

MINUTES OF THE House COMMITTEE ON Communication, Computers and Technology

The meeting was called to order by Representative Mike Meacham at
Chairperson

3:30 ~~am~~ p.m. on February 28, 1983 in room 522-S of the Capitol.

All members were present except:

Representative Cobb (excused)

Committee staff present:

Marlin L. Rein, Chief Legislative Fiscal Analyst, Committee Staff Director
Sherry Brown, Fiscal Staff, Research Department
Chris Stanfield, Fiscal Staff, Research Department
Arden K. Ensley, Revisor of Statutes
Betty Ellison, Secretary to the Committee

Conferees appearing before the committee:

Quentin Hope, Station Manager, KANZ FM-91
Patrick J. Hurley, Secretary, Department of Administration
Ken Gardner, Vice President and General Manager,
KOD-Channel 9, Bunker Hill
Robert Fuzy, President and General Manager,
KCPT-Channel 19, Kansas City
Dr. Dale Anderson, Station Manager,
KTWU-Channel 11, Topeka
Zoel Parenteau, President and General Manager,
KPTS-Channel 8, Wichita

The meeting was called to order by Chairman Meacham. Judy McConnell of Legislative Research Staff gave a brief run-down on HB 2293, an act relating to public television and radio.

Quentin Hope of KANZ FM-91 gave some information about the station. It is a 100,000 watt public radio station which currently serves the southwest corner of Kansas; when construction is finished, an additional twelve communities will be served with translator stations. KANZ is licensed to a non-profit corporation; the board is elected by the contributor stations. It is a community licensee, serving a rural area.

KANZ began broadcasting in June, 1980; it is an affiliate of National Public Radio and receives annual operating support from the Corporation for Public Broadcasting. In FY 83, more than 85 percent of their operating budget will come from local private contributions--they expect to raise about \$161,000. The average contribution is around \$60.00. In answer to a question of Chairman Meacham, the conferee said that with ten translators on line, KANZ serves about two-thirds of the geographic area of western Kansas, reaching about 180,000 people.

Mr. Hope said that the state already provides operating assistance to some public radio stations in the state through the educational institutions which are their licensees, but this assistance does not extend to western Kansas or for community licensees as in the case of KANZ. Mr. Hope suggested that any further possible aid be channeled through the local communities so it can be considered in the context of the state's overall public broadcasting needs, rather than for special projects.

Secretary Hurley stated that the Public Television Board had a meeting earlier in the day regarding HB 2119 and the Subcommittee Report. He said that the board had not in the past approved of grants being made for operating expenses of KANZ so the board's position was that it was being consistent with the dictates of the legislature.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Communication, Computers and Technology,
room 522-S, Statehouse, at 3:30 ~~a.m.~~/p.m. on February 28, 1983

Regarding HB 2293, Secretary Hurley stated that this bill involved a major policy decision: Whether or not the state wished to incorporate public radio throughout the entirety of the laws that now relate solely to public television. If the law were amended, it would pertain not only to existing public radio and television stations, but to new ones as well. There could be a substantial obligation on the part of the state to make grants for construction, for operations, for purchase of equipment, etc. by any of the existing stations or new stations, pursuant to the language of the current law. Mr. Hurley said that because of the magnitude of the policy decision, the Public Television Board is not supporting this bill. This is not to be interpreted as any total opposition to consideration by the Ways and Means Committee of grants to the stations. If a grant were made to this one station for FY 84, probably the only agency that the grant could be sent through would be the Public Television Board. Mr. Hurley noted that a budget should be filed before any station receives a grant reflecting how they intend to spend that grant and that there also should be an accounting at the end of the fiscal year to reflect how the money actually was spent.

Chairman Meacham noted that HB 2119 had been assigned to the subcommittee that was working on the formula. Representative Friedeman called attention to printed copies of the committee report which in part refers to HB 2119. (Attachment 1). The committee finding was that the board should be composed of:

1. The Executive Officer of the Board of Regents
2. The Commissioner of Education
3. A member appointed by the Governor
4. The Speaker of the House or his designee
5. The President of the Senate or his designee

Representative Friedeman offered a minority option which designates a nine member board. (Attachment 2). He stated that the subcommittee was given a fiscal note which in effect said that there is no money to pay this board for the next year. (Attachment 3). Representative Friedeman said that the proposal of five members was chosen because it seemed less extravagant. However, he favored the nine member board with members from the public television stations, making a more active and concerned board.

