

MINUTES OF THE HOUSE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by BILL BUNTEN at \_\_\_\_\_  
Chairperson

8:40 a.m./~~XXX~~ on Tuesday, April 19, 1983 in room 514-S of the Capitol.

All members were present except:

Committee staff present: Marlin Rein, Legislative Research  
Lyn Entrikin Goering, Legislative Research  
Bill Gilmore, Legislative Research  
Jim Wilson, Office of the Revisor  
Charlene Wilson, Committee Secretary  
LewJene Schneider, Administrative Assistant

Conferees appearing before the committee:

Jamie Schwartz, KDED  
Attorney General Bob Stephan  
Stan Jones, State Treasurer's Office  
Tom Lane, Department of Revenue  
Dr. Robert Harder, Secretary of SRS

Others present: (see attachment 1a and 1b with April 18 minutes)

The meeting was called to order at 8:40 a.m. by Chairman Bunten.

The committee resumed their review of the Omnibus Bill.

David Monical of the Legislative Research Department reviewed the following sections:

#### BOARD OF REGENTS

##### A. Student Work-Study Program

The Chairman sited a couple of problems to the committee regarding this section. First of all, this committee voted to make the program available to all higher educational institutions in the state of Kansas, whereas, the Senate has limited it to only the Regents' institutions. The second concern, deals with whether or not we can afford to put, in addition to the \$5.7 million we already have available for student work, an additional \$562,000 in for this program. The Chairman expressed that his personal opinion was that the additional money should not be put in. Rather his suggestion was that line item appropriations be made in each of the budgets for student jobs and put provisos in additionally that would allow for the establishment of a work study program.

Representative Mainey moved that the \$700,000, as recommended by the Governor, be put in the Omnibus Bill for the work study program and that it be utilized at all of the higher educational institutions in the state. Seconded by Representative Shriver.

Representative Meacham made a substitute motion to put \$562,000 into the Board of Regents Office and that the Board be instructed to develop a program based on head count or F.T.E. basis, as they see fit, and additionally stipulate that the program only apply to the Regents institutions. The motion was seconded by Representative Solbach. The motion lost, 10-10.

Representative Chronister made a substitute motion that no additional money be put in and that the work-study program be included within the budgets, as presently appropriated for student salaries at the Regents institutions. The motion was seconded by Representative Dyck, Several committee members spoke in both support of and in opposition to the motion. The motion lost, 10-9.

Representative Meacham made a substitute motion that \$281,000 be put in the Omnibus Bill for the student work-study program at the Regents institutions only and that the program not commence before July 1, 1984. Seconded by Representative Duncan. The motion lost.

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Representative Wisdom made a substitute motion that \$562,000 be put in for the work-study program at the Regents institutions only and be run by the Board of Regents but that the program not commence until January 1, 1984. The motion was seconded by Representative Meacham. The motion lost.

The Chairman turned to consideration of the original motion made by Representative Mainey to put in the \$700,000, as recommended by the Governor, for the work-study program to be used at all higher educational institution in the state. Representative Mainey further clarified his motion that private colleges would not be included in this program. The only institutions effected would be the Regents institutions, community colleges and Washburn University. The motion lost, 9-9.

Representative Shriver moved that \$562,000 be put in the Board of Regents Office to include Regents institutions, community colleges and Washburn University work-study programs. Seconded by Representative Hamm. The motion lost.

Representative Chronister moved to make student salaries and wages a line item in each institution's budget and to add a proviso authorizing the establishment of a work-study program at each of the institutions. The motion was seconded by Representative Solbach. The motion carried.

B. Senate Bill No. 445 (Pending)

This bill is scheduled for a hearing in the Ways and Means committee tomorrow. Pending passage of the legislation, the committee agreed to the transfer of \$93,472 from the State General Fund to the NDSL Dispute Fund as would be authorized by SB 445.

C. Senate Bill No. 444 (Pending)

This bill is also scheduled for a hearing in this committee this week. Representative Louis moved that the \$250,000 be shifted into the next fiscal year for the building at the KTI. Seconded by Representative Arbuthnot. The motion carried.

D. Presidential Search Expenses

Representative Meacham moved that item D be included in the Omnibus Bill, in the amount of \$25,000 to be used for the presidential searches. The motion was seconded by Representative Dyck.

A substitute motion was made by Representative Louis, inclusive of the motion made by Representative Meacham, but additionally adding a proviso tying it to a figure of \$12,500 for each search at the smaller institutions, Ft. Hays, Emporia, Pittsburg and KTI. Seconded by Representative Rolfs. The motion carried.

Representative Miller moved that a \$12,500 cap be put on the remaining three larger institutions for presidential searches. Seconded by Representative Louis.

Representative Solbach made a substitute motion that a proviso be added stating that the amounts expended from the search fund be reasonably necessary to complete the search for the head of any of the Regents institutions. Seconded by Representative Lowther. The Chairman ruled that the motion was out of order as it would conflict with action taken just prior by the committee.

In view of the Chairman's comments, Representative Solbach renewed his motion to include only the three larger institutions not effect by the original motion of Representative Louis, which carried previously.

Representative Lowther appealed the ruling of the Chairman on the original substitute motion offered by Representative Solbach. The Chairman called for a vote to see whether the ruling of the Chair should be sustained. The vote carried and the ruling stands.

For lack of a second, Representative Solbach's substitute motion died.

Representative Chronister made a substitute motion to set the limit at \$25,000 for the three larger institutions. Seconded by Representative Solbach. The motion lost.

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On the original motion of Representative Miller to put a \$12,500 cap on the remaining three larger institutions, the motion carried.

WICHITA STATE UNIVERSITY

A. Budget Amendment No. 7-6 (d)

Representative Rolfs moved that the \$1,600 appropriated to Wichita State University for FY84 from the Construction Defects Recovery Fund be put in the Omnibus Bill. The motion was seconded by Representative Miller. The motion carried.

PITTSBURG STATE UNIVERSITY

A. Legal Fees

Representative Meacham moved that the \$65,000 for payment of legal fees be included in the Omnibus Bill. Seconded by Representative Wisdom. The motion carried.

KANSAS TECHNICAL INSTITUTE

A. Budget Amendment No. 7-6 (b)

There were no committee objections to allowing the transfer of \$30,000 from salaries to OOE for FY83, as recommended by the Governor.

REGENTS' SYSTEMWIDE - UTILITIES

A. Budget Amendment No. 7-6 (a)

Representative Mainey moved that the \$1,979,353.00 supplemental appropriation for supplemental utility funding for the Regents' institutions, as recommended by the Governor, be approved. Seconded by Representative Lowther. The motion carried.

B. Fiscal Year 1984 Utilities

Representative Arbuthnot moved to increase utilities by 10%, in lieu of 15%, over the established base of \$19.2 million and further recommend that, regarding utilities for new buildings, that the request be reduced from \$2.45 per square foot to \$1.60 per square foot. Seconded by Representative Rolfs. The motion carried.

It was discussed among several of the committee members that some type of incentive system should be set up for the Regents institutions regarding utility savings.

Representative Rolfs moved to insert a provision in the Omnibus Bill that would allow the remaining balances from FY83, for utilities, to be transferred into FY84 and further provide that savings in the utilities budgets from FY84 be used to implement energy conservation measures. Seconded by Representative Arbuthnot. The motion carried.

ADJUTANT GENERAL

A. Senate Bill No. 72 (Pending)

No committee action.

B. Utility Supplemental Appropriation

In keeping with the decision made by this committee earlier with regard the the utilities budget of the Regents Institutions Representative Arbuthnot moved to reduce this also to a 10% increase over the revised base. Seconded by Representative Rolfs. The motion carried.

