

M I N U T E S

SPECIAL COMMITTEE ON WAYS AND MEANS - B

June 1, 1977

The meeting was called to order by Chairman Weaver at 9:20 a.m. Committee members present were Senator Paul Hess, vice chairman; Senator Arnold Berman; Senator Frank D. Gaines; Representative William W. Buntin; Representative Roy H. Garrett; Representative Richard L. Harper; Representative David J. Heinemann; Representative Loren Hohman, II; and Representative John T. Ivy. The staff members present were Marlin Rein, Julie Mundy, Robert Epps, Robert Haley, Ben Barrett, David Barclay, and Jim Wilson. Attachment I provides a list of others present.

Introductory Comments

The Chairman requested that staff present preliminary study outlines of the proposals for Committee discussion. Marlin Rein noted that the outlines were only preliminary and would be revised to reflect the directions provided in the Committee discussion. The outlines and specifications as approved by the Committee are included in Attachment II.

Proposals No. 73 and 74 - Proposals Related to Courts

A review of the preliminary outline for the Committee study of the costs and financing of court unification and a review of the preliminary specifications for the district court pay plan study were presented by the staff. It was noted that preliminary contacts with consulting firms indicated that it would be possible to include in the contract for a study of district court pay plans a study to identify total costs to both state and local governments of court unification and to develop a method for relating requirements to court caseloads and stay within the amount appropriated for the pay plan study.

The Committee discussed the needs for the studies and possible courses of action. Representative Buntin noted the confusion related to the employment status of court personnel. Senator Berman indicated that one of the primary questions was how the cost of a unified court system was to be allocated between the state and local units. Representative Ivy discussed the need for information on the duties and workload of the various court personnel.

Representative Heinemann moved and Representative Harper seconded the motion that the Chairman be designated to set the standards for the study and to work with Phillip Jones, Director of the Legislative Research Department, in seeking proposals for the study. The motion passed. Committee discussion indicated that each bidder should be asked to present a bid for just the personnel study and a bid for the combined personnel study and the court unification cost study. The Committee discussion also indicated that it was anticipated that the contract could be awarded shortly after July 1, 1977, and it was anticipated that the study should take approximately 90 days.

Senator Hess moved that the Legislative Coordinating Council be requested to consider the reassignment of "Proposal No. 33 - Court Costs" from the Special Committee on Judiciary - A to the Special Committee on Ways and Means - B. Senator Gaines seconded the motion and it carried. Representative Ivy noted that an effort should be made to look at the ability of the counties to pay for the courts.

Proposal No. 75 - Zero-Base Budgeting and Sunset Laws

A review of the preliminary study outline on Proposal No. 75 dealing with Zero-Base Budgeting and Sunset Laws was presented by staff. The basic provisions of three bills (S.B. 226, S.B. 227, and H.B. 2044) introduced during the 1977 Legislative Session

dealing with zero-base budgeting and sunset laws were explained. It was pointed out that a major consideration of the study would involve questions of the compatibility of the concepts of zero-base budgeting and sunset laws. There was a consensus to proceed with the study as outlined. Senator Berman requested information on the Federal Budget Reform Act and a Wisconsin bill consolidating regulatory agencies.

#### Proposal No. 76 - Financing of Vocational Education

Staff reviewed a preliminary outline for the Committee study of the financing of vocational education. Included in that outline were the issues of capital improvements re S.B. 127, the problem of contractual agreements between junior colleges and AVTS's as well as an examination of financial support for vocational education in Kansas.

Staff, in response to a question from Senator Gaines, explained briefly the contractual agreements between AVTS's and community junior colleges. Chairman Weaver emphasized that a close examination of capital improvements resulting from S.B. 127 should be made by the Committee. He directed staff to contact Dale Dennis of the Department of Education in relation to efforts by the Department to gather capital improvements data. Representatives Ivy and Heinemann both stressed the importance of the Committee understanding fully the financing of vocational education in Kansas.

#### Proposal No. 77 - State Building Construction Procedures

Staff explained that Proposal No. 77 originated from the House Ways and Means Committee in response to problems discovered with buildings at the Kansas Neurological Institute (KNI). The preliminary outline of the study was reviewed by staff. The outline emphasizes three major areas for the Committee to examine: (1) a review of general construction procedures, (2) a review of the history of selected projects, and (3) an examination of those projects to determine final disposition.

Senator Berman requested staff to develop a report on the constitutionality of the state's contract clause that calls for compulsory arbitration. Chairman Weaver said that in order for the Committee to thoroughly examine the problem, it would be necessary to start from scratch and examine the process from the planning stage through completion of construction. He said the Committee, in addition to examining the use of consultants and contractors, should examine the functions and responsibilities of the State Architect's Office. In addition, he said that the function and authority of the State Fire Marshal should be discussed.