Judy McConnell of Legislative Research reviewed the subcommittee report for the committee.

Secretary Hurley testified in reference to HB 2119. He noted that while it is called a board, the Kansas Public Television Board is actually a state agency whose members constitute the agency in its entirety. They have no staff and no operating funds; therefore they function as staff, as policymakers, and as management of that state activity. The board has historically opposed the station managers being members of the board or serving as members through their designees. The station managers attend each meeting, either in person or by conference call; they are allowed at a number of meetings to make requests of the Public Television Board every year.

Mr. Hurley said that due to the fact that the board no longer has any staff at all and no operating funds, the Department of Administration absorbs the cost of analyzing requests, communication, etc. He stated that one of his secretaries serves as Secretary of the Board and transcribes meetings for minutes; also the budget division prepares the budget as well as analyzing technical information, etc. Neither the Board of Regents nor the Department of Education feel that they have the time or the capacity to absorb these activities.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Communication, Computers and Technology
room 522-S, Statehouse, at 3:30 ~~xx~~/p.m. on February 28, 1983.

Regarding the funding formula, Secretary Hurley testified that the ratio has historically been 35-35-30. Kansas City, being a Missouri station, has always received a smaller percentage than the Kansas stations by whatever formula or ratio was used. He found it difficult to figure out how to apply the formula in the subcommittee report. He said that setting the size of the service areas would require a considerable amount of the board's time. It appears from numbers that staff used, that there will be substantial variances in the end product. Mr. Hurley stated that the board did not endorse this formula because of some of the difficulties of working with it and because of the disparity in percentages awarded the stations. He would also take issue with the Kansas City station receiving any grant that was significantly higher than a Kansas station.

Mr. Ken Gardner of KOOD-Channel 9 testified that his station may be carried on cable from another area. He said that many in his area can afford satellite dishes and do not use public television. He felt that contributions were not proportionate to wealth. He favored expanding the Public Television Board eventually. He supported the Speaker of the House and President of the Senate being on the board to bring a closer relationship between the legislature and the board.

Mr. Robert Fuzy of KCPT-Channel 19, testified in support of increasing the Public Television Board. He did not support taking the Secretary of Administration off the board. He said that he supports formula funding and the basic grant.

Dr. Dale Anderson of KTWU-Channel 11 stated that he basically supports the Kansas Public Television Board. He thought if it should be enlarged, representation from station staff should be restricted. He asked that the formula that he proposed be considered. He said that the formula recommended by the subcommittee was basically unworkable.

Mr. Zoel Parenteau, KPTS-Channel 8, testified that he supported enlargement of the Public Television Board. He also supported the Secretary of Administration remaining on the board. Mr. Parenteau said that he would like to see the public represented on the board more than it is now. He did not favor general managers or any paid staff members of stations being voting members of the board.

Representative Green moved that the minutes of February 10, 15, and 16 be approved. Representative Sallee seconded the motion and the motion carried.

The meeting was adjourned by the chairman at 4:50 p.m.

The next meeting of the committee will be held at 3:30 p.m. on March 1, 1983.

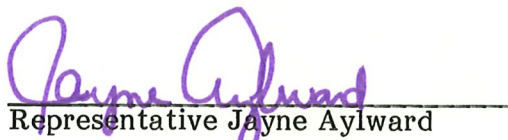
SUBCOMMITTEE REPORT

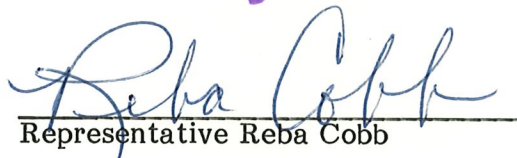
RE: A Proposed Funding Distribution Formula to be Applied
to Grants Awarded to Public Television Stations

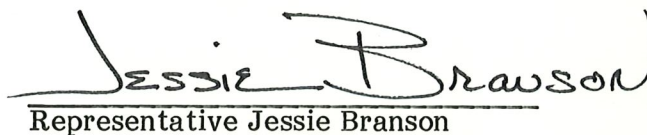
Submitted to the House Committee on Communications,
Computers, and Technology