The Chairman announced that the committee would recess and meet again at 1:15.

The committee recessed at 11:25 a.m.

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MINUTES OF THE HOUSE COMMITTEE ON WAYS AND MEANS,  
 room 514-S, Statehouse, at 8:40 a.m. ~~XXX~~ on Tuesday, April 19, 1983.

The committee resumed consideration of the Omnibus Bill at 1:15 p.m.

The Chairman recognized David Monical to site an error that had been made in this morning's presentation with regard to the utilities appropriation for the Adjutant General. He stated that he had indicated to the committee that the Governor's Budget Amendment recommended a 14.4% increase in FY84 for utilities for the Adjutant General. He further explained that he neglected to take into account that in the current FY \$48,000 in utilities expenditures are being absorbed by other protions of the agency's budget. Therefore, the net increase recommended by the Governor's Budget Amendment No. 7 would provide only a 6% increase. As a result, Representative Arbuthnot moved to reconsider action taken by the committee earlier and take the amendment off that would have set the limit at 10%. Seconded by Representative Dyck. The motion carried.

Representative Arbuthnot moved to adopt the Governor's recommendation regarding the Adjutant General for a supplemental appropriation for utilities of \$40,445 and an additional appropriation of \$76,900 for utilities in FY84 to reflect the impact of actual FY83 expenditures in FY84. Representative Farrar seconded. The motion carried.

Ray Hauke, Legislative Research, reviewed the following sections:

LEGISLATURE

A. House Bill No. 2012

Representative Duncan moved that the legislature pay for their appointees to the Commission and that the Governor's Office pay for their appointees to the Commission and that it be within present appropriations in both cases. Seconded by Representative Arbuthnot. The motion carried.

LEGISLATIVE DIVISION OF POST AUDIT

A. House Bill No. 2057

The subcommittee is still working on this section and will submit a report later in today's meeting.

SOCIAL AND REHABILITATION SERVICES

A. Substitute for House Bill No. 2132

Representative Arbuthnot moved that one person be authorized to administer the act; to delete expenditure authority from the previous fund; authorize expenditures from the newly created fund; and to increase the current fiscal year appropriations by \$7,300 on the Gallonage Fund. Seconded by Representative Dyck. The motion carried.

B. Senate Bill No. 105 (Pending)

No committee action

C. Budget Amendment 7 -- Reroof Chanute SRS office

A subcommittee was appointed to study this area. The subcommittee consists of: Representative Farrar, Chairman  
 Representative Louis  
 Representative Teagarden

The Secretary of SRS was also instructed to get what information he could together and make it available to the subcommittee as soon as possible.

D. Budget Amendment 7 - Federal WIN Funds for Public Service

The committee agreed with the Governor's recommendation of \$511,628 in federal WIN money to finance public service employment of ACD clients.

E. Budget Amendment No. 7 - Child Support Enforcement

(See Attachment VI). Representative Shriver moved that the \$286,560, as recommended by the Governor, to finance 13 F.T.E. additional positions in the Child Support Enforcement activity, be placed in the Omnibus Bill. Seconded by Representative Mainey. The motion carried.

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ATTACHMENT VI (Department of Social and Rehabilitation Services)

A. Budget Amendment No. 7 - Aid to Dependent Children (ADC)  
Representative Holderman moved that the Governor's recommendation of \$6,151,760 be included in the Omnibus Bill. Seconded by Representative Shriver. The motion lost.

Budget Amendment No. 7 - Child Support Enforcement - Wichita  
No committee action.

MENTAL HEALTH AND RETARDATION SERVICES

A. Senate Bill No. 429 (Pending)  
No committee action.

LARNED STATE HOSPITAL (And all other state hospitals, pages 26 through 29 of Attachment II)

A. House Bill No. 2064 (for all state hospitals)  
Representative Shriver moved to make all proper adjustments as outlined in the budget memo for all of the state hospitals. Seconded by Representative Mainey. The motion carried.

B. Senate Bill 284 (all state hospitals)  
Representative Mainey moved to finance the additional costs in the various budgets. Representative Wisdom seconded. The motion carried.

Bill Gilmore, Legislative Research, reviewed the following section:

KANSAS ANIMAL HEALTH DEPARTMENT

A. Technical Correction  
Representative Miller moved that the Animal Scabies Fee Fund be included in the Omnibus Bill. Seconded by Representative Arbuthnot. The motion carried. (This fund had been inadvertently omitted from the appropriations bill, HB 2107).

Chris Stanfield, Legislative Research, reported on the following sections:

YOUTH CENTERS

A. House Bill No. 2064  
No committee action.

KANSAS DEPARTMENT OF ECONOMIC DEVELOPMENT

A. Budget Amendment No. 7-1  
Representative Miller moved that the KDED budget be increased by \$38,505, as recommended by the Governor, for additional operating expenditures in FY84. Seconded by Representative Hamm. The motion carried.

Marlin Rein, Legislative Research, reported on the following sections:

UNIVERSITY OF KANSAS MEDICAL CENTER

A. Wichita Housestaff Positions  
Representative Arbuthnot moved that action be deferred on this item until a decision is made on salaries and wages. Seconded by Representative Miller. The motion carried.

B. Utilities  
This item has been dealt with previously.

C. Senate Bill No. 282 (Pending)  
Representative Luzzati moved to establish the Medical Scholarship Repayment Fund at a zero expenditure limitation. Seconded by Representative Mainey. The motion carried.

D. Senate Bill No. 284  
This item has been dealt with previously.

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Representative Chronister, Chairman of the subcommittee appointed to study the KCC reported on the following section:

KANSAS CORPORATION COMMISSION

A. Unclassified positions

It was the recommendation of the subcommittee that this section be included in the Omnibus Bill. The recommendation met with no committee objection.

B. Research Assistants

The subcommittee recommended that the three requested research assistants be approved. They also recommended that the \$61,713 necessary for the research analysts salaries be taken out of the budget as presently allocated, therefore they did not recommend any additional salary increases. Finally, the subcommittee recommended that in relation to the Administrative Officer that it be downgraded to a Secretary III position and the two Secretary III positions be downgraded to Secretary II positions.

Representative Chronister moved that the recommendations of the subcommittee be adopted. Seconded by Representative Holderman. The motion carried.

C. Mined-Land Board

Representative Chronister reported that it was the recommendation of the subcommittee that no additional expenditures in the mined-land area be authorized and further moved the same. Seconded by Representative Myers. The motion carried.

D. Claim

Representative Chronister explained the basis of this claim for the committee. It is the recommendation of the subcommittee that \$1,699 of this claim be paid from the mined-land agency to the Department of Administration Motor Pool and the rest be taken care of by liability insurance. The committee agreed with the recommendation of the subcommittee.

Marlin Rein reported on the following sections:

FISH AND GAME COMMISSION

A. Emporia Facility

Representative Wisdom moved to include the additional \$30,000 being requested by the agency in the Omnibus Bill. Seconded by Representative Meacham. The motion carried.

Additoinally, Representative Wisdom made a motion to reallocate a position, in an amount of \$2,000, from Range 13 (Maintenance Worker) at Perry Reservoir to a Range 19 (District WildLife Biologist) in Kansas City and further moved that this be placed in the Omnibus Bill. Seconded by Representative Luzzati. The motion carried.

ATTORNEY GENERAL - KBI

A. Senate Bill No. 105 (Pending)

No committee action. Whatever the Conference Committee action is on SB 105 will be placed in the Omnibus Bill.

KANSAS BUREAU OF INVESTIGATION

Attachment VII

Representative Chronister moved that the position be put back in but that it not be funded. Seconded by Representative Myers. The motion carried.

