Illinois, Florida and Minnesota. In the absence of some evaluative standards, legislative action on agency continuation

is likely to be uneven or unjustified.

3. Public Participation. Colorado's law provides for public hearings to be conducted by the appropriate legislative committee. Common Cause vigorously urges such provisions as an essential component of any sunset bill.

4. Safeguards against Arbitrary termination. The Sunset idea by its nature threatens established interests. It is important that legislation contain safeguards against arbitrary or unjustified terminations. Colorado's law provides that an agency may continue to operate for one year following its termination date. This period provides an opportunity for the orderly termination of the agency's business and provides enough time for the legislature to reconsider the agency's fate.

5. The Review Cycle. Colorado provides for review of its regulatory agencies on a six year cycle, and new agencies may be created for only six years. Iowa's bill also calls for a six year cycle. Other states have considered cycles ranging from four to eight years. The review cycle is important in that too short a period can overburden the state's evaluation capacity while too long a period can result in the development of entrenched bureaucracies, particularly for relatively new agencies. Common Cause advocates an odd-numbered year cycle to assure that certain programs and agencies do not consistently come up for review in an election year. Political posturing has no place in the Sunset review process. Governmental accountability is not enhanced by demagoguery.

In summary, the Sunset idea is a new experiment in making government more accountable and responsive. The states are again acting as laboratories in which a variety of approaches can be initiated

and refined and evaluated. Whether Sunset will be significant in the long run remains to be seen, but it is clearly a sign of the times and the state's legislators are in a pivotal position to influence its development.

Common Cause has identified ten basic principles that must be included in any responsible Sunset law.

1. Programs and agencies should automatically terminate at a date certain unless affirmatively re-created by law.
2. Termination should be periodic (e.g. every three to five years) in order to institutionalize the program evaluation process.
3. Like all significant innovations, introduction of the Sunset mechanism must be a learning process and should be phased in gradually.
4. Programs and agencies in the same policy area should be reviewed simultaneously in order to encourage coordination, consolidation, and responsible pruning.
5. Existing auditing and accounting agencies should undertake the preliminary program evaluation work, but their evaluation capacities must be strengthened.
6. In order to facilitate meaningful review, the Sunset proposal should establish general criteria to guide the program evaluation process.
7. Substantive preliminary work must be packaged in manageable decision-making reports so that top decision makers can exercise their common sense political judgments.
8. Substantial committee reorganization, including adoption of a system of rotation of committee members, is a prerequisite to meaningful Sunset review.
9. Safeguards must be built into the Sunset mechanisms to guard against arbitrary termination and to provide for outstanding obligations and displaced personnel.

10. Public participation in the form of public access to information and public hearings is an essential part of the Sunset process.

The hearing--the process of holding the agency accountable for its programs--is the cornerstone of the whole proposal. If the Legislature fails to address the review process seriously, the law will simply atrophy. If the Legislature refuses to actively and vigorously investigate and examine, the law will be meaningless. We will simply have "more of the same."

More importantly, if the general public, and if the media, consumer groups, and individuals in business and labor fail to contribute to this process it is doomed to failure. The purpose of the hearings is to take input from all sources, especially from those persons who deal with and are affected by the boards and agencies--you and I, ordinary citizens. This means that the Legislature must hear from those who have legitimate complaints:

- Those who are unfairly kept from practicing a profession or trade by licensing policies.
- Those who can show that "minimum prices" enforced by regulation are unrealistic and high.
- Those who can demonstrate anti-competition or anti-consumer practices by an agency.
- Those who can show an agency which is unresponsive or ineffective in dealing with wrongdoing in its field.
- Those whose complaints were ignored or shelved without good reason by an agency.
- Those who can show that "cost-effectiveness" of an agency is lacking.

The Legislature will be in need of information from those who can contribute to the effort to objectively measure the worth and future of an agency and its programs.

People across this nation have come to realize that benefits for individuals cannot be taken at the expense of society at large, that such selfishness is inimical to the American ideal. For individuals and institutions, the gauge of success is the benefit produced. Those who are elected to lead men are really elected to serve this ideal.

Honest legislators know that most oversight as now practiced (or faked) is a farce. A farce. I have made no secret of the fact that I think the Sunset provision will entail a lot of enormously hard work. But if, for the first time, it establishes Congressional oversight as a rigorous, continuing process, it will be well worth the effort.

SUNSET

a common cause proposal for accountable government

Last fall, pollster Louis Harris reported that "72 per cent of the public no longer feel they get good value from their tax dollars."

The reasons for this public disenchantment with government are obvious: Certain essential services are not provided; still others are provided in an inefficient and wasteful manner. Accountability is often undermined by secrecy and special interest domination. Bureaucrats are overwhelmed by paperwork. Legislative scrutiny of executive branch programs and agencies is ignored.

We will never make significant progress in solving urgent problems if the clanking machinery of government is unequal to the tasks laid upon it. We need a positive program designed to make government work.

The Colorado General Assembly recently enacted a Sunset law proposed by Colorado Common Cause that holds much promise as a mechanism to give public officials and citizens a handle on big government. The Colorado Sunset law provides for the periodic termination of each of the state's 43 regulatory agencies unless affirmatively re-created by law. The Sunset provision—the threat of termination—is the action-forcing mechanism designed to increase executive branch accountability through increased executive and legislative scrutiny of programs and agencies.

Sunset legislation has been introduced in several states and is under consideration by Congress. John Gardner recently testified for Common Cause in support of the concept of federal Sunset legislation proposed by Sen. Edmund Muskie (Me.). The Muskie bill provides that, unless re-authorized every four years, all federal programs, with limited exceptions, terminate.

The Gardner testimony reprinted here sets forth 10 basic principles that should guide the development of any responsible and workable Sunset law. In addition to a summary of the Muskie Sunset proposal, the Colorado Sunset law of 1976 is also provided.

GARDNER TESTIMONY

Testimony of

JOHN W. GARDNER

on S. 2925

Before the

Subcommittee on Intergovernmental Relations

of the

Senate Government Operations Committee

Edmund S. Muskie (D-Me.), Chairman

Mr. Chairman, I am pleased to have the opportunity to appear before this Subcommittee. This distinguished Subcommittee has exercised impressive leadership in the struggle to make the machinery of government work. You, Mr. Chairman, have a long record of concern for this subject, and it has been my privilege to follow your path over the past decade as you have stubbornly sought to make government work. S. 2925, the Government Economy and Spending Reform Act of 1976, is another significant initiative in your effort to make government responsive to the needs and wishes of the people. S. 2925 provides a significant complement to the Congressional Budget and Impoundment Control Act of 1974. Common Cause fully supported the enactment of the Budget Act and is following its progress in its first year of full operation with great hope and high expectation.

In 1973, this Subcommittee commissioned pollster Louis Harris to survey public attitudes toward government; and the results were "a firebell in the night" for anyone who believes in our representative form of government. Seventy-four percent of the people believe that "special interests get more from government than the people do." Fifty-five percent felt that "people running the country do not really care what happens to you." And today, three years later, things have not improved. Some months ago, Harris reported that "72% of the public no longer feel they get good value from their tax dollars."

Among the most important sources of public discontent is frustration with the Executive Branch. It's bad enough that the Executive Branch appears overblown and inefficient, but what frustrates citizens to the point of rage is the feeling that *they can't do a blessed thing about it*. What your bill, S. 2925, says, Mr. Chairman, is that maybe they *can* do something about it.

The popular impression is that Executive Branch flaws stem mainly from the unimaginative species known as bureaucrats—little people with green eyeshades whose only concern is to collect their pay and protect their turf. The indictment is unfair. I have done two tours of duty in the Executive Branch, Mr. Chairman, and I served continuously for 18 years as a consultant to a number of government agencies—the Air Force, the State Department, the White House and others—and I would say that the quality of Executive Branch officials compares favorably with that of executives in private sector organizations.