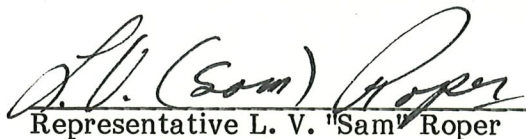
February 28, 1983


Representative Jerry Friedeman
Chairman


Representative Jayne Aylward


Representative Reba Cobb


Representative Jessie Branson


Representative L. V. "Sam" Roper

The Subcommittee was directed to examine alternatives regarding the distribution of state support to public television stations serving Kansas. In so doing, the Subcommittee reviewed the written testimony submitted to the Kansas Public Television Board during the 1983 interim by the station managers of the three public television stations located in Kansas. The Subcommittee also reviewed a statement of anticipated income and expenditures of the new station at Bunker Hill for the current fiscal year. Additionally, the Subcommittee reviewed the provisions of H.B. 2119 and have addressed the issue of future expansion of the Kansas Public Television Board in the concluding section of this report. The findings of the Subcommittee are summarized in the material which follows.

Premise

The Subcommittee's recommendation is based fundamentally on full endorsement and support of the statutory mandates delineated in K.S.A. 75-4905 which states, in part, "It is hereby found and declared that it is in the public interest of the State to encourage and develop the growth of noncommercial public television broadcasting . . . that it is necessary and appropriate for the state government to complement, assist and support a policy that will most effectively make noncommercial public television service available to the people of the state." Underlying all of the Subcommittee's recommendations is the belief that this mandate is not met unless there is a clear demonstration of public involvement in this effort. With this philosophy in mind, the Subcommittee recommends the following.

Operating Support - General Comments

The Subcommittee concludes that any grant distribution formula must, at least for the next few years, take into consideration the unique obligation the state has to the new station at Bunker Hill. Because of the considerable investment the state has made in development of this new station, the Subcommittee is of the opinion that it would not be prudent to abandon support of the station nor to fund the station at a level that might conceivably cripple its operation. For these reasons, the level of state operating support to the Bunker Hill station should be considered separate and apart from operating support to the three existing stations.

Additionally, the Subcommittee is of the opinion that operating support should be continued for the public television station located in Kansas City (KCPT-Channel 19). The Subcommittee views the station as offering a service that benefits a significant portion of the Kansas population and effectively makes noncommercial public television services available to the people of the state; consequently, such support clearly appears to meet the mandates of K.S.A. 75-4905.

Proposed Funding Distribution Formula

The Subcommittee views the present distribution formula (35-35-30 percentage split) as rather arbitrary and one which does not take into consideration station need or the ability of a station to demonstrate continuing or enhanced public support. Consequently, the Subcommittee recommends a multi-tier funding formula as follows.

1. New Station Support. Any new station should be considered separate and apart from the level of operating support provided the three existing stations. While the Subcommittee would encourage any new station to make every effort to ensure a steady decline in its reliance on State General Fund support, the Subcommittee recognizes that special consideration must be given to a new station as a period of time is needed to develop local support. The Subcommittee has chosen not to specifically identify a period of time for which the new station would be eligible for special funding consideration, but suggests that three to five years would not be unreasonable. Obviously, the size of the "start up" grant would be contingent upon legislative appropriation; however, the Subcommittee does view a \$200,000 grant as an appropriate level of funding support.
2. Bloc Grant. Once the amount of the new station support has been determined and awarded, 70 percent of the remainder of the appropriation in any given year shall be equally distributed to all four stations in the form of a bloc grant. The Subcommittee is of the opinion that all stations are deserving of some uniform level of support by virtue of the service they provide to Kansas citizens.
3. Incentive Grant. Once the amount of the new station support has been determined and awarded, 30 percent of the remainder of the appropriation in any given year would be distributed in the form of an incentive grant. All four stations would be eligible to receive an incentive grant and the Subcommittee believes that this approach will encourage and reward stations which have demonstrated a desire and ability to serve as measured by local community support. The incentive grant would be based on a formula which attempts to compare a station's total amount of nonfederal/nonstate financial support with the total adjusted gross income of the individuals residing in the counties within the station's service area. The total amount of a station's nonfederal/nonstate financial support can accurately be determined and audited as such information is annually compiled and filed with the Corporation for Public Broadcasting. Because of the time lag that is created in the attempt to gather accurate statistics, the incentive grant award made by the Kansas Public Television Board will be calculated on the basis of the amount of nonfederal/nonstate financial support received by a station in the fiscal year two years previous. The Kansas Public Television Board shall determine and define the service area of each of the four stations and shall use the most current Kansas adjusted gross income statistics as reported by the Kansas Department of Revenue and certified to the Board.