At this time, the Chairman broke from Mr. Rein's presentation to allow Representative Farrar to address the committee on the problems facing Kansas with regard to Kansas gas. He indicated that only about 1/5 of the gas in the state is price-controlled by the state and that presently most of the gas in the Hugoton Field is dedicated gas, which means that it is to go Interstate Commerce and the problem is that in the past few years they have been filling dedicated gas contracts with gas from other areas or other high priced gas. A possibility exists that we might be able to get some of the gas taken off of the dedicated list and have it be freed up for Kansas.

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He further stated that unless we start moving some of the Kansas gas, we are not going to get the income we think we are from the severance tax.

Representative Farrar referred to Attorney General Stephan to address the committee on this area. Attorney General Stephan offered the following suggestions as a way to deal with this problem: 1) try to see that dedicated gas is released and pumped into intrastate commerce, thus giving Kansas the benefits of gas which is pumped in this state; 2) increase production and hopefully get Kansas more into the market than they are now. He added that this might result in a lawsuit and if it comes to that, it would be complicated and costly. If we are to enter into a lawsuit, he felt that it would be necessary to enter into a contract with a lawfirm who has a great deal of expertise in this particular area. He indicated that costs would be impossible to predict at this point, but that a minimum of \$30,000 would be needed at present, and then next year there would be a better feel as to what further costs could be anticipated.

Representative Farrar moved that an additional \$30,000 be put into the Attorney General's fund to allow them to pursue necessary contractual services. Seconded by Representative Louis. The motion carried.

Marlin Rein continued his review of the budget memo.

PUBLIC TELEVISION BOARD

A. Grant to Smokey Hills Public T.V.

Representative Meacham was recognized by the Chairman to report on the recommendations of the subcommittee that had been appointed to study this area. Several areas of concern were evident to the subcommittee, those being: 1) receipts are not forwarded to the account for posting in a timely manner; 2) payments had been made to vendors on three occasions that were duplicative, however the businesses sent the money back; 3) an inability on the part of the auditors to reconcile the cash on hand but they estimated that there is \$45,000 more in the bank than what they show; 4) the accounts and records are not current; and 5) there is some question as to whether the budget document that we have is the 1983 budget or the 1984 budget.

Representative Meacham moved to fund an Operating and Translator Expansion Grant of \$246,196 but add a proviso stating that before the Board can release the grant money to the station, a qualified business manager be hired and that upon the approval of the hiring of the business manager they can release the grant money. He further moved that the money and the proviso be included in the Omnibus Bill. Seconded by Representative Miller. The motion carried.

STATE HIGHWAY PATROL

A. Senate Bill No. 288 (Pending)

(See Attachment VIII). Representative Arbuthnot moved to revert back the same number of positions that were in the motor vehicles inspection to start with. Seconded by Representative Shriver. The motion carried.

B. Governor's Budget Amendment

Representative Hamm moved that the expenditure of \$101,288, as recommended by the Governor, for the replacement of 11 vehicles be approved and put in the Omnibus Bill. Seconded by Representative Mainey. The motion lost.

Louis Chabira, Legislative Research, reviewed the following sections:

DEPARTMENT OF CORRECTIONS (Attachment IX)

A. Governor's Budget Amendment No. 7-18

Representative Shriver moved that this section be approved and the \$22,272, as recommended by the Governor, be placed in the Omnibus Bill. Seconded by Representative Solbach. The motion lost with the Chairman voting "NO".

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KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

A. Legal Expenses

Representative Chronister moved that proviso language for FY83 and FY84 be added that would allow for payment of the legal expenses in addition to the authorized expenditure limitation. Seconded by Representative Shriver. The motion carried.

Ed Ahrens, Legislative Resaerch, reported on the following section:

STATE TREASURER

Substitute for Senate Bill No. 265 (Pending)

Representative Miller moved that a fee fund be established and that the fees be charged so that an appropriation of \$250,043 would be covered by those fees and that start-up expenses would be covered by a transfer of \$100,000 from the state general fund to that fee fund to be repaid by May 1, 1984 and that the 4 F.T.E. positions in the classified service be authorized. Seconded by Representative Meacham. The motion carried.

The subcommittee report on the Legislative Division of Post Audit was next to be considered by the committee.

Legislative Division of Post Audit, Omnibus Bill

Representative Duncan reported on this section for the committee. The questions of mission, funding and personnel to be included in the FY84 budget for the Legislative Post Audit staff was presented in this subcommittee report. (Attachment X). A minority report was also submitted by Representative Shriver. (Attachment XI).

Representative Shriver moved the adoption of the minority report. Seconded by Representative Mainey.

A substitute motion was made by Representative Duncan that the subcommittee report be adopted. Seconded by Representative Heinemann. (With the adoption of the subcommittee report the proposed legislation, Attachment XIII, will be introduced).

There was considerable difference of opinion as to whether Representative Duncan's subcommittee report should be adopted and after extensive committee discussion the motion failed, 11-10.

A substitute motion was made by Representative Holderman to adopt the Governor's recommendation of 1.7 million. The motion was seconded by Representative Wisdom. The motion lost.

After nearly two hours of discussion on this topic, Chairman Buntten requested that Representative Shriver withdraw his original motion to adopt the minority report and also that Representative Mainey withdraw his second to the motion. They concurred with the request of the Chairman.

Chairman Buntten then appointed a new subcommittee to further study this item. The subcommittee consists of Representative R. H. Miller, Chairman and four additional committee members: Representative Louis, Representative Myers, Representative Rolfs and Representative Chronister. The Chairman instructed the subcommittee to be ready to report back to the full committee at tomorrow's meeting.

Vice-Chairman Arbuthnot chaired the next portion of the meeting at the request of the Chairman.

DEPARTMENT OF REVENUE

Report of Representative J. Santford Duncan, re: K-BITS

(See attachment XIV) Representative Duncan reviewed the report for the committee. Representative Duncan moved to restore consultant fees of \$423,000 to implement coding and programming in FY84; to restore DISC fees of \$272,000 for data processing charges based on a DISC estimate range of use in FY84; and to defer until FY85 the \$33,138 for microfilm equipment and Page 8 of 10 further moved that this be included in the Omnibus Bill. Seconded by Representative Shriver. The motion carried.

No Attach. XII



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Julian Effird, Legislative Research, reported on the following sections:

A. K-BITS Deferrals  
 No committee action

B. Bills enacted (other than severance tax)

1. House Bill No. 2023  
 No committee action

2. House Bill No. 2110  
Representative Shriver moved that this section be approved by the committee. Seconded by Representative Duncan. The motion carried.

3. House Bill No. 2154  
Representative Duncan moved to put the \$2,007 in and let the Conference Committee work out the details. The motion was seconded by Representative Shriver. The motion carried.

C. Governor's Tax Bills

1. Senate Bill No. 436 (Pending)  
 Committee action on this item deferred.

2. House Bill No. 2567 (Pending)  
 Committee action on this item deferred.

D. Other Bills Pending

1. Senate Bill No. 154 (Pending)  
Representative Duncan moved that \$3,944 be funded in FY83 and \$3,335 in FY84 for driver license lists. Seconded by Representative Shriver. The motion carried.

Representative Bunten moved that items 2, 3, 4, 5, and 6 of this section be not acted upon by this committee. Seconded by Representative Rolfs. Mr. Effird brought to the attention of the committee that item 6, House Bill No. 2569, was originated as a subcommittee recommendation and this committee approved the introduction of the bill. He added that it would provide an alternate funding source for the general fund for publications used by tax preparers. In light of this fact, Representative Bunten excluded item 6 from his motion.