The problem lies not with the much-maligned bureaucrats but with organizational arrangements that make for inertia, duplication of effort and all the other familiar ills. That is too big a subject to be examined here. But S. 2925 addresses itself to a central piece of the subject, the need for tough periodic re-examination of programs. There's a grain of truth in the saying that "Old programs never die. They don't even fade away." The Netsilik Eskimos defend their traditional beliefs with the maxim: "It is so because it is said that it is so." Executive Branch programs tend to develop the same self-validating quality: They go on because they've been going on. But if you look behind what seems to be inertia, you will find more earthy reasons for continuity: The beneficiaries of government programs organize to lobby for continuity and ultimately weave a network of allies in both Congress and the Executive Branch.

Add to those forces the sheer convenience and comfort of incremental budgeting. It is God's gift to the harried department or agency head who has to review and defend dozens, even hundreds of programs.

Unfortunately, we've come to the end of that easy road. What is needed is an action-forcing mechanism designed to guarantee a periodic and comprehensive evaluation of existing programs and agencies.

Last summer, our Colorado organization proposed a law terminating state regulatory agencies every six years unless affirmatively re-created by legislative act. I know that last week Sidney Brooks, chairman of Colorado Common Cause, described this proposal, which we call Sunset, to this Subcommittee. The Sunset mechanism—in which programs and agencies are automatically and periodically subject to termination—can force comprehensive oversight. Overlapping jurisdictions can be untangled and agencies rejuvenated. Programs and agencies that no longer serve a public purpose can be eliminated.

The concept is not new. Former Justice William O. Douglas, then chairman of the Securities and Exchange Commission, proposed to President Roosevelt that every agency should be abolished in ten years. The prophetic Douglas suggested that otherwise the regulatory agencies would be captured by the very industries they were established to regulate. According to Douglas: "Roosevelt would always roar with delight at that and of course never did anything about it." In 1969, Professor Theodore J. Lowi of Cornell proposed a tenure of statutes act, a limit of from five to ten years on the life of every organic act. Lowi wrote: "This may ultimately be the only effective way to get substantive evaluation of a program and an agency."

S. 2925—the Government Economy and Spending Reform Act of 1976—is a Sunset bill. Common Cause congratulates the Chairman and other co-sponsors of the bill for their leadership in introducing and bringing to hearing this important concept.

The potential application of the Sunset concept is broad. Douglas suggested termination of agencies. Lowi proposed limitations on statutes. S. 2925 limits program

SUMMARY OF S. 2925

Senators Edmund S. Muskie (Me.), John Glenn (Ohio), and William V. Roth (Del.) and Representatives James J. Blanchard (Mich.) and Norman Y. Mineta (Calif.) are the principal sponsors of the Government Economy and Spending Reform Act of 1976 (S. 2925). This Sunset bill puts all government programs and activities on a four-year re-authorization schedule. Unless re-authorized every four years, the programs, with limited exceptions, terminate. According to Senator Muskie, the bill "is designed to give Congress a procedure for conducting a working oversight of all federal programs and activities. . . . [T]he bill would reverse the assumption that old programs and agencies deserve to be continued just because they existed the year before, by incorporating a zero-base review into the re-authorization process."

The bill puts all government programs and activities on a four-year re-authorization schedule, with exceptions only for payments of interest on the national debt and programs under which individuals make payments to the government in expectation of future compensation (e.g., Social Security). Programs with similar functions (e.g., agriculture or manpower training and employment) are considered simultaneously under a review schedule designed to focus on the possibility of consolidation and elimination of duplication within policy areas.

The first termination date is established as September 30, 1979. The review by the committees with

legislative jurisdiction would begin March 15 of the year before termination. The bill requires the General Accounting Office and the Congressional Budget Office to report the results of relevant audits and evaluations and other requested information to the committees by December 31 of the year before termination. By the fifteenth day after Congress meets in the year of termination, the President must submit with his budget message the results of the zero-base reviews of programs scheduled for termination that year. By March 15, the committees must complete the zero-base reviews and report to the House or Senate. The zero-base review must include: (1) identification of other government programs having similar objectives; (2) examination of the extent to which the initial objectives of the program have been achieved; (3) specification of the objectives of the program during the next four years; and (4) examination of the impact of the program on the national economy.

The Muskie bill provides that no bill authorizing expenditures for a government program designated for termination would be in order in either House unless the appropriate committee had submitted its zero-base review report. By May 15, the authorizing committees must, pursuant to the Congressional Budget Act of 1974, report authorization legislation to the House or Senate unless waived by resolution of the appropriate House.

authorizations. In developing a set of basic principles that must be incorporated in a workable and responsible Sunset law, Common Cause has studied six Sunset proposals of varying applications. In addition to S. 2925 and the Colorado Sunset proposal described to the Subcommittee last week, we examined the Regulatory Reform Act of 1976 introduced by Senators Charles Percy and Robert Byrd (S. 2812), which establishes a time-table for mandatory review of regulatory practices. We also studied Representative Wilbur Mills' Tax Policy Review Act of 1972 (H.R. 15230), which would have provided for the termination of 54 tax preferences over a three-year period, and a 1975 executive order by Kentucky Governor Julian M. Carroll that abolished all state government forms effective June 30, 1976. We reviewed the Sunset mechanism in the proposed (and, unfortunately, defeated) Texas Constitution of 1975. The Legislature, acting as a Constitutional Convention, proposed that statutory state agencies with appointed officers be limited to ten-year terms.

As a result of our study, we would suggest ten basic principles that must be observed in the development of any workable Sunset law.

First: The programs or agencies covered under the law should automatically terminate on a certain date, unless affirmatively re-created by law. This, of course, is the essence of Sunset. It is the action-forcing mechanism that makes periodic searching re-evaluation a legislative priority. Such re-evaluation is hard, time-consuming and thankless, and doesn't just happen in the normal course of events. It must be mandatory.

Second: Termination should be periodic (e.g., every six or eight years) in order to institutionalize the process of re-evaluation. Ideally, oversight should be continuous. Review of budget requests, rules and regulations, new legislative proposals, and the

"... until we bring what programs we now have under control, we simply may not have the reserves we need—either in the budget or the public's trust—to pursue new legislative solutions to pressing national problems."

—Sen. Edmund S. Muskie

confirmation process present a variety of entry points for legislative oversight. Sunset would not limit this continuous oversight; it would simply ensure that periodically there occurred a far more rigorous and far-reaching evaluation. The Percy-Byrd bill uses the Sunset mechanism to establish a rational timetable for review of regulatory practices, but the review is on a one-time basis, with no provision for follow-up to the work done in the first review. S. 2925—with its four-year reauthorization limit—institutionalizes the essential follow-up. It may be, however, that the four year cycle is too short. Given the vast number of programs to be re-evaluated, the four year cycle might fatally overburden the system, to the lasting detriment of the Sunset concept. Also, a four-year review might make long-range program planning more difficult. We note that the Colorado bill establishes a six-year cycle and the Texas proposal was for a ten-year cycle.

Third: Like all significant innovations, introduction of the Sunset mechanism will be a learning process, and should be phased in gradually, beginning with those programs to which it seems most readily applicable. Common Cause endorses the goal of comprehensive, government-wide evaluation proposed by S. 2925. But this is a formidable goal. A learning process is necessary. Priorities must be established as comprehensive Sunset is phased-in. Some criteria are obvious: The programs in the first group chosen for review should be representative, with defense as well as social programs included. Areas in which duplication and overlap abound are inviting targets for early review. And for the sake of the learning process, the first groups reviewed might well be those which appear most do-able. Some areas seem particularly suitable for Sunset review—the regulatory practices targeted by the Percy-Byrd and Colorado bills cry out for review. At the other extreme, some areas seem less suitable to the Sunset review. It is inconceivable that the Department of State or the Justice Department would be terminated. Obviously, laws that establish personal civil rights lend themselves less readily to the termination mechanism than, say, manpower training programs.

Fourth: Programs and agencies in the same policy area should be reviewed simultaneously in order to encourage consolidation and responsible pruning. One of the most disturbing facts of government today is the extraordinary duplication of programs designed to deal with the same problem. In order to reduce this proliferation, it is essential that all relevant programs in the same functional area be reviewed together. S. 2925 and the Percy-Byrd bill provide for the rational oversight structure

that we seek. We would add, only, that tax expenditures should be reviewed along with related program expenditures.