Once a ratio of contributions to income has been determined by the Kansas Public Television Board for all stations, the station receiving the lowest percentage will be assigned a factor of one and all other stations will receive a weighted factor accordingly. The amount of nonfederal/nonstate financial support is then multiplied by the weighted factor to determine an adjusted contribution level. The individual adjusted contribution level of a given station is then divided by the total adjusted contributions of all stations in arriving at a percentage. That percentage becomes the station's percentage share of the amount set aside as the incentive grant.

The Subcommittee would hope that future consideration might be given to gradually decreasing the bloc grant percentage while increasing the size of the incentive grant. It might be desirable at some point in time to achieve a 50-50 funding split between incentive and bloc grants. The Subcommittee also recognizes that the distribution of the incentive grant can obviously be impacted to a certain extent by the manner in which the Public Television Board defines a station's viewing area.

House Bill 2119

House Bill 2119, which presently resides in the House Committee on Communication, Computers, and Technology, provides for expansion of the Kansas Public Television Board from a three member board to a seven member board. The bill, as introduced, would provide for retention of the three existing board members (the Secretary of Administration, the Commissioner of Education, and the Executive Officer of the Board of Regents) and would add four new members to be appointed by the Governor. The new members would represent the general public and each member would be a resident of a different geographic area of the state served by a public television station receiving state assistance.

The Subcommittee recommends that the bill be amended to provide for a five member board to be comprised as follows:

1. the Executive Officer of the Board of Regents;
2. the Commissioner of Education;
3. a member appointed by the Governor;
4. the Speaker of the House of Representatives or his designee; and
5. the President of the Senate or his designee.

HOUSE BILL No. 2119

By Committee on Communication,
Computers and Technology

1-26

0018 AN ACT relating to the Kansas public television board; concern-
0019 ing the membership thereof; amending K.S.A. 75-4906 and
0020 repealing the existing section.

0021 *Be it enacted by the Legislature of the State of Kansas:*

0022 Section 1. K.S.A. 75-4906 is hereby amended to read as fol-
0023 lows: 75-4906. There is hereby established the Kansas public
0024 television board; hereinafter referred to as the board, which board
0025 shall consist of ~~three~~ five members. The ~~secretary of adminis-~~
0026 ~~tration, the~~ executive officer of the state board of regents and the
0027 commissioner of education are hereby made members of said
0028 such board. ~~The governor shall appoint four additional members~~
0029 ~~who shall represent the general public and each of whom shall be~~
0030 ~~a resident of a different geographic area of the state served by a~~
0031 ~~noncommercial public television station receiving assistance~~
0032 ~~under the provisions of this act.~~ The board shall organize at its
0033 first meeting by the election from its membership of a chairper-
0034 son and by adopting such rules of procedure as it deems neces-
0035 sary for conducting its business. The board shall hold such
0036 meetings as in its judgment may be necessary for the performance
0037 of its powers, duties and functions. Members of the board which
0038 ~~are appointed by the governor shall be paid compensation, sub-~~
0039 ~~sistence allowances, mileage and other expenses as provided in~~
0040 ~~K.S.A. 75-3223, and amendments thereto.~~

five

one member of the board who shall serve at the pleasure of the governor. The speaker of the house of representatives shall appoint one member of the house to membership on the board and the president of the senate shall appoint one member of the senate to membership on the board.

Appointed

, other than salaried officers or employees of the state,

0041 Sec. 2. K.S.A. 75-4906 is hereby repealed.

0042 Sec. 3. This act shall take effect and be in force from and after
0043 its publication in the statute book.

HOUSE BILL No. 2119

By Committee on Communication,
Computers and Technology

1-26

0018 AN ACT relating to the Kansas public television board; concern-
0019 ing the membership thereof; amending K.S.A. 75-4906 and
0020 repealing the existing section.