Senator Berman requested staff to acquire from the State Architect the full history of his relationship with the architectural firms, consultants and contractors, including a listing of the volume and number of awards. He also requested that staff provide details of the contract for the University of Kansas Medical Center (KUMC) parking facility.

Senator Hess requested that the Committee also discuss the \$260,000 related to Trogg Nichols for work on KUMC. Chairman Weaver agreed and said that the change orders should be reviewed in that case. Senator Gaines requested staff to provide the Committee with a record of the arbitration of the Trogg Nichols case.

#### Proposal No. 78 - Department of Transportation

The preliminary study outline for the Committee review of the Department of Transportation was explained by staff. The Committee agreed to proceed with the interim study as outlined.

Senator Berman questioned the authority of the Department of Transportation for planning related to pipelines and overhead power transmission lines in view of the responsibilities of the State Corporation Commission. An explanation of the Department's authority was requested from Secretary Turner.

Representative Ivy requested that current revenue data on the diesel fuel tax be provided to the Committee.

Senator Hess expressed concern over projects financed from the sale of freeway bonds and requested that a review of projects funded by freeway bonds be conducted.

Chairman Weaver pointed out that a high number of the Department's positions are consistently unfilled and asked the staff to review this matter. A list of current road maintenance projects and the priority system for such projects was also requested as well as comparison of DOT's cost estimates and final costs.

Senator Berman questioned the staffing for various functional groups within the organization and asked that the matter be examined.

#### Proposal No. 79 - Fish and Game's Farming Contracts

A review of the preliminary outline for the Committee's study of the Forestry, Fish and Game Commission policies for farming contracts was presented by staff. Committee discussion focused on the restrictive farming requirements in the contracts and whether they were justified on the basis of wildlife production.

#### Proposal No. 80 - KBI Facility

Staff reviewed a preliminary outline for the Committee study of the KBI facility. Senator Berman requested that staff determine the real owners of the building; that the State Architect provide an explanation of how the State Architect's office arrived at a value of the building which is greater than the original asking price; and that the KBI provide an explanation of why the lease was changed during the term of the lease.

Chairman Weaver requested that the State Architect be requested to provide a map showing all available state building space and plans for relocating agencies. The Committee could use the map to study the possibility of relocating the agency to state property.

#### Future Meetings

The next meeting of the Committee was scheduled for June 28 and 29 to review the bids for the court study, to review staff reports on vocational education and construction, and to tour the KBI facility. Other tentative meeting dates were July 28 and 29, August 29 and 30, and September 29 and 30.

Prepared by Robert Haley

Approved by the Committee on:

Fred L. Weaver

ATTACHMENT I  
OTHERS IN ATTENDANCE

<u>Name</u>	<u>Representing</u>
John Moir	Division of the Budget
Marilyn Bradt	League of Women Voters
Ed Walbourn	Kansas Association of Community Colleges
Brad Smoot	Department of Administration
Wayne Slater	Associated Press
R.E. Koerth	Division of the Budget

PROPOSAL NO. 74

COURT UNIFICATION  
COSTS AND FINANCING

- I. Review of bids for contractual study
  - A. Discussion of specifications
  - B. Comparison of proposals
  
- II. Overview of court unification
  - A. Old system
  - B. New system
  - C. 1977 session changes
  
- III. Overview of court budgeting and financing
  - A. Definition
  - B. Survey of other states
  - C. Trends
  
- IV. Overview of the present system of budgeting and financing
  - A. State role
    - 1. Budgeting
    - 2. Financing
  - B. Local role
    - 1. Budgeting
    - 2. Financing
  
- V. Review of contractual study
  
- VI. Conclusions and recommendations
  - A. District court classification system
  - B. Methods of financing the court system

PROPOSAL NO. 75

ZERO-BASED BUDGETING AND SUNSET LAWS

- I. Concepts of "zero-based budgeting" and "sunset legislation"
  - A. Relationship of these two concepts to each other
    1. Zero-based budgeting concepts, including a review of S.B. 226
    2. Sunset concepts, including a review of S.B. 277 and H.B. 2044
    3. Integration of these concepts
  - B. Differences between these concepts of zero-based budgeting and the current budgeting process
    1. Clear identification of programs and agency responsibilities
    2. Alternative levels of program performance and costs
    3. Performance evaluation
    4. Prioritization of programs and funding
  - C. Comparison of types of information available to decision-makers under zero-based budgeting and the current budgeting process
  - D. Impact of zero-based budgeting
    1. Agency budget formation
    2. Executive review
    3. Legislative review
- II. Experiences of Other States
  - A. Zero-based budgeting
  - B. Sunset laws