Fifth: Consideration by the relevant committees of Congress must be preceded by competent and thorough preliminary studies. Everyone talks about the need for program evaluation. The Sunset mechanism would lift evaluation out of the realm of conversation and make it a mandatory feature of government. We must not deceive ourselves about the exacting nature of such systematic review. Evaluation of a complex program can be extremely difficult, especially in areas such as education where some of the most desirable outcomes are not quantifiable. Because of the many responsibilities of Congressional life, it is important that the preliminary evaluative work be condensed into a manageable decision-making package with policy alternatives set forth in straightforward terms. S. 2925 requires the executive and the standing committees to prepare zero-base reviews that should serve this func-

"The sunset law places Common Cause at the cutting edge of an overriding issue of our times—controlling the growth of bureaucracies, lest government, by its very complexity and distance from average citizens, becomes paralyzed and incapable of performing its essential tasks."

—Syndicated columnist Neal R. Peirce

tion. To ensure that this report is made an integral part of the review process, S. 2925 provides that no bill authorizing expenditures for a program subject to termination would be in order unless the committee had submitted its zero-base review report.

Sixth: Existing bodies (e.g., the executive agencies, General Accounting Office) should undertake the preliminary evaluative work, but their evaluation capacities must be strengthened. While the ultimate responsibility for the Sunset process is with Congress, it is necessary that preliminary work be done outside of the legislative committee structure. Obviously, the agency under scrutiny will be the chief source of information. Internal agency program evaluation should not be discouraged but nor should its objectivity be assumed. Evaluations by the Office of Management and Budget, the Congressional Budget Office, the General Accounting Office, and outside management consultants certified by OMB, CBO, and GAO should be required. These Offices have the ability to do the job, but would have to be given substantially increased funding to be able to support a comprehensive Sunset law. S. 2925 requires the President to submit the Executive Branch zero-base reviews with his budget and provides for GAO and CBO assistance to the standing committees but does nothing to increase the capacities of these institutions. No one should underestimate the difficulty of what is being attempted. Program review and evaluation is a primitive art. Indeed one of the great consequences of a Sunset law is that it would force us to improve our skills in the difficult business of evaluation.

Seventh: Substantial Committee reorganization, including adoption of a system of rotation of committee members, is a prerequisite to effective Sunset oversight. There is nothing trivial or superficial about the Sunset mechanism. It is as powerful and fundamental a step as could be taken to improve government. Among other things, it forces to our attention present inadequacies in the committee structure in Congress. S. 2925, as in the Legislative Reorganization Acts and the Budget Act before it, places responsibility for oversight with the standing committees; but the present hodge-podge of committee structures in the House and Senate could do much to undermine the Sunset review. There are too many committees, and their jurisdictions are fragmented. Few standing committees have anything approaching exclusive jurisdiction over major policy areas. The committees were established to deal with the issues of 1946, not 1976. To cite but one example, in 1981, S. 2925 would require a review of the "Natural Resources, Environment, and Energy" category. But Senator Stevenson in supporting his proposal for a study of the Senate committee structure, has pointed out that 14 standing committees operating through 38 subcommittees have dealt with some aspect of energy legislation. It will be difficult to conduct a rational oversight process based on the present committee system.

In addition to the jurisdictional problems, reliance on the standing committees raises a serious question of objectivity. Will the people who created programs be objective judges of whether the programs should continue? The cozy relationships between committee members, senior bureaucrats, and special interest lobbyists are well known. Common Cause believes that the House and Senate should adopt a system of rotation of members among committees, similar to that used by the House Budget Committee. Common Cause commends the Senate Government Operations

Committee for incorporating the concept of rotation into its recent proposal for a new Senate Intelligence Committee. Under rotation, members would move from one committee to another, perhaps every six or eight years.

Eighth: In order to facilitate review, the Sunset proposal should establish general criteria to guide the review and evaluation process. The preliminary review will be done by a variety of sources—the agencies, OMB, GAO, CBO, and outside consultants—and the committee work will be done by the various standing committees. In order to ensure a relatively consistent work product that will produce useful decision-making documents, it is important that the Sunset proposal establish general criteria for the review, and should call on the OMB, GAO and CBO to refine and develop these criteria as experience accumulates. Admittedly, no single set of specific criteria will apply to the wide variety of government programs, but some effort should be made to indicate the types of questions that must be asked and answered.

Ninth: Safeguards must be built into the Sunset mechanism to guard against arbitrary termination and to provide for outstanding agency obligations and displaced personnel. Sunset contains risk. Some of the risks are inherent in the political process and one must be prepared to accept them. Others can be legislated against. Under the Senate rules, there is the possibility that a bill to re-create a much-needed program could be blocked by a minority of Senators. To avoid this, a motion to consider an authorization bill should be privileged motion. The Colorado bill contains another method of guarding against arbitrary termination. It provides that an agency that is terminated continues in existence for one year to wind up its affairs.

Other safeguards deserve consideration. Under the Texas proposal, an agency with outstanding bonds would not terminate unless the legislature provided for administration of the agency's property and servicing of its debt. The Colorado bill provides that termination or recreation shall not cause the dismissal of any claim or right of a citizen.

Finally, employees who lose their jobs because of termination or re-constitution of their program or agencies should be given special treatment in relocating.

Tenth: Public participation in the form of public access to information and public hearings is an essential part of the Sunset process. One of the goals of Sunset is to help restore public confidence in government. Public participation is essential. Openness is a must. The Colorado bill guarantees an opportunity for public hearings. Another method of facilitating public participation would be to guarantee that all agency or other oversight reports are available for public inspection.

To conclude, Mr. Chairman, I think it is clear that this is no ordinary piece of legislation. It could stand as a landmark in the history of government organization.

It is clear that it is legislation which will require great exertions on the part of Congress and the Executive Branch. We will have to learn difficult lessons. We shall be pushing ourselves toward uncomfortable decisions. We shall be saying goodbye to familiar and sloppy ways of doing business.

Why should we undertake such an extraordinarily demanding assignment? I would offer four reasons.

First, in strictly budgetary terms, we can no longer afford government programs that have outworn their usefulness, that duplicate other programs, that have proven unworkable.

Second, even if we could afford the expense, we can't afford the erosion of public confidence that stems from government programs so ill-designed that they would not withstand searching scrutiny.

Third, the heart of the Sunset principle is that it forces us to systematic evaluation of programs. Evaluation is immensely difficult. It is not an exact science. We have tried it from time to time and have not performed brilliantly. *But it is coming.* It is coming because we must gain command of the vast array of federal programs, programs so numerous and multifarious that the old-fashioned common sense of legislators isn't equal to the task of coping with them. The challenge is to create a systematic process which will bring that multitude of programs back within reach of the common sense judgment that must ultimately prevail.

Fourth, Mr. Chairman, the time has finally come when Congress must look squarely at the elusive problem of oversight. Everyone says Congress must regain its stature as an equal branch of government. Most people are pretty vague as to how that might be done, and generally end up mumbling something about oversight. Yet honest legislators know that most oversight as now practiced (or faked) is a farce. A farce. I have made no secret of the fact that I think the Sunset provision will entail a lot of enormously hard work. But if, for the first time, it establishes Congressional oversight as a rigorous, continuing process, it will be well worth the effort.

COLORADO SUNSET LAW: H.B. 1088

CONCERNING REGULATORY AGENCIES, AND ESTABLISHING A SYSTEM FOR THE PERIODIC REVIEW AND FOR THE TERMINATION, CONTINUATION, OR REESTABLISHMENT THEREOF.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Part 1 of article 34 of title 24, Colorado Revised Statutes 1973, as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

24-34-104. General assembly review of regulatory agencies for termination, continuation, or reestablishment. (1) The general assembly finds that state government actions have produced a substantial increase in numbers of agencies, growth of programs, and proliferation of rules and regulations and that the whole process developed without sufficient legislative oversight, regulatory accountability, or a system of checks and balances. The general assembly further finds that by establishing a system for the termination, continuation, or reestablishment of such agencies, it will be in a better position to evaluate the need for the continued existence of existing and future regulatory bodies.