Representative Solbach requested that the motion be divided, item by item, for voting purposes as to whether or not the committee should take any action.

Regarding item 2, the motion carried. No committee action.

Regarding item 3, the motion carried. No committee action.

Regarding item 4, the motion carried. No committee action.

Regarding item 5, the motion carried. No committee action.

6. House Bill No. 2569 (Pending)

Mr. Effird indicated that if this bill should not pass the Senate, there is currently a publications fee fund in the Department's appropriation bill that has passed and been signed into law. There would be no authority for the secretary to collect fees without a proviso should this bill not pass. Representative Duncan moved that the staff be given the authority to put a proviso on this section if necessary. The motion was seconded by Representative Shriver. The motion carried.

E. Bills with Administrative Cost if Not Passed

1. Senate Bill No. 307 and House Bill No. 2560 (Pending)

Mr. Effird informed the committee that if these two bills do not pass it would have a fiscal impact. No committee action was taken at this time.

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F. Budget Amendment No. 7-14  
No committee action.

Budget Amendment No. 7-3 (Attachment XV and XVI)  
Representative Bunten moved that the figures in 7-3 be put in the Omnibus Bill. Representative Shriver indicated that that figures shown are slightly overstated. It is assumed that FY83 figures are correct but the FY84 figures should be \$607,114 for salaries and wages in lieu of the \$635,677 stated in the budget amendment. The total revised figure would be \$849,535 rather than \$878,098. Representative Bunten accepted these revised figures and renewed his motion including these figures. Seconded by Representative Miller. The motion carried.

STATE LIBRARY (Attachment XVII and XVIII)

A. Library Construction

Representative Meacham moved that the additional \$421,071 requested by the agency be placed in the Omnibus Bill. Seconded by Representative Duncan. The motion carried.

B. Official Hospitality

Representative Meacham moved that the two items requested by the agency that would allow the State Library to expend funds for official hospitality be approved and placed in the Omnibus Bill. Seconded by Representative Duncan. The motion carried.

DEPARTMENT OF HUMAN RESOURCES

A. Senate Bill No. 140

No committee action necessary.

B. House Bill No. 2221

No committee action necessary.

Budget Amendment No. 7-3

Representative Rolfs moved that the \$3,000, as recommended by the Governor for payment of education grants in FY83, be approved. Seconded by Representative Hamm. The motion carried.

Representative Farrar was recognized by the Chairman to share the recommendation of the subcommittee that had been assigned to look into the Chanute Building Roof -- SRS. Representative Farrar commented that they had not been able to get as much information as they would have liked to and moved to delete this item from the Omnibus Bill at this time. Seconded by Representative Louis. The motion carried.

Regarding the Public Television Board, Representative Heinemann was recognized by the Chairman. Representative Heinemann moved that a grant be provided to the public radio stations in Western Kansas in the amount of \$25,000 from the general fund. Seconded by Representative Chronister. The motion carried.

The Chairman announced that the meeting tomorrow would begin at 8:00 a.m. and that the Post Audit report would be taken up at that time. Final action on the Omnibus Bill would also be taken up tomorrow.

The meeting was adjourned at 8:30 p.m.

*Law*

Department of Social and Rehabilitation Services

*No. A4*

A. Budget Amendment No. 7 - Aid to Dependent Children (ADC). The Governor is recommending additional funding of \$6,051,760, of which \$2,957,646 would be from the General Fund to supplement the ADC budget contained in S.B. 110. This recommendation would finance 880,000 person months (an average of 73,333 persons per month), rather than the 817,350 person months (an average of 68,113 persons per month) financed in S.B. 110. During February 71,788 persons received ADC.

*hold*

B. Budget Amendment No. 7 - Child Support Enforcement - Wichita. The Governor is recommending shift of \$148,592 in State Operations to finance 7.0 F.T.E. Child Support Enforcement positions in the Wichita area. These positions would replace a contract with the Wichita District Attorney, which was financed in the S.B. 110 appropriation for SRS. The Governor's recommendation would not involve increased expenditures but would only involve shift of funding to state operations that was previously budgeted for aid to local units.

*Atch. VI*



# KANSAS BUREAU OF INVESTIGATION

DIVISION OF THE OFFICE OF ATTORNEY GENERAL

STATE OF KANSAS

3420 VAN BUREN  
TOPEKA, KANSAS 66611  
(913) 267-5000



ROBERT T. STEPHAN  
ATTORNEY GENERAL

THOMAS E. KELLY  
DIRECTOR

April 4, 1983

Honorable Joseph C. Harder  
Senator, District Number 25  
Room 143 - N, State Capitol Building  
Topeka, Kansas

*OK paper  
not found*

Dear Senator Harder:

Reference is made to our conversation on March 30 last, concerning your sub-committee report on the budget of the Kansas Bureau of Investigation in HB 2140. If you recall, I expressed concern over the loss of a Special Agent position and you requested a memorandum on the matter to enable the conference committee to deal with my request; therefore, the following is furnished for that purpose.

The House Sub-Committee recommendation number 6 reflects the deletion of one Special Agent position, which position was included in the Governor's recommendation but was not funded, and could not be filled unless turnover funds were available. No savings were generated by the deletion of the position and it is my understanding this was done to accommodate the addition of a position of Computer Analyst III, which was approved in recommendation number 9 by the House Sub-Committee.

The Senate Sub-Committee in their report, concurred with the House Sub-Committee recommendation number 6, but did not concur with the House Sub-Committee recommendation number 9.

The net effect of the Senate Sub-Committee action was the elimination of both the Special Agent and Computer Analyst III positions. It is requested that in the event the conference committee sustains the recommendation of the Senate Sub-Committee, they also reject House Committee recommendation number 6 and thereby continue our Special Agent staff as it is at the present time and also consider restoring funding for the position in the amount of \$29,780.00, which amount was removed by the Division of the Budget.

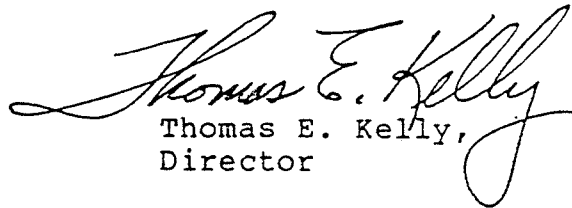
*Atch. VII*

Honorable Joseph C. Harder  
Senator, District Number 25  
April 4, 1983

Page 2

I appreciate your assistance in this matter and will be available for any further explanation you may deem appropriate.

Sincerely,

  
Thomas E. Kelly,  
Director

TEK:vh

# KANSAS HIGHWAY PATROL

*Service—Courtesy—Protection*

John Carlin  
Governor



Col. David Hornbaker  
Superintendent

April 14, 1983

RE: Fiscal Year 1984 Budget

Representative Bill Buntten, Chairman  
House Ways and Means Committee  
Statehouse, Room 514S  
Topeka, Kansas 66612


Dear Representative Buntten:

With the possibility of Senate Bill #288, as amended by the House Transportation Subcommittee and passed by the House, being adopted we are asking your favorable consideration of the addition of seven (7) positions to our agency Position Limitation for Program 7200 - Motor Vehicle Inspection for Fiscal Year 1984 and nine (9) positions for Fiscal Year 1985. These positions would be funded from excess funds generated by increasing the cost of inspection certificates from .50¢ to \$2.00 (reference the attached worksheet). We anticipate this entire program will be self-supporting, with the inception of the increased rates.