III. Implementation strategies for zero-based budgeting, were the committees to recommend same

A. Review of the various models as they could be related to Kansas

B. Extent of implementation

1. Pilot study

2. Limit to certain agencies

3. Statewide every year

4. Statewide on a rotating basis

C. Timeframe for implementation

PROPOSAL NO. 76

FINANCING OF VOCATIONAL EDUCATION

- I. Development and Approval of Vocational Education Programs
- II. Overview Summary of Vocational Education Programs, Enrollments, and Expenditures
- III. Financing of Vocational Education
  - A. Area Vocational Schools
  - B. Community Junior Colleges
  - C. Unified School Districts
- IV. Area Vocational School Capital Improvement Projects (SB 127)
- V. Area Vocational School - Community Junior College Contractual Arrangements
- VI. Differential Funding of Community Junior College Vocational Programs
- VI. Recommendations and Proposed Legislation



PROPOSAL NO. 77

STATE BUILDING  
CONSTRUCTION PROCEDURES

I. General Overview

- A. Review of pertinent statutes
  - 1. Selection of associate architects
  - 2. Fee structure
  - 3. Responsibilities of associate architect
  - 4. Duties of Division of Architectural Services
- B. Appropriations process - three phases (preliminary and final planning and construction funding)
- C. Bid procedure and awarding of construction contracts
- D. Supervision and inspection of construction
- E. Change order procedures
- F. Responsibilities of State Fire Marshal
- G. Responsibilities of the Division of Purchases

II. Review of the History of Selected Projects

- A. Identify and briefly review projects completed in recent years in which either the design or construction on the project, or both, resulted in a less-than-satisfactory facility
- B. From projects in the above category, review the history in depth on three to five selected projects
- C. Review of the following projects if not included in A or B above.
  - 1. Supreme Court Building
  - 2. KUMC parking facility

III. Examine Above Projects to Determine Final Disposition

- A. Was the state compensated for unsatisfactory work by architectural or construction firms?
- B. What action can the state initiate to recover damages or compel satisfactory completion of the project?
- C. What procedure should the state follow in attempting to compel satisfactory service or to recover damages?

PROPOSAL NO. 78

REVIEW OF THE  
DEPARTMENT OF TRANSPORTATION

- I. Review of the Organization
  - A. Review of the transition from commission to department
    - 1. Functional structure vs. modal structure
    - 2. Role of the Highway Commission
  - B. Review of organization components
    - 1. Functions and programs
    - 2. Current and anticipated problems
  - C. Review of the Resource Management System
    - 1. System elements
    - 2. Anticipated impact
    - 3. Implementation timeframe
  
- II. Review of Programs and Project Prioritization Procedures
  - A. Non-traditional highway programs
    - 1. Aviation
    - 2. Railroad
    - 3. Waterways
    - 4. Bus
  - B. Project prioritization procedures for state highway programs
    - 1. Funding allocation
    - 2. Segment prioritization
  - C. Project prioritization procedures for local highway programs

III. Review of Transportation Financing

A. Freeway funding

B. Projections of state highway funds

PROPOSAL NO. 79

REVIEW OF THE FORESTRY, FISH AND GAME COMMISSION  
POLICIES FOR FARMING CONTRACTS

- I. Overview of Farming Contracts
  - A. Historical overview
  - B. Current commission contract program - contract provisions
  - C. Farm contract revenue/expenditures
- II. Current Commission Farm Contract Policies
  - A. Historical development
  - B. Conservation/wildlife habitat priorities for farm contracts
- III. General Non-Commission Constraints Impacting on Farm Contracts
- IV. Federal Regulations Impacting on Farm Contracts
  - A. How Commission comes under federal regulations for farm contracts
  - B. Historical overview of federal regulations
  - C. How federal regulations impact on contracts
  - D. Proportion of Commission farm contracts affected
  - E. Potential expansion of Commission farm contracts subject to federal regulations
- V. Public Response to Commission Farm Contracts
  - A. Current demand for farm contracts
  - B. Historical demand for farm contracts
  - C. Trend in continued contract operations by original landowners
  - D. History of formal complaints against Commission contract programs

PROPOSAL NO. 80

KBI - FACILITY STUDY

1. Present Facilities
  - A. Tour
  - B. Explanation of Space Needs
2. Contract
  - A. Description of Present Contract
  - B. Future Cost Implications of Present Contract
3. Purchase of Building
  - A. Terms for Purchase of Building
  - B. Cost Factor Comparison - Rent v. Purchase
4. Possible Alternatives
  - A. New Contract
  - B. Rental or Purchase of Different Building