(2) (a) The following divisions in the department of regulatory agencies shall terminate on July 1, 1977:

(I) The public utilities commission, created by article 2 of title 40, C.R.S. 1973;

(II) The division of insurance, created by sections 10-1-103 and 10-1-104, C.R.S. 1973;

(III) The division of racing events and the Colorado racing commission, created by article 60 of title 12, C.R.S. 1973.

(b) The following boards and agencies in the division of registrations shall terminate on July 1, 1977:

(I) State athletic commission of Colorado, created by article 10 of title 12, C.R.S. 1973;

(II) State board of barber examiners, created by article 8 of title 12, C.R.S. 1973;

(III) Collection agency board, created by article 14 of title 12, C.R.S. 1973;

(IV) State board of cosmetology, created by part 1 of article 17 of title 12, C.R.S. 1973;

(V) Board of mortuary science, created by part 1 of article 54 of title 12, C.R.S. 1973;

(VI) Passenger tramway safety board, created by part 7 of article 5 of title 25, C.R.S. 1973;

SUMMARY OF COLORADO H.B. 1088

The Colorado Sunset law, proposed by Colorado Common Cause and overwhelmingly passed by the General Assembly, was signed into law by Governor Richard D. Lamm on April 22, 1976.

The Colorado law limits the life of each of the 43 boards and commissions in Colorado's Department of Regulatory Agencies to six years.

The law establishes a schedule for legislative review with one-third of the Department's boards and commissions designated for termination every other year beginning on July 1, 1977. The Sunset law requires the Legislative Audit Committee to have a performance audit report prepared on each agency at least three months prior to the termination date. Both the Legislative Audit Committee and the substantive

legislative committee with jurisdiction over the agency must hold public hearings.

The law lists nine factors to be considered in determining whether there is a public need for the agency's continued existence, including the extent to which the agency has served the public interest, complied with affirmative action requirements, and efficiently processed public complaints.

If terminated, an agency continues in existence for one year to wind up its affairs. Newly created and re-created boards and commissions are limited to lives of six years. The law provides that termination or re-creation shall not cause the dismissal of any claim or right of a citizen against the agency.

(VII) State board of shorthand reporters, created by article 63 of title 12, C.R. 1973;

(VIII) Board of examiners of nursing home administrators, created by article 39 of title 12, C.R.S. 1973;

(IX) Board of examiners of institutions for aged persons, created by article 13 of title 12, C.R.S. 1973;

(X) Board of registration for professional sanitarians, created by article 62 of title 12, C.R.S. 1973.

(3) (a) The following divisions in the department of regulatory agencies shall terminate on July 1, 1979:

(I) Division of civil rights and the Colorado civil rights commission, created by part 3 of article 34 of this title;

(II) Colorado commission on the status of women, created by part 2 of article 34 of this title.

(b) The following boards and agencies in the division of registrations shall terminate on July 1, 1979:

(I) Real estate commission, created by part 1 of article 61 of title 12, C.R.S. 1973;

(II) Colorado state board of chiropractic examiners, created by article 33 of title 12, C.R.S. 1973;

(III) State board of dental examiners, created by article 35 of title 12, C.R.S. 1973;

(IV) Colorado state board of medical examiners, created by article 36 of title 12, C.R.S. 1973; and the Colorado podiatry board, created by article 32 of title 12, C.R.S. 1973;

“Essentially the law is to address two related problems. First, we seek to establish an effective and continuing process of making government agencies and regulation responsive and accountable to the Legislature. Secondly, we want to design and implement a more streamlined system for trimming away ineffective or inefficient government regulation of those agencies which simply no longer serve a useful public purpose.”

*—Sidney B. Brooks, Chairman
Colorado Common Cause*

(V) State board of nursing, created by part 2 of article 38 of title 12, C.R.S. 1973;

(VI) Board of practical nursing, created by part 1 of article 38 of title 12, C.R.S. 1973;

(VII) State board of optometric examiners, created by article 40 of title 12, C.R.S. 1973;

(VIII) State board of pharmacy, created by part 1 of article 22 of title 12, C.R.S. 1973;

(IX) State board of physical therapy, created by article 41 of title 12, C.R.S. 1973;

(X) State board of veterinary medicine, created by article 64 of title 12, C.R.S. 1973.

(4) (a) The following divisions in the department of regulatory agencies shall terminate on July 1, 1981:

(I) The division of banking, created by article 2 of title 11, C.R.S. 1973;

(II) The division of savings and loan, created by article 44 of title 11, C.R.S. 1973;

(III) The division of securities, created by article 51 of title 11, C.R.S. 1973.

(b) The following boards and agencies in the division of registrations shall terminate on July 1, 1981:

(I) State board of examiners of landscape architects, created by article 45 of title 12, C.R.S. 1973;

- (II) Colorado state board of examiners of architects, created by article 4 of title C.R.S. 1973;
- (III) Abstractors' board of examiners, created by article 1 of title 12, C.R.S. 1973;
- (IV) State board of accountancy, created by article 2 of title 12, C.R.S. 1973;
- (V) State board of registration for professional engineers and land surveyors, created by part 1 of article 25 of title 12, C.R.S. 1973;
- (VI) Colorado state board of psychologist examiners, created by article 43 of title 12, C.R.S. 1973;
- (VII) Examining board of plumbers, created by article 58 of title 12, C.R.S. 1973;
- (VIII) State electrical board, created by article 23 of title 12, C.R.S. 1973;
- (IX) Board of hearing aid dealers, created by article 65 of title 12, C.R.S. 1973;
- (X) State board of social worker examiners, created by part 1 of article 63.5 of title 12, C.R.S. 1973;
- (XI) Colorado mobile home licensing board, created by article 51.5 of title 12, C.R.S. 1973.

"The general assembly finds that state government actions have produced a substantial increase in numbers of agencies, growth of programs, and proliferation of rules and regulations and that the whole process developed without sufficient legislative oversight, regulatory accountability, or a system of checks and balances. The general assembly further finds that by establishing a system for the termination, continuation, or reestablishment of such agencies, it will be in a better position to evaluate the need for the continued existence of existing and future regulatory bodies."

—Colorado General Assembly

(5) Upon termination, each division, board, or agency shall continue in existence until July 1 of the next succeeding year for the purpose of winding up its affairs. During the wind-up period, termination shall not reduce or otherwise limit the powers or authority of each respective agency. Upon the expiration of the one year after termination, each respective agency shall cease all activities.

(6) The life of any division, board, or agency scheduled for termination under this section may be continued or reestablished by the general assembly for periods not to exceed six years. Any newly created division, board, or agency in the department of regulatory agencies shall have a life not to exceed six years and shall be subject to the provisions of this section.

(7) The legislative audit committee shall cause to be conducted a performance audit of each division, board, or agency scheduled for termination under this section. The performance audit shall be completed at least three months prior to the date established by this section for termination. In conducting the audit, the legislative audit committee shall take into consideration, but not be limited to considering, the factors listed in paragraph (b) of subsection (8) of this section. Upon completion of the audit report, the legislative audit committee shall hold a public hearing for purposes of review of the report. A copy of the report shall be made available to each member of the general assembly.

(8) (a) Prior to the termination, continuation, or reestablishment of any such agency, a committee of reference in each house of the general assembly shall hold a public hearing, receiving testimony from the public and the executive director of

the department of regulatory agencies and the agency involved, and in such a hearing the agency shall have the burden of demonstrating a public need for its continued existence and the extent to which a change in the type of transfer of the agency may increase the efficiency of administration or operation of the agency.

(b) In such hearings, the determination as to whether an agency has demonstrated a public need for its continued existence shall take into consideration the following factors, among others:

(I) The extent to which the division, agency, or board has permitted qualified applicants to serve the public;

(II) The extent to which affirmative action requirements of state and federal statutes and constitutions have been complied with by the agency or the industry it regulates;

“What is needed is an action-forcing mechanism designed to guarantee a periodic and comprehensive evaluation of existing programs and agencies.”