0021 *Be it enacted by the Legislature of the State of Kansas:*

0022 Section 1. K.S.A. 75-4906 is hereby amended to read as fol-
0023 lows: 75-4906. There is hereby established the Kansas public
0024 television board; hereinafter referred to as the board, which board
0025 shall consist of three ~~seven~~ members. The secretary of adminis-
0026 tration, the executive officer of the state board of regents and the
0027 commissioner of education are hereby made members of said
0028 such board. ~~The governor shall appoint four additional members~~
0029 ~~who shall represent the general public and each of whom shall be~~
0030 ~~a resident of a different geographic area of the state served by a~~
0031 ~~noncommercial public television station receiving assistance~~
0032 ~~under the provisions of this act.~~ The board shall organize at its
0033 first meeting by the election from its membership of a chairper-
0034 son and by adopting such rules of procedure as it deems neces-
0035 sary for conducting its business. The board shall hold such
0036 meetings as in its judgment may be necessary for the performance
0037 of its powers, duties and functions. ~~Members of the board which~~
0038 ~~are appointed by the governor shall be paid compensation, sub-~~
0039 ~~sistence allowances, mileage and other expenses as provided in~~
0040 ~~K.S.A. 75-3223, and amendments thereto.~~

0041 Sec. 2. K.S.A. 75-4906 is hereby repealed.

0042 Sec. 3. This act shall take effect and be in force from and after
0043 its publication in the statute book.

nine

board of each licensed public television station shall select one person to membership on such board. The member appointed by a licensee shall not be an employee of the public television station. The speaker of the house of representatives or a member of the house of representatives designated by the speaker and the president of the senate or a member of the senate designated by the president are hereby made members of such board

other than salaried officers or employees of the state

Minority Option

House Bill 2119 received a close review and consideration. This bill concerns the size and membership of the present Public Television Board.

At one point in our deliberations the sub-committee unanimously agreed on the following membership.

- 1.) Secretary of Administration
- 2.) Commissioner of Education
- 3.) Executive officer Board of Regents
Above 3 members are presently on the Board.
- 4.) Kansas resident selected by board of Directors Channel 19
Kansas City.
- 5.) Kansas resident selected by Board of Directors Channel 11
Topeka.
- 6.) Kansas resident selected by Board of Directors Channel 8
Hutchinson and Wichita.
- 7.) Kansas Resident selected by Board of Directors Channel 9
Hays, Russel, Great Bend.
None of the above could be station employees and would normally be a member of the Board of Directors.
- 8.) The President of the Kansas Senate of his designee from the Senate.
- 9.) The Speaker of the Kansas House of Representatives or his designee from the House.

That membership remains my preference. Membership from the stations themselves should result in a more active and concerned Board.

For that reason I have brought this option to the full committee.

Respectfully submitted,



G. R. Friedeman

CCST

The Honorable Mike Meacham, Chairperson
Committee on Communication, Computers and Technology
House of Representatives
Third Floor, Statehouse

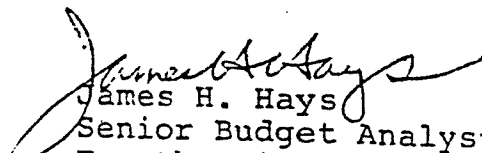
Dear Representative Meacham:

SUBJECT: Fiscal Note for House Bill No. 2119 by Committee
on Communication, Computers and Technology

In accordance with K.S.A. 75-3715a, the following fiscal note concerning House Bill No. 2119 is respectfully submitted to your committee.

House Bill No. 2119 would amend K.S.A. 75-4906 to increase the membership in the Kansas Public Television Board from three members to seven members. Current membership of the Board consists of the Secretary of Administration, the Executive Officer of the state Board of Regents and the Commissioner of Education. House Bill No. 2119 would provide that the Governor shall appoint four additional members who shall each be a resident of an area of the state served by a non-commercial public television station receiving assistance from the Board.

The fiscal impact of House Bill No. 2119 would result from the provision of subject bill which allows the four new additional members of the Board to be paid compensation, subsistence, and mileage for their attendance at meetings of the board. Assuming that each of the four new members would come from the city in which the non-commercial public television station is located, mileage would be paid for attendance at board meetings from Kansas City, Wichita, and Bunker Hill. Subsistence allowances would also be available to those three of the four new members and all four members would receive per diem. Assuming that meetings of the Board would last one day, each meeting of the expanded board would require expenditures of \$409.48. No funds for operating expenditures are appropriated for FY 1983 for the Board and the 1984 Governor's Budget Report contains no recommended funds for operating expenditures. Therefore, the fiscal impact of House Bill No. 2119 would require appropriations dependent upon the number of meetings which the Board might schedule in FY 1984.


James H. Hays
Senior Budget Analyst
For the Director of the Budget

JHH:bj