During hearings in the House Transportation Committee it was readily apparent that the increase in certificate cost was to be utilized to fund additional positions. Those personnel were to supplement the present program by providing needed resources to properly maintain the inspection program and to assist in quality control checks which are so vitally necessary to insure the program is functioning as mandated.

Thank you for your efforts in making the results of this program more effective in its service to our public.

Very truly yours,

  
DAVID HORNBAKER  
Superintendent

DH:KW:wmg

cc: ✓ Marlin Rein, Legislative Research Analyst  
Dennis Williams, Division of the Budget

122 SW SEVENTH STREET  
TOPEKA, KANSAS 66603 (913) 232-9200

*Atch. VIII*

K H P

7200 - Motor Vehicle Inspections

REVENUE:

INFORMATION	F.Y. 1981		F.Y. 1982	
	OLD RATE	NEW RATE	OLD RATE	NEW RATE
Number of permits sold RATE	1,420 x\$ 25	1,420 \$ 25	1,343 x\$ 25	1,343 \$ 25
S.T.-PERMIT INCOME	\$ 35,500	35,500	\$ 33,575	33,575
Number of certificates sold RATE	405,720 \$ .50	405,720 \$ 2.00	384,219 \$ .50	384,219 \$ 2.00
S.T.-CERTIFICATE INCOME	\$202,860	\$811,440	\$192,109	\$768,438
TOTAL REVENUE	\$ 238,360	\$846,940	\$225,685	\$802,013
Less old rate		<u>-238,360</u>		<u>-225,685</u>
NET INCREASE PER YEAR		\$608,580		\$576,328
PROJECTED INCOME		\$846,940		\$802,013
LESS F.Y. 1984 BUDGET ESTIMATE AT "LEVEL B" (p.133)		<u>-506,774</u>		<u>-506,774</u>
EXCESS FUNDS		\$340,166		\$295,239
COST PER TROOPER(1st year)		<u>\$ 40,322</u>		<u>\$ 40,322</u>
EXTRA POSITIONS FUNDED (1st year)		8.4		7.3
COST PER TROOPER (2nd year)		\$ 31,717		\$ 31,717
EXTRA POSITIONS FUNDED (2nd year)		10.7		9.3

Department of Corrections

*no act yet Apr*

A. Governor's Budget Amendment No. 7-18. The Governor is amending his FY 1984 recommendation for the Department of Corrections to add \$22,272 from the State General Fund for development of a computer program in connection with DISC to enable the Department to more accurately project inmate population levels and determine the impact of sentencing and parole practices on the inmate population. Specifically, the additional funds would provide for the hiring of three temporary data technicians for four months of FY 1984 to recode data on the current inmate population, provide data base design costs, and fund a remote computer terminal and printer that would connect to the DISC main frame computer. The Committee may want to consider what relationship this request has to the agency's original FY 1984 request for replacement of its existing IBM Computer System 34 with an IBM System 38. The replacement has been requested for the last two years and has not been recommended by the Governor or approved by the Legislature.

Kansas Public Employees Retirement System

*ok*

A. Legal Expenses. KPERS indicates that the matter of attorney fees and other legal expenses related to the sex discrimination case Orr v. KPERS is about to be resolved in which it is anticipated that KPERS will be required to pay from the KPERS Fund an amount higher than what could be absorbed in the authorized budget. In the absence of a definite amount and because the judge could make the decision in FY 1983 or FY 1984, the agency proposes that proviso language be added to authorized expenditures for both fiscal years to allow for the payment of these legal expenses in addition to the authorized expenditure limitation. The State Finance Council could increase the expenditure limitation at a later date when the exact amount is known; however, KPERS indicates that interest might need to be paid from the date the decision is made to the date the Finance Council meets to consider it.

State Treasurer

Substitute for Senate Bill No. 265 (Pending). Substitute for S.B. 265 enacts the Kansas Bond Registration Law, which authorizes the state and its political subdivisions to establish a system of registration for bond issues. The 1982 Federal Tax Equity and Fiscal Responsibility Act mandates that all tax-exempt municipal bonds issued on and after July 1, 1983, be in registered form. Historically, nearly all municipal bonds have been issued in bearer form. As fiscal agent for many municipalities' bond issues, the State Treasurer will be required to establish and administer new procedures for recording bond registration and accomplishing the transfer of registration between persons. To administer the registration procedures established by Substitute for S.B. 265, the State Treasurer requests a State General Fund appropriation of \$250,043 for FY 1984.

The request includes \$66,189 of salaries and wages for five new positions (3 for 12 months and 2 for 6 months), a one range increase for the Supervisor of Bond Registration, and reclassification of an existing Account Clerk I to Securities Officer I (a 3 range increase). If the Legislature approves the State Treasurer's request, an

*Atch. 11*



F.T.E. position limitation of 4 would be needed. In addition, the State Treasurer requests authority from the Legislature to employ the additional 5 positions in the unclassified service and to shift the existing Account Clerk I (classified) to the unclassified service. The Supervisor is one of the 11 positions now placed in the unclassified service pursuant to K.S.A. 75-2935 of the Civil Service Act.

Additional other operating expenditures requested by the State Treasurer total \$183,854, of which \$115,403 represents one-time startup costs. Startup costs include \$75,000 for a software package, \$28,403 of office equipment and other capital outlay, \$8,000 for systems analysis fees and \$4,000 for staff training in the new software system. Regular nonsalary operation costs total \$68,451. The major items are \$46,500 for postage (certified mail with return receipts for registration transfer notices, 30,000 items at \$1.55 each) and \$10,062 for office space rental.

Substitute for S.B. 265 authorizes the State Treasurer to charge a fee for each transfer of ownership of a registered bond. The State Treasurer states that the anticipated fee will be \$6.50 for the first year. On the basis of the Treasurer's estimate of 30,000 transfers, \$195,000 would be new income to the State General Fund.

Agency: Legislative Division of Post Audit Bill No. Omnibus Bill Sec. —Analyst: Hauke Analysis Pg. No. 8 Budget Pg. No. 1-37

<u>Expenditure Summary</u>	<u>Agency Req. FY 84</u>	<u>Governor's Rec. FY 84</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,783,640	\$ 1,783,640	\$ (408,055)
State General Fund	1,647,640	1,647,640	(408,055)
F.T.E. Positions	40.0	40.0	(25.0)

House Subcommittee Recommendations

The Subcommittee is recommending a major revision to the organization and budget of the Legislative Division of Post Audit. The Subcommittee recognizes that its recommendations will necessitate a substantial revision in the mission of this Division. The Subcommittee has consulted with the Chairman of the Post Audit Committee concerning its proposals for a reorganization both of the Post Audit staff and the agency's mission. The Subcommittee makes the following recommendations, which are both programmatic and budgetary in nature:

1. The Subcommittee recommends that the existing office of Post Auditor (as authorized by K.S.A. 46-1102) be abolished. The Subcommittee recommends creation of a new office, the Office of Legislative Post Auditor. The Subcommittee has prepared a bill draft to enact the changes it recommends. The Subcommittee's recommendations would create a position similar to that of Post Auditor; however, the Subcommittee's recommendations delete references to a four-year term for the Legislative Post Auditor.
2. The Subcommittee recommends that the staffing of the Division be reduced to 15 F.T.E. at the beginning of the October pay period (September 18, 1983). The Subcommittee recommends that the existing 40 F.T.E. be financed through the first quarter of FY 1984. This time frame allows approximately five months notification to existing employees, several of whom would be discontinued in this Subcommittee's recommendations. The Subcommittee is recommending the following staffing of the Division:
  - 1 Post Auditor
  - 3 Financial Auditors (1 team of 3 F.T.E. - 1 Sr. Audit Specialist; 2 Sr. Auditors)
  - 6 Performance Auditors (2 teams, each of which would have 3 F.T.E. Staffing would include 2 Sr. Audit Specialists; 2 Sr. Auditors; and 2 Auditors)
  - 1 Office Manager
  - 3 Clerical (1 Sr. Secretary and 2 Secretaries)
  - 1 Electronic Data Processing Specialist (Sr. Audit Specialist)