—John W. Gardner

(III) The extent to which the division, board, or agency has operated in the public interest, and the extent to which its operation has been impeded or enhanced by existing statutes, procedures, and practices of the department of regulatory agencies, and any other circumstances, including budgetary, resource, and personnel matters;

(IV) The extent to which the agency has recommended statutory changes to the general assembly which would benefit the public as opposed to the persons it regulates;

(V) The extent to which the agency has required the persons it regulates to report to it concerning the impact of rules and decisions of the agency on the public regarding improved service, economy of service, and availability of service;

(VI) The extent to which persons regulated by the agency have been required to assess problems in their industry which affect the public;

(VII) The extent to which the agency has encouraged participation by the public in making its rules and decisions as opposed to participation solely by the persons it regulates;

(VIII) The efficiency with which formal public complaints filed with the division, board, or agency or with the executive director of the department of regulatory agencies concerning persons subject to regulation have been processed to completion by the division, board, or agency, by the executive director of the department of regulatory agencies, by the department of law, and by any other applicable department of state government; and

(IX) The extent to which changes are necessary in the enabling laws of the agency to adequately comply with the factors listed in this paragraph (b).

“Even if we could afford the expense, we can’t afford the erosion of public confidence that stems from government programs so ill-designed that they would not withstand searching scrutiny.”

—John W. Gardner

(9) If no action has been taken to extend the life of an agency because the subject was not designated in writing by the governor during the first ten days of the legislative session, pursuant to section 7 of article V of the state constitution, the agency shall continue in existence until the next subsequent odd-numbered year legislative session, at which time the general assembly shall reconsider the termination. If terminated, in no case shall an agency have less than one year to wind up its affairs.

(10) No more than one such division, board, or agency shall be continued or established in any bill for an act, and such division, board, or agency shall be mentioned in the bill's title.

(11) This section shall not cause the dismissal of any claim or right of a citizen against any such agency or any claim or right of an agency terminated pursuant to this section which is subject to litigation. Said claims and rights shall be assumed by the department of regulatory agencies. Nothing in this section shall interfere with the general assembly otherwise considering legislation on any division, board, agency, or similar body existing within the department of regulatory agencies.

SECTION 2. 10-1-103. Colorado Revised Statutes 1973, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

10-1-103. Division of insurance—subject to termination. (6) The provisions of section 24-34-104, C.R.S. 1973, concerning the termination schedule for regulatory bodies of the state unless extended as provided in that section, are applicable to the division of insurance created by this section.

[Note: Sections 3-40 of the bill are similar to section 2 in that they amend appropriate sections of the Colorado Revised Statutes 1973 to indicate that the designated regulatory bodies are subject to the termination provision of the Sunset law.]

SECTION 41. Effective date. This act shall take effect July 1, 1976.

SECTION 42. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Ruben A. Valdez
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Fred E. Anderson
PRESIDENT OF
THE SENATE

Evelyn T. Davidson
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Marjorie L. Rutenbeck
SECRETARY OF
THE SENATE

APPROVED April 22, 1976

Richard D. Lamm
GOVERNOR OF
THE STATE OF COLORADO

June 1976

For further information, contact:
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MEMORANDUM

September 17, 1976

TO: Special Committee on Ways and Means

FROM: Legislative Research Department

RE: Proposal No. 41 - State Aid Programs to Local Facilities
for the Care of the Mentally Ill, Retarded, and
Alcoholic

The attached tables were developed to enable the Committee to compare the distribution of funds under the existing state aid formula with distributions of alternate state aid formulas. Data in the first column are based on FY 1976 appropriations showing the actual distribution of funds to each community mental health or mental retardation center during the fiscal year under the current state aid formula. A second column, also based on FY 1976 appropriations, shows the projected distribution of funds according to other methods of allocating funds among the community centers. The difference between the first two columns, showing the reallocative impact of the alternate formula, is then indicated in the third column. Finally, the total reallocative impact of each alternate formula is expressed both as a dollar amount and as a percentage of the FY 1976 state aid appropriations to community mental health and mental retardation centers.

A brief description of each table is as follows:

Tables I(a) and I(b) give a comparison of the actual distribution of FY 1976 state aid funds with a distribution method based on the catchment area population of each community facility.

Tables II(a) and II(b) compare the existing method of allocating funds to community centers with an allocation formula based on area population that has been weighted inversely proportional to the average per capita personal income of each centers catchment area.

Tables III(a) and III(b) provide a comparison of the allocations of the current formula with the basic formula set forth in S.B. 965 from the 1976 Legislative Session. Under this distribution formula 60 percent of the appropriation is to be distributed according to the present formula while 40 percent of the appropriation is to be carried out in inverse proportion to the average per capita personal income of the area served by a community center.

Tables IV(a) and IV(b) compare the present formula with a distribution method suggested by Mr. Hal Boyts, Director

of Johnson County Mental Health Center. The state aid formula suggested by Mr. Boyts distributes funds by three methods. Sixty percent of an appropriation would be distributed according to catchment area population as shown in Tables I(a) and I(b). Twenty-five percent would be distributed inversely to per capita income of each catchment area as in Tables II(a) and II(b). Fifteen percent would be distributed according to the present method of matching eligible center income.

Tables V(a) and V(b) show comparisons of distributions made under the present law with distributions based on a formula suggested by Mr. Paul Thomas, Administrator of the Southeast Kansas Mental Health Center in Humbolt, Kansas. The proposed formula would distribute 50 percent of appropriated funds based on the current method of matching eligible center income, 30 percent of the state funds would be distributed according to population, and 20 percent would be distributed inversely to per capita income of each catchment area.

Tables VI(a) and VI(b) present a second version of Mr. Thomas' formula. This method bases 50 percent of the distribution on matching eligible income, 25 percent on population, and 25 percent inverse to per capita income.

Table VII(a) provides a comparison of the current distribution method with a cost reimbursement method of allocating funds to community mental health centers based on units of outpatient service provided during FY 1976. Actual community center costs for outpatient service averaged \$29. The FY 1976 appropriation of \$1,168,780 allowed reimbursement at a unit rate of \$4.40 or 15 percent of average cost. The lack of patient service data prevented the application of a cost reimbursement method of distributing state aid to community centers for the retarded.

TABLE I(a)

COMPARISON OF STATE AID ALLOCATION METHODS

<u>Community Mental Health Centers</u>	<u>Allocation of FY 1976 Funds (Actual)</u>	<u>Allocation of FY 1976 Funds Based on Population</u>	<u>Increase or Decrease</u>
Area Mental Health Center	\$ 54,801	\$ 41,624	- \$ 13,177
Bert Nash Comm. Mental Health Center	23,154	27,030	+ 3,876
Center for Counseling & Consultation	23,298	29,390	+ 6,092
Central Kansas Mental Health Center	26,025	43,152	+ 17,127
Cowley County Mental Health Center	5,534	16,940	+ 11,406
Crawford County Mental Health Center	13,237	29,623	+ 16,386
Four County Mental Health Center	19,212	31,852	+ 12,640
Franklin County Mental Health Center	6,516	10,102	+ 3,590
High Plains Comm. Mental Health Center	119,421	63,898	- 55,523
Iroquois Center for Human Development	10,452	6,973	- 3,479
Johnson County Mental Health Center Northeast/Southwest	130,563	116,211	- 14,352
Mental Health Center of East Central Kansas	47,559	34,334	- 13,225
The Mental Health Institute	42,265	50,630	+ 8,365
North Central Kansas Guidance Center	27,293	49,076	+ 21,783
Northeast Kansas Guidance Clinic	16,653	34,412	+ 17,759
Prairie View Mental Health Center	108,199	33,530	- 74,669
Sedgwick County Dept. of Mental Health	168,035	163,048	- 4,987
SeKan Comp. Mental Health Services	19,601	100,626	+ 81,025
Shawnee County Mental Health Corp.	176,420	83,437	- 92,983
South Central Mental Health Center	21,688	30,495	+ 8,807
Southeast Kansas Mental Health Center	23,695	39,152	+ 15,457
Southwest Guidance Center	16,019	18,725	+ 2,706
Sunflower Guidance Center	15,033	22,359	+ 7,326
Wyandotte County Mental Health Center	54,107	92,160	+ 38,053
TOTAL	\$1,168,780	\$1,168,780	
Amount and Percentage of Reallocation			\$ 272,398 (23%)

TABLE I(b)

COMPARISON OF STATE AID ALLOCATION METHODS

<u>Community Mental Retardation Centers</u>	<u>Allocation of FY 1976 Funds (Actual)</u>	<u>Allocation of FY 1976 Funds Based on Population</u>	<u>Increase or Decrease</u>
Big Lakes Developmental Center	\$ 14,695	\$ 18,163	+ \$ 3,468
Chikaskia Area Training Center	10,549	7,243	- 3,306
Cottonwood, Inc.	18,796	14,298	- 4,498
Dodge City Council for Retarded Citizens	4,891	9,683	+ 4,792
Finney County Mental Retardation Services	4,436	9,682	+ 5,246
Franklin County Voc. Rehab. Facility	5,634	4,353	- 1,281
Homer B. Reed Adjustment and Training Center	21,263	15,386	- 5,877
Johnson County Mental Retardation Center	56,275	49,912	- 6,363
Leavenworth County Assn. for Handicapped	8,429	12,459	+ 4,030
Mental Retardation Board of Wyandotte County	13,883	39,554	+ 25,671
Mid-Kansas D.D. Services	10,500	9,157	- 1,343
Occupational Center of Central Kansas	20,123	23,342	+ 3,219
Reno Occupational Center	12,545	19,702	+ 7,157
Sedgwick County M.R. Governing Board	130,769	69,989	- 60,780
Sunflower Training Center, Inc.	10,294	13,698	+ 3,404
Terramara, Inc.	5,723	13,960	+ 8,237
Topeka Assn. for Retarded Citizens	23,165	35,839	+ 12,674
Verdigris Valley Assn. for Retarded Citizens	<u>3,307</u>	<u>8,857</u>	<u>+ 5,550</u>
TOTAL	\$ 375,277	\$ 375,277	
Amount and Percentage of Reallocation			\$83,448 (22%)

TABLE II(a)

COMPARISON OF STATE AID ALLOCATION METHODS

<u>Community Mental Health Center</u>	<u>Allocation of FY 1976 Funds (Actual)</u>	<u>Allocation of FY 1976 Funds Based Inversely to Per Capita Income</u>	<u>Increase or Decrease</u>
Area Mental Health Center	\$ 54,801	\$ 47,717	-\$ 7,084
Bert Nash Comm. Mental Health Center	23,154	44,513	+ 21,359
Center for Counseling and Consultation	23,298	50,451	+ 27,153
Central Kansas Mental Health Center	26,025	51,526	+ 25,501
Cowley County Mental Health Center	5,534	46,940	+ 41,406
Crawford County Mental Health Center	13,237	51,460	+ 38,223
Four County Mental Health Center	19,212	54,546	+ 35,334
Franklin County Mental Health Center	6,516	43,875	+ 37,359
High Plainses Comm. Mental Health Center	119,421	50,599	- 68,822
Iroquois Center for Human Development	10,452	47,633	+ 37,181
Johnson County Mental Health Center Northeast/Southwest	130,563	30,113	- 100,450
Mental Health Center of East Central Kansas	47,559	52,336	+ 4,777
The Mental Health Institute	42,265	48,397	+ 6,132
North Central Kansas Guidance Center	27,293	51,650	+ 24,357
Northeast Kansas Guidance Clinic	16,653	56,145	+ 39,492
Prairie View Mental Health Center	108,199	49,484	- 58,715
Sedgwick County Dept. of Mental Health	168,035	42,275	- 125,760
SeKan Comp. Mental Health Services	19,601	53,803	+ 34,202
Shawnee County Mental Health Corp.	176,420	42,601	- 133,819
South Central Mental Health Center	21,688	53,670	+ 31,982
Southeast Kansas Mental Health Center	23,695	54,212	+ 30,517
Southwest Guidance Center	16,019	45,133	+ 29,114
Sunflower Guidance Center	15,033	53,345	+ 38,312
Wyandotte County Mental Health Center	54,107	46,356	- 7,751
TOTAL	\$ 1,168,780	\$1,168,780	

Amount and Percentage of Reallocation

\$502,401 (42%)

TABLE II(b)

COMPARISON OF STATE AID ALLOCATION METHODS

<u>Community Mental Retardation Centers</u>	<u>Allocation of FY 1976 Funds (Actual)</u>	<u>Allocation of FY 1976 Funds Based Inversely to Per Capita Income</u>	<u>Increase or Decrease</u>
Big Lakes Developmental Center	\$ 14,695	\$ 22,326	+ \$ 7,631
Chikaskia Area Training Center	10,549	20,195	+ 9,646
Cottonwood, Inc.	18,796	21,232	+ 2,436
Dodge City Council for Retarded Citizens	4,891	20,257	+ 15,366
Finney County Mental Retardation Services	4,436	21,431	+ 16,995
Franklin County Voc. Rehab. Facility	5,634	21,196	+ 15,562
Homer B. Reed Adjustment and Training Center	21,263	21,546	+ 283
Johnson County Mental Retardation Center	56,275	12,912	- 43,363
Leavenworth County Assn. for Handicapped	8,429	24,211	+ 15,782
Mental Retardation Board of Wyandotte County	13,883	19,880	+ 5,997
Mid-Kansas D.D. Services	10,500	22,594	+ 12,094
Occupational Center of Central Kansas	20,123	21,874	+ 1,751
Reno Occupational Center	12,545	20,825	+ 8,280
Sedgwick County M.R. Governing Board	130,769	18,127	- 112,642
Sunflower Training Center, Inc.	10,294	21,791	+ 11,497
Terramara, Inc.	5,723	23,391	+ 17,668
Topeka Assn. for Retarded Citizens	23,165	18,270	- 4,895
Verdigris Valley Assn. for Retarded Citizens	<u>3,307</u>	<u>23,219</u>	+ <u>19,912</u>
TOTAL	\$ 375,277	\$375,277	

Amount and Percentage of Reallocation

\$160,900 (43%)

TABLE III(a)

COMPARISON OF STATE AID ALLOCATION METHODS

Community Mental Health Centers	Allocation of FY 1976 Funds (Actual)	Allocation of FY 1976 Funds Based on Provisions of S.B. 965	Increase or Decrease
Area Mental Health Center	\$ 54,801	\$ 53,807	- \$ 994
Bert Nash Comm. Mental Health Center	23,154	31,895	+ 8,741
Center for Counseling and Consultation	23,298	34,660	+ 11,362
Central Kansas Mental Health Center	26,025	36,336	+ 10,311
Cowley County Mental Health Center	5,534	19,013	+ 13,479
Crawford County Mental Health Center	13,237	27,701	+ 14,464
Four County Mental Health Center	19,212	33,056	+ 13,844
Franklin County Mental Health Center	6,516	17,561	+ 11,045
High Plains Comm. Mental Health Center	119,421	93,000	- 26,421
Iroquois Center for Human Development	10,452	26,614	+ 16,162
Johnson County Mental Health Center Northeast/Southwest	130,563	90,731	- 39,832
Mental Health Center of East Central Kansas	47,559	46,756	- 803
The Mental Health Institute	42,265	45,661	+ 3,396
North Central Kansas Guidance Center	27,293	37,219	+ 9,926
Northeast Kansas Guidance Clinic	16,653	32,555	+ 15,902
Prairie View Mental Health Center	108,199	86,239	- 21,960
Sedgwick County Dept. of Mental Health	168,035	121,244	- 46,791
SeKan Comp. Mental Health Services	19,601	33,533	+ 13,932
Shawnee County Mental Health Corp.	176,420	122,868	- 53,552
South Central Mental Health Center	21,688	34,368	+ 12,680
Southeast Kansas Mental Health Center	23,695	36,268	+ 12,573
Southwest Guidance Center	16,019	27,623	+ 11,604
Sunflower Guidance Center	15,033	30,649	+ 15,616
Wyandotte County Mental Health Center	54,107	49,423	- 4,684
TOTAL	\$ 1,168,780	\$1,168,780	