*Atch. 4*

ATTACHMENT I


HOUSE SUBCOMMITTEE BUDGET RECOMMENDATIONS  
DIVISION OF LEGISLATIVE POST AUDIT

Item	Original Budget	Subcommittee Recommendations
1 Legislative Post Auditor	\$ 50,040	\$ 50,040
4 Sr. Audit Specialists	133,344	133,344
4 Sr. Auditors	103,284	103,284
2 Auditors	48,000	48,000
1 Office Manager	21,324	21,324
1 Sr. Secretary	19,056	19,056
2 Secretaries	28,332	28,332
25 Remaining Positions	694,752	163,185
Post Audit Committee	3,504	3,504
Subtotal - Gross Salary and Wage	\$1,101,636	\$ 570,069
KPERS	51,168	27,195
FICA	69,132	37,435
Health Insurance	45,120	23,528
Workers Comp.	4,392	2,266
Unemployment Insurance	7,692	3,966
Subtotal - Net Salary and Wage	\$1,279,140	\$ 664,459
Communications	20,000	7,500
Freight	2,700	1,013
Printing	24,000	9,000
Rents	67,000	67,000
Repair and Servicing	12,000	12,000
Travel and Subsistence	46,000	17,250
Fees - Other Services	16,800	6,300
Fees - Professional Services	288,500	574,500
Other Contractual Services	5,000	1,875
Stationery and Office Supplies	12,500	4,688
Capital Outlay	10,000	10,000
Subtotal - Other Operating Expenditures	\$ 504,500	\$ 711,126
TOTAL BUDGET	\$1,783,640	\$1,375,585
<u>Funding</u>		
State General Fund	\$1,647,640	\$1,239,585
Federal Audit Services Fund	136,000	136,000

## MINORITY REPORT

I do not concur with the recommendations of the Subcommittee. My recommendations concur with the Governor with the following adjustments:

1. I am of the opinion that the issue of the post audit function should be reviewed by the Legislative leadership. I recommend that the Legislative Coordinating Council study the post audit function and organization during the upcoming interim. I recommend that this study be conducted by the Council itself and not by a special committee.
2. The recommendations of the LCC should be available to the full 1984 Legislature, where they can be considered in bill form.
3. I recommend that funding for the Division of Post Audit be appropriated to the LCC, due to their conduct of the abovementioned study. I recommend that the 40 F.T.E. positions currently employed by the Division, be financed through February 17, 1984 (the beginning of the March pay period) and that 15.0 F.T.E. be financed thereafter. I recommend that the filling of all position vacancies be subject to LCC approval.
4. My budgetary recommendations are contained on Attachment II. They were produced by including the agency's request for the period June 17, 1983 through February 17, 1984. The budget for the period February 18, 1984 through June 17, 1984 was produced by prorating the agency's request for those months by the reduced number of employees. I am making no recommendation concerning specific employees to be deleted or retained, as I believe those decisions should be made based upon the report of the LCC. I recognize that the funding contained in my recommendation may be insufficient, depending upon the recommendation of the LCC. The LCC recommendations could include a request for supplemental funding.
5. My recommendations result in a decrease of \$354,209 to the budget recommended by the Governor for this agency, all of which is from the State General Fund.

  
Representative Jack Shriver

DRAFT BILL NO. \_\_\_\_\_

For Consideration by Committee on Ways and Means

AN ACT concerning the division of post audit; abolishing the office of post auditor and creating the office of legislative post auditor; repealing K.S.A. 46-1102.

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

Section 1. (a) (1) There is hereby established the office of legislative post auditor. The legislative post auditor shall be appointed by the legislative post audit committee. The legislative post auditor shall be a person of extensive experience and recognized qualification in the field of governmental fiscal procedures and accounting.

(2) The legislative post auditor shall be in the unclassified service under the Kansas civil service act and shall receive such compensation as is determined by the legislative coordinating council. The legislative post audit committee may recommend to the legislative coordinating council changes in the compensation of the legislative post auditor.

(3) The legislative post auditor shall receive travel expenses and subsistence expenses and allowances as provided for members of the legislature in K.S.A. 75-3212 and amendments thereto when attending any authorized meeting or business outside of the city of Topeka.

(b) (1) On July 1, 1983, the office of post auditor created by K.S.A. 46-1102 is hereby abolished.

(2) On July 1, 1983, all of the powers, duties and functions of the office of post auditor abolished by this section are hereby transferred to and conferred and imposed upon the office of legislative post auditor established by this section.

(3) The legislative post auditor established by this section shall be the successor in every way to the powers, duties

Atch. XII

and functions of the post auditor abolished by this section in which the same were vested prior to July 1, 1983, and every act performed in the exercise of such powers, duties and functions shall have the same force and effect as if performed by the post auditor abolished by this section in which such powers, duties and functions were vested prior to July 1, 1983.

(4) On and after July 1, 1983, whenever the post auditor, or words of like effect, is referred to or designated by a statute, contract or other document such reference or designation shall be deemed to mean and apply to the legislative post auditor established by this section.

(c) This section shall be part of and supplemental to the legislative post audit act.

Sec. 2. K.S.A. 46-1102 is hereby repealed.

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

## REPORT

April 19, 1983

TO: House and Senate Ways and Means Committees  
FROM: J. Santford Duncan  
RE: K-BITS

During the recess I met with representatives of the Department of Revenue, Department of Administration, and DISC to discuss the status of K-BITS and to develop specific recommendations for K-BITS for FY 1984.

### Current Status of K-BITS Program

The Department is concluding Phase III of the project, which was designed to develop program specifications, forms, reports, screens, and procedures for K-BITS, with the assistance of Deloitte, Haskins, and Sells as contractor. The bid specifications anticipated that Phase III would be approximately ten months in duration, although this phase is in its 18th month. The Department has reviewed and authorized payment of funds encumbered in FY 1982 for the systems external specifications of K-BITS, but is still reviewing the system internal specifications. The Department has not paid for all of this portion of Phase III, although the funds were encumbered in FY 1982 for the contract work.

In concluding Phase III, the Department must complete its review of the contractor's documentation and approve the needed corrections. An April 30 date has been indicated by the Department as the target for final approval of the contractor's work. Also, a project team comprised of agency users and technicians must finalize the conversion and implementation plans for Phase IV. The Department indicated that this material will be ready by June 15. Finally, an invitation for bid (IFB) must be completed in order to bid Phase IV, which the Department indicated will begin approximately September 1.

### Programmatic Recommendations

Based on discussions with those parties involved, I recommend that the Department of Revenue:

1. designate a single person to be full-time manager of Phase IV and make internal shifts of personnel to accomplish this action without adding additional positions;
2. prepare a summary document which reviews progress to date and anticipated milestones for Phase IV and make the report available to the 1984 Legislature on or before January 9, 1984;
3. compile a summary document during Phase IV which synthesizes the contents of all written documentation for Phase III of K-BITS;

ALB. 114

4. hold regular consultations with DISC and insure that adequate communication about project developments, milestones, and problems takes place; and
5. develop more realistic cost and time estimates for other major data processing enhancements, including estimates which rely on ranges of costs and time periods rather than single figures and completion dates.