Amount and Percentage of Reallocation

\$105,000 (17%)

TABLE III(b)

COMPARISON OF STATE AID ALLOCATION METHODS

<u>Community Mental Retardation Centers</u>	<u>Allocation of FY 1976 Funds (Actual)</u>	<u>Allocation of FY 1976 Funds Based on Provisions of S.B. 965</u>	<u>Increase or Decrease</u>
Big Lakes Developmental Center	\$ 14,695	\$ 17,053	+ \$ 2,358
Chikaskia Area Training Center	10,549	15,674	+ 5,125
Cottonwood, Inc.	18,796	18,931	+ 135
Dodge City Council for Retarded Citizens	4,891	10,724	+ 5,833
Finney County Mental Retardation Services	4,436	10,006	+ 5,570
Franklin County Voc. Rehab. Facility	5,634	10,804	+ 5,170
Homer B. Reed Adjustment and Training Center	21,263	23,430	+ 2,167
Johnson County Mental Retardation Center	56,275	37,140	- 19,135
Leavenworth County Assn. for Handicapped	8,429	15,171	+ 6,742
Mental Retardation Board of Wyandotte County	13,883	15,663	+ 1,780
Mid-Kansas D.D. Services	10,500	14,032	+ 3,532
Occupational Center of Central Kansas	20,123	20,196	+ 73
Reno Occupational Center	12,545	15,638	+ 3,093
Sedgwick County M.R. Governing Board	130,769	92,945	- 37,824
Sunflower Training Center, Inc.	10,294	14,799	+ 4,505
Terramara, Inc.	5,723	11,611	+ 5,888
Topeka Assn. for Retarded Citizens	23,165	21,021	- 2,144
Verdigris Valley Assn. for Retarded Citizens	<u>3,307</u>	<u>10,439</u>	<u>+ 7,132</u>
TOTAL	\$ 375,277	\$375,277	
Amount and Percentage of Reallocation			\$59,103 (16%)

TABLE IV(a)

COMPARISON OF STATE AID ALLOCATION METHODS

<u>Community Mental Health Centers</u>	<u>Allocation of FY 1976 Funds (Actual)</u>	<u>Allocation of FY 1976 Funds by H. Boyts 60-25-15 Formula</u>	<u>Increase or Decrease</u>
Area Mental Health Center	\$ 54,801	\$ 45,123	- \$ 9,678
Bert Nash Comm. Mental Health Center	23,154	30,819	+ 7,665
Center for Counseling and Consultation	23,298	33,728	+ 10,430
Central Kansas Mental Health Center	26,025	42,677	+ 16,652
Cowley County Mental Health Center	5,534	22,729	+ 17,195
Crawford County Mental Health Center	13,237	32,628	+ 19,391
Four County Mental Health Center	19,212	35,633	+ 16,421
Franklin County Mental Health Center	6,516	18,007	+ 11,491
High Plains Comm. Mental Health Center	119,421	68,902	- 50,519
Iroquois Center for Human Development	10,452	17,659	+ 7,207
Johnson County Mental Health Center Northeast/Southwest	130,563	96,839	- 33,724
Mental Health Center of East Central Kansas	47,559	40,818	- 6,741
The Mental Health Institute	42,265	48,817	+ 6,552
North Central Kansas Guidance Center	27,293	46,452	+ 19,159
Northeast Kansas Guidance Clinic	16,653	37,181	+ 20,528
Prairie View Mental Health Center	108,199	48,719	- 59,480
Sedgwick County Dept. of Mental Health	168,035	133,603	- 34,432
SeKan Comp. Mental Health Services	19,601	76,767	+ 57,166
Shawnee County Mental Health Corp.	176,420	87,175	- 89,245
South Central Mental Health Center	21,688	34,968	+ 13,280
Southeast Kansas Mental Health Center	23,695	40,598	+ 16,903
Southwest Guidance Center	16,019	24,921	+ 8,902
Sunflower Guidance Center	15,033	29,006	+ 13,973
Wyandotte County Mental Health Center	54,107	75,011	+ 20,904
TOTAL	\$ 1,168,780	\$1,168,780	

Amount and Percentage of Reallocation

TABLE IV(b)

COMPARISON OF STATE AID ALLOCATION METHODS

<u>Community Mental Retardation Centers</u>	<u>Allocation of FY 1976 Funds (Actual)</u>	<u>Allocation of FY 1976 Funds by H. Boyts 60-25-15 Formula</u>	<u>Increase or Decrease</u>
Big Lakes Developmental Center	\$ 14,695	\$ 18,684	+ \$ 3,989
Chikaskia Area Training Center	10,549	10,977	+ 428
Cottonwood, Inc.	18,796	16,706	- 2,090
Dodge City Council for Retarded Citizens	4,891	11,608	+ 6,717
Finney County Mental Retardation Services	4,436	11,832	+ 7,396
Franklin County Voc. Rehab. Facility	5,634	8,757	+ 3,123
Homer B. Reed Adjustment and Training Center	21,263	17,807	- 3,456
Johnson County Mental Retardation Center	56,275	41,617	- 14,658
Leavenworth County Assn. for Handicapped	8,429	14,792	+ 6,363
Mental Retardation Board of Wyandotte County	13,883	30,784	+ 16,901
Mid-Kansas D.D. Services	10,500	12,718	+ 2,218
Occupational Center of Central Kansas	20,123	22,491	+ 2,368
Reno Occupational Center	12,545	18,909	+ 6,364
Sedgwick County M.R. Governing Board	130,769	66,140	- 64,629
Sunflower Training Center, Inc.	10,294	15,211	+ 4,917
Terramara, Inc.	5,723	15,083	+ 9,360
Topeka Assn. for Retarded Citizens	23,165	29,546	+ 6,381
Verdigris Valley Assn. for Retarded Citizens	<u>3,307</u>	<u>11,615</u>	<u>+ 8,308</u>
TOTAL	\$ 375,277	\$375,277	
Amount and Percentage of Reallocation			\$84,833 (23%)

TABLE V(a)

COMPARISON OF STATE AID ALLOCATION METHODS

Community Mental Health Centers	Allocation of FY 1976 Funds (Actual)	Allocation of FY 1976 Funds by P. Thomas 50-30-20 Formula	Increase or Decrease
Area Mental Health Center	\$ 54,801	\$ 49,431	- \$ 5,370
Bert Nash Comm. Mental Health Center	23,154	28,589	+ 5,435
Center for Counseling and Consultation	23,298	30,555	+ 7,257
Central Kansas Mental Health Center	26,025	36,263	+ 10,238
Cowley County Mental Health Center	5,534	17,237	+ 11,703
Crawford County Mental Health Center	13,237	25,798	+ 12,561
Four County Mental Health Center	19,212	30,071	+ 10,859
Franklin County Mental Health Center	6,516	15,064	+ 8,548
High Plains Comm. Mental Health Center	119,421	89,000	- 30,421
Iroquois Center for Human Development	10,452	16,845	+ 6,393
Johnson County Mental Health Center Northeast/Southwest	130,563	106,167	- 24,396
Mental Health Center of East Central Kansas	47,559	44,546	- 3,013
The Mental Health Institute	42,265	46,001	+ 3,736
North Central Kansas Guidance Center	27,293	38,699	+ 11,406
Northeast Kansas Guidance Clinic	16,653	29,880	+ 13,227
Prairie View Mental Health Center	108,199	74,055	- 34,144
Sedgwick County Dept. of Mental Health	168,035	141,387	- 26,648
SeKan Comp. Mental Health Services	19,601	50,749	+ 31,148
Shawnee County Mental Health Corp.	176,420	121,761	- 54,659
South Central Mental Health Center	21,688	30,726	+ 9,038
Southeast Kansas Mental Health Center	23,695	34,435	+ 10,740
Southwest Guidance Center	16,019	22,655	+ 6,636
Sunflower Guidance Center	15,033	24,893	+ 9,860
Wyandotte County Mental Health Center	54,107	63,973	+ 9,866
TOTAL	\$ 1,168,780	\$1,168,780	

Amount and Percentage of Reallocation

\$178,651 (15%)