Recommendations Requiring Legislative Action

- include in O.P.L.*
1. restore consultant fees of \$423,000 to implement coding and programming in FY 1984;
  2. restore DISC fees of \$272,000 for data processing charges based on a DISC estimate range of use in FY 1984. This results in a savings of \$58,000 from the \$330,000 originally requested; and
  3. defer until FY 1985 the \$33,138 for microfilm equipment.

83-120/JE



ATTACHMENT 1  
MEMORANDUM

April 13, 1983

TO: Representative J. Santford Duncan  
FROM: Kansas Legislative Research Department  
RE: K-BITS Development

The Kansas Business Integrated Tax System (K-BITS) would integrate the taxation, regulation, and enforcement process for all businesses required to pay taxes or fees to the Department of Revenue and produce a current account status by tax for each business. The Department currently maintains files on the basis of the individual taxes and each business has a separate file for each tax for which it is liable.

The development of K-BITS has been organized into four phases:

Phase I - Information Systems Plan: 3 months (to June, 1980)  
Phase II - Conceptual Design: 9 months (to June, 1981)  
Phase III - Detail Design: 18 months (to date)  
Phase IV - Program Development, Testing, Conversion and Implementation:  
12-18 months

Developmental costs identified or projected by the Department in year of encumbrance are:

<u>Fiscal Year</u>	<u>Outside Consultants</u>	<u>Departmental Staff Costs</u>	<u>Computer Processing</u>	<u>Totals</u>
1981	\$ 155,000	\$ 49,000	\$ —	\$ 204,000
1982	429,845	152,000	191,000	772,845
1983	—	190,000	39,506	229,506
1984	695,000	295,000	330,000	1,320,000
1985	—	142,500	21,900	164,400
	<u>\$1,279,845</u>	<u>\$ 828,500</u>	<u>\$ 582,406</u>	<u>\$2,690,751</u>

The Conference Committee on H.B. 2086 agreed to postpone any decisions on K-BITS financing for FY 1984 until the Omnibus Appropriations Bill was considered. The following State General Fund items were deferred by the Conference report:

1. consultant fees of \$423,000 to implement coding and programming;
2. DISC fees of \$330,000 for data processing charges; and
3. microfilm equipment at \$33,138.

The Senate concurred with earlier reductions by the House which deleted three new positions and one temporary position (\$35,684), other microfilming and related equipment (\$48,402), and consultant fees for coding and programming (\$280,000) in FY 1984 because of project delays, and the \$364,086 in State General Fund reductions were not addressed by the Conference Committee.

A report on K-BITS was prepared for the Senate Ways and Means Subcommittee. That report was provided by the Secretary of Administration on April 5, 1983 at the request of President Doyen. The report consists of a synopsis of the K-BITS project prepared by the Department of Revenue, a DISC analysis of K-BITS progress and recommendations, and the Secretary of Revenue's response to the DISC evaluation.

*Attachment 2*  
STATE OF KANSAS



DEPARTMENT OF ADMINISTRATION  
Office of the Secretary

JOHN CARLIN,  
Governor  
PATRICK J. HURLEY,  
Secretary of Administration

Room 263-E  
State Capitol Building  
Topeka, Kansas 66612  
(913) 296-3011

April 18, 1983

The Honorable Santford Duncan  
Room 115-S, The Statehouse  
BUILDING MAIL

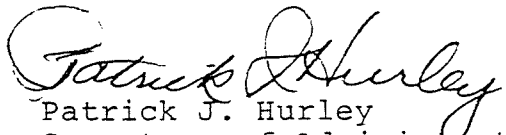
Dear Representative Duncan:

In response to your recent request, we have collected revised impact information on the Department of Revenue's KBITs program, based upon new usage figures provided by Revenue this morning.

The recalculation indicates estimated FY84 expenditures for DISC services of between \$252,000 and \$291,000 instead of the original \$330,000 described in our letter of March 14th. The difference between the two numbers is caused by the unknown impact the '83 holiday season may have on the contractor's performance. However, it is important to note that the mainframe computer acquisition will still occur early in the 2nd quarter of FY84, due to leasing concerns which all but require the acquisition during this timeframe.

If there is anything else you need, please let me know.

Sincerely,

  
Patrick J. Hurley  
Secretary of Administration

PJH:ee  
jcb13/JCB2

Attachment 3

M E M O R A N D U M

TO: Michael Lennen, Secretary of Revenue  
FROM: Gary A. Russell *GAR*  
DATE: April 18, 1983  
SUBJECT: K-BITS Implementation

As I discussed with you this morning, I met with Tom Foust and Carey Brown (DISC) to finalize the Department's K-BITS related costs for FY 1984.

The following schedule seems realistic:

· April 18 - May 15, 1983

1. Complete Phase III activities.
2. Begin and complete Phase IV Conversion/Implementation Planning.
3. Begin Data Base Preparation activities for Phase IV.
4. Begin initial work on Phase IV IFB.

· May 16 - October 31, 1983

1. Complete Phase IV IFB and award contract to consultant firm.
2. Complete Conversion activities.
3. Complete Data Base preparation activities.
4. Complete some initial organizational changes in the Department.
5. Create Test Data Base for Phase IV.
6. Complete Design changes to K-BITS due to 1983 legislative changes (i.e. accelerated filing for sales tax).

· November 1 - November 30, 1983

1. Complete the detailed work plan for Phase IV (Consultants and State personnel).
2. Install CRT's for program development work.

· December 1, 1983 - July 31, 1984

1. Complete Phase IV - the implementation of K-BITS core and two (2) taxes.
2. Finalize organizational changes  
or

· December 1, 1983 - September 30, 1984

1. Complete Phase IV - the implementation of K-BITS core and two (2) taxes.
2. Finalize organizational changes.

Essentially the factors having the most impact on whether the Department completes Phase IV in July, 1984, or September, 1984 are:

1. The impact of Thanksgiving and Christmas holidays in project productivity.
2. The magnitude of design changes necessitated by 1984 legislative enactments.
3. Effectiveness of consultant selected.

Impact Upon Budget

- Implement K-BITS by August 1, 1984:

DISC           \$291,000 in FY 1984  
Consulting \$487,000 in FY 1984

Assumes 20% holdback of the \$695,000 consulting money until project completion plus ten percent completed and paid in FY 1985.

- Implement K-BITS by October 1, 1984:

DISC           \$252,000 in FY 1984  
Consulting \$427,000 in FY 1984

Assumes 20% holdback of the \$695,000 consulting money until project completion plus 20% completed and paid in FY 1985.

Therefore, with an August, 1984, completion, the Department would need \$208,000 in FY 1985 for consultants; with an October, 1984 completion, the Department would need \$278,000 in FY 1985 for consultants.

Meeting the schedules detailed above further assumes:

1. Full-time commitment by Charles Harden, Jody Colhouer, John Gartin, Michell Wilson, and Dave Williams.
2. Approximately half-time commitments by Ken Waters and Ray Rhoads.
3. Programming and clerical resources for conversion starting in June, 1983.
4. Eight or nine programmers full-time from December, 1983, until project completion.
5. Certain organizational changes.

Please advise if you wish additional information.

GAR:mks

Department of Revenue

Budget Amendment No. 7-3. The Governor estimates that implementation of a severance tax will require the following expenditures and personnel:

	<u>FY 1983</u>	<u>FY 1984</u>
Salaries and Wages	\$28,226	\$635,677
Contractual Services	9,498	229,221
Commodities	1,250	6,000
Capital Outlay	<u>27,949</u>	<u>7,200</u>
TOTAL	<u>\$66,923</u>	<u>\$878,098</u>
F.T.E. Positions	—	31.25

The Department plans to hire 38 new, regular staff to administer the severance tax and to establish a new Mineral Tax Bureau, staffed by 30 of the new employees. New staff would be added between May 1, 1983 and December 18, 1983 to reduce initial personnel costs, requiring an additional 31.25 F.T.E. positions in FY 1984 to allow the Department to employ 38 staff as requested (see separate handout delineating personnel). Recalculation of salaries and benefits would further reduce expenses to phase-in 38 employees. An additional \$25,000 for salary of a petroleum tax specialist would be funded by a previous appropriation for consulting services in FY 1984, with \$9,914 of new funding required.