TABLE V(b)

COMPARISON OF STATE AID ALLOCATION METHODS

<u>Community Mental Retardation Centers</u>	<u>Allocation of FY 1976 Funds (Actual)</u>	<u>Allocation of FY 1976 Funds by P. Thomas 50-30-20 Formula</u>	<u>Increase or Decrease</u>
Big Lakes Developmental Center	\$ 14,695	\$ 17,263	+\$ 2,568
Chikaskia Area Training Center	10,549	11,488	+ 939
Cottonwood, Inc.	18,796	17,934	- 862
Dodge City Council for Retarded Citizens	4,891	9,402	+ 4,511
Finney County Mental Retardation Services	4,436	9,409	+ 4,973
Franklin County Voc. Rehab. Facility	5,634	8,363	+ 2,729
Homer B. Reed Adjustment and Training Center	21,263	19,558	- 1,705
Johnson County Mental Retardation Center	56,275	45,695	- 10,580
Leavenworth County Assn. for Handicapped	8,429	12,778	+ 4,349
Mental Retardation Board of Wyandotte County	13,883	22,785	+ 8,902
Mid-Kansas D.D. Services	10,500	12,517	+ 2,017
Occupational Center of Central Kansas	20,123	21,439	+ 1,316
Reno Occupational Center	12,545	16,349	+ 3,804
Sedgwick County M.R. Governing Board	130,769	90,008	- 40,761
Sunflower Training Center, Inc.	10,294	13,615	+ 3,321
Terramara, Inc.	5,723	11,729	+ 6,006
Topeka Assn. for Retarded Citizens	23,165	25,990	+ 2,825
Verdigris Valley Assn. for Retarded Citizens	<u>3,307</u>	<u>8,955</u>	<u>+ 5,648</u>
TOTAL	\$ 375,277	\$375,277	
Amount and Percentage of Reallocation			\$53,908 (14%)

TABLE VI(a)

COMPARISON OF STATE AID ALLOCATION METHODS

<u>Community Mental Health Centers</u>	<u>Allocation of FY 1976 Funds (Actual)</u>	<u>Allocation of FY 1976 Funds by P. Thomas 50-25-25 Formula</u>	<u>Increase or Decrease</u>
Area Mental Health Center	\$ 54,801	\$ 49,736	- \$ 5,065
Bert Nash Comm. Mental Health Center	23,154	29,463	+ 6,309
Center for Counseling and Consultation	23,298	31,610	+ 8,312
Central Kansas Mental Health Center	26,025	36,681	+ 10,656
Cowley County Mental Health Center	5,534	18,737	+ 13,203
Crawford County Mental Health Center	13,237	26,889	+ 13,652
Four County Mental Health Center	19,212	31,205	+ 11,993
Franklin County Mental Health Center	6,516	16,757	+ 10,241
High Plains Comm. Mental Health Center	119,421	88,335	- 31,086
Iroquois Center for Human Development	10,452	18,877	+ 8,425
Johnson County Mental Health Center Northeast/Southwest	130,563	101,862	- 28,701
Mental Health Center of East Central Kansas	47,559	45,447	- 2,112
The Mental Health Institute	42,265	45,888	+ 3,623
North Central Kansas Guidance Center	27,293	38,827	+ 11,534
Northeast Kansas Guidance Clinic	16,653	30,965	+ 14,312
Prairie View Mental Health Center	108,199	74,854	- 33,345
Sedgwick County Dept. of Mental Health	168,035	135,349	- 32,686
SeKan Comp. Mental Health Services	19,601	48,407	+ 28,806
Shawnee County Mental Health Corp.	176,420	119,718	- 56,702
South Central Mental Health Center	21,688	31,886	+ 10,198
Southeast Kansas Mental Health Center	23,695	35,188	+ 11,493
Southwest Guidance Center	16,019	23,974	+ 7,955
Sunflower Guidance Center	15,033	26,442	+ 11,409
Wyandotte County Mental Health Center	54,107	61,683	+ 7,576
TOTAL	\$ 1,168,780	\$1,168,780	

Amount and Percentage of Reallocation

TABLE VI(b)

COMPARISON OF STATE AID ALLOCATION METHODS

<u>Community Mental Retardation Centers</u>	<u>Allocation of FY 1976 Funds (Actual)</u>	<u>Allocation of FY 1976 Funds by P. Thomas 50-25-25 Formula</u>	<u>Increase or Decrease</u>
Big Lakes Developmental Center	\$ 14,695	\$ 17,470	+\$ 2,775
Chikaskia Area Training Center	10,549	12,134	+ 1,585
Cottonwood, Inc.	18,796	18,280	- 516
Dodge City Council for Retarded Citizens	4,891	9,929	+ 5,038
Finney County Mental Retardation Services	4,436	9,996	+ 5,560
Franklin County Voc. Rehab. Facility	5,634	9,203	+ 3,569
Homer B. Reed Adjustment and Training Center	21,263	19,865	- 1,398
Johnson County Mental Retardation Center	56,275	43,843	- 12,432
Leavenworth County Assn. for Handicapped	8,429	13,382	+ 4,953
Mental Retardation Board of Wyandotte County	13,883	21,801	+ 7,918
Mid-Kansas D.D. Services	10,500	13,187	+ 2,687
Occupational Center of Central Kansas	20,123	21,367	+ 1,244
Reno Occupational Center	12,545	16,403	+ 3,858
Sedgwick County M.R. Governing Board	130,769	87,414	- 43,355
Sunflower Training Center, Inc.	10,294	14,020	+ 3,726
Terramara, Inc.	5,723	12,200	+ 6,477
Topeka Assn. for Retarded Citizens	23,165	25,111	+ 1,946
Verdigris Valley Assn. for Retarded Citizens	<u>3,307</u>	<u>9,672</u>	<u>+ 6,365</u>
TOTAL	\$ 375,277	\$375,277	
Amount and Percentage of Reallocation			\$57,701 (15%)

TABLE VII(a)

COMPARISON OF STATE AID ALLOCATION METHODS

<u>Community Mental Health Centers</u>	<u>Allocation of FY 1976 Funds (Actual)</u>	<u>Allocation of FY 1976 Funds Based on Reimbursement for Outpatient Services</u>	<u>Increase or Decrease</u>
Area Mental Health Center	\$ 54,801	\$ 64,838	+\$ 10,037
Bert Nash Comm. Mental Health Center	23,154	27,701	+ 4,547
Center for Counseling and Consultation	23,298	35,123	+ 11,825
Central Kansas Mental Health Center	26,025	28,216	+ 2,191
Cowley County Mental Health Center	5,534	18,467	+ 12,933
Crawford County Mental Health Center	13,237	29,680	+ 16,443
Four County Mental Health Center	19,212	42,608	+ 23,396
Franklin County Mental Health Center	6,516	6,376	- 140
High Plainses Comm. Mental Health Center	119,421	60,450	- 58,971
Iroquois Center for Human Development	10,452	34,226	+ 23,774
Johnson County Mental Health Center Northeast/Southwest	130,563	114,955	- 15,608
Mental Health Center of East Central Kansas	47,559	35,550	- 12,009
The Mental Health Institute	42,265	45,179	+ 2,914
North Central Kansas Guidance Center	27,293	25,538	- 1,755
Northeast Kansas Guidance Clinic	16,653	39,573	+ 22,920
Prairie View Mental Health Center	108,199	101,000	- 7,199
Sedgwick County Dept. of Mental Health	168,035	184,630	+ 16,595
SeKan Comp. Mental Health Services	19,601	11,744	- 7,857
Shawnee County Mental Health Corp.	176,420	108,597	- 67,823
South Central Mental Health Center	21,688	24,691	+ 3,003
Southeast Kansas Mental Health Center	23,695	21,106	- 2,589
Southwest Guidance Center	16,019	13,194	- 2,825
Sunflower Guidance Center	15,033	35,899	+ 20,866
Wyandotte County Mental Health Center	54,107	59,439	+ 5,332
TOTAL	\$ 1,168,780	\$1,168,780	

Amount and Percentage of Reallocation

\$176,776 (15%)