Other operating expenses recommended by the Governor include \$43,750 for 5,000 square feet of space (131.6 square feet per new staff), \$71,696 for travel and subsistence primarily to audit mineral producers and first purchasers, and \$87,324 for data processing and contract programming in FY 1984. Furniture and equipment for new staff is estimated at \$35,149 in FY 1983 and 1984. All capital outlay for equipping new personnel is requested in FY 1983, except for nine terminal workstations, even though some staff will not be hired until mid-FY 1984. The Governor's recommendation for \$12,575 in FY 1983 for salaries and wages of data processing personnel appears to be based on either contracting for consultants or paying part-time employees and might be considered an other operating expense if funds are appropriated for consultants.

A credit against the tax equal to 3.67 percent of value for oil and 1 percent of value for gas would be allowed. After refunds, 7 percent of the tax collected would be returned to producing counties and school districts and the remainder would be credited to the State General Fund. The Governor previously recommended establishing a rebate of 5 percent to the county of production and estimated \$6,217,000 of refunds. Sub. for S.B. 384 will generate an additional \$982,300 in refunds according to consensus estimates.



*Kansas*  
DEPARTMENT OF REVENUE

State Office Building  
TOPEKA, KANSAS 66625

MEMORANDUM TO: The Honorable John Carlin, Governor

FROM: Michael Lennen  
Secretary of Revenue

DATE: April 14, 1983

This is a request for an amendment to the Governor's Budget for fiscal year 1984 which is relative to Severance Tax on Mineral Production, beginning in fiscal year 1983. This agency will experience additional costs which are related to Senate Bill 384, Session of 1983.

<u>EXPENDITURES:</u>	<u>Fiscal Year 1983</u>	<u>Fiscal Year 1984</u>
Salary and Wages	\$ 28,226	\$ 638,200
Other Operating Expenditures	<u>38,697</u>	<u>252,335</u>
Total	<u>\$ 66,923</u>	<u>\$ 890,535</u>

Funding: State General Fund, Fiscal Year 1983 - 1000-3-0300-0000  
State General Fund, Fiscal Year 1984 - 1000-~~3~~<sup>4</sup>-0300-0000

cc: Lynn Muchmore,  
Budget Director

*Atch. XVI*



1. Salary and Wages

	<u>Date to Fill</u>	<u>FY 1983</u>	<u>FY 1984</u>
a - Mineral Tax Bureau			
Revenue Manager II	May 18	\$ 2,614	\$ 32,309
Secretary I	May 18	1,123	14,062
Revenue Manager I	May 18	2,332	28,864
Clerk Typist II - 2	May 18	1,958	24,596
Revenue Auditor III	June 18	-	28,864
Revenue Auditor II	June 18	-	26,645
Tax Examiner III	June 18	-	19,795
Tax Examiner II - 2	June 18	-	34,602
Tax Specialist I	May 1	3,093	25,556
Tax Examiner III	July 18	-	18,176
Revenue Auditor II - 2	August 18	-	44,575
Revenue Auditor I - 2	August 18	-	40,976
Tax Examiner II - 2	August 18	-	28,940
Revenue Auditor II - 2	September 18	-	40,217
Revenue Auditor I - 2	September 18	-	36,971
Tax Examiner II	September 18	-	13,055
Clerk Typist II	September 18	-	9,278
Revenue Auditor II	December 18	-	13,573
Revenue Auditor I - 3	December 18	-	37,429
Tax Examiner II - 2	December 18	-	17,618
30 - Full Time Employees		<u>\$ 11,120</u>	<u>\$536,101</u>
b. - Records Services Bureau			
Clerk II	July 18	\$ -	\$ 10,810
Clerk II	November 18	-	6,955
2 - Full Time Employees		<u>\$ -</u>	<u>\$ 17,765</u>
c. - Quality Control			
Clerk III	August 18	\$ -	\$ 11,760
1 - Full Time Employee		<u>\$ -</u>	<u>\$ 11,760</u>
d. - Data Processing Services			
Analyst II - 3 months	April 4	\$ 5,775	\$ -
Programmer I - 3 months	April 4	3,740	-
Programmer II - 2 months	April 18	3,060	-
Analyst II	May 18	2,415	27,775
Programmer II	May 18	2,116	24,495
Data Entry Operator II - 2	September 18	-	20,304
4 - Full Time Employees		<u>\$ 17,106</u>	<u>\$ 72,574</u>
e. - Planning and Research			
*Petroleum Tax Specialist	June 18	\$ -	\$ 9,914
1 - Full Time Employee		<u>\$ -</u>	<u>\$ 9,914</u>
Total Salary and Wages		<u>\$ 28,226</u>	<u>\$648,114</u>

	<u>FY 1983</u>	<u>FY 1984</u>
II. Capital Outlay		
a. - Furniture and Equipment		
Desks -- 15 Executive Double Pedestal	\$ 4,500	\$ -
4 Secretarial	1,500	-
17 Junior Executive	3,400	-
Chairs-- 15 Executive Posture	3,750	-
4 Secretarial	1,200	-
17 Junior Executive	2,550	-
Typewriter-- 2 Electronic	1,750	-
2 Automated	2,400	-
Calulator -- 29	3,585	-
File Cabinets -- 5	822	-
Bookcases -- 8	1,192	-
Tables -- 5	1,300	-
Terminal Workstations - 9	<u>-</u>	<u>7,200</u>
Total Capital Outlay	<u>\$27,949</u>	<u>\$7,200</u>
III. Commodities		
Miscellaneous Office Supplies	\$ 500	\$ 2,000
Folders	-	4,000
Registration Forms	<u>750</u>	<u>-</u>
Total Commodities	<u>\$ 1,250</u>	<u>\$ 6,000</u>
IV. Contractual Services		
Contract Programming	\$ 5,000	\$ 35,000
Travel	-	28,576
Subsistence	-	43,120
Telephones - 14 @ \$75 month	225	9,450
Telephone installation - @ \$91	273	1,001
Floor Space - 5,000 sq. ft. @ \$8.75 sq. ft.	-	43,750
Forms	2,000	6,000
Postage	2,000	10,000
Video Terminal Rental - 9 @ \$125 month	-	10,125
Video Terminal Installation	-	3,450
DISC Test Time - 8 hours @ \$1,168	-	8,544
DISC Charges	-	29,000
Electrical Outlets - 33 @ \$36.50	<u>-</u>	<u>1,205</u>
Total Contractual Services	<u>\$ 9,498</u>	<u>\$229,221</u>
Total Salary and Wages	\$ 28,226	\$548,114
Total Capital Outlay	27,949	7,200
Total Commodities	1,250	6,000
Total Contractual Services	<u>9,498</u>	<u>229,221</u>
	<u>\$ 66,923</u>	<u>\$890,535</u>

	<u>FY 1983</u>	<u>FY 1984</u>
Total Additional Monies Requested	\$ 66,923	\$890,535
Supplimented by Fiscal Year 1984 Appropriation	<u>                    </u>	<u>25,000*</u>
Total Anticipated Expenditures	<u>\$ 66,923</u>	<u>\$915,535</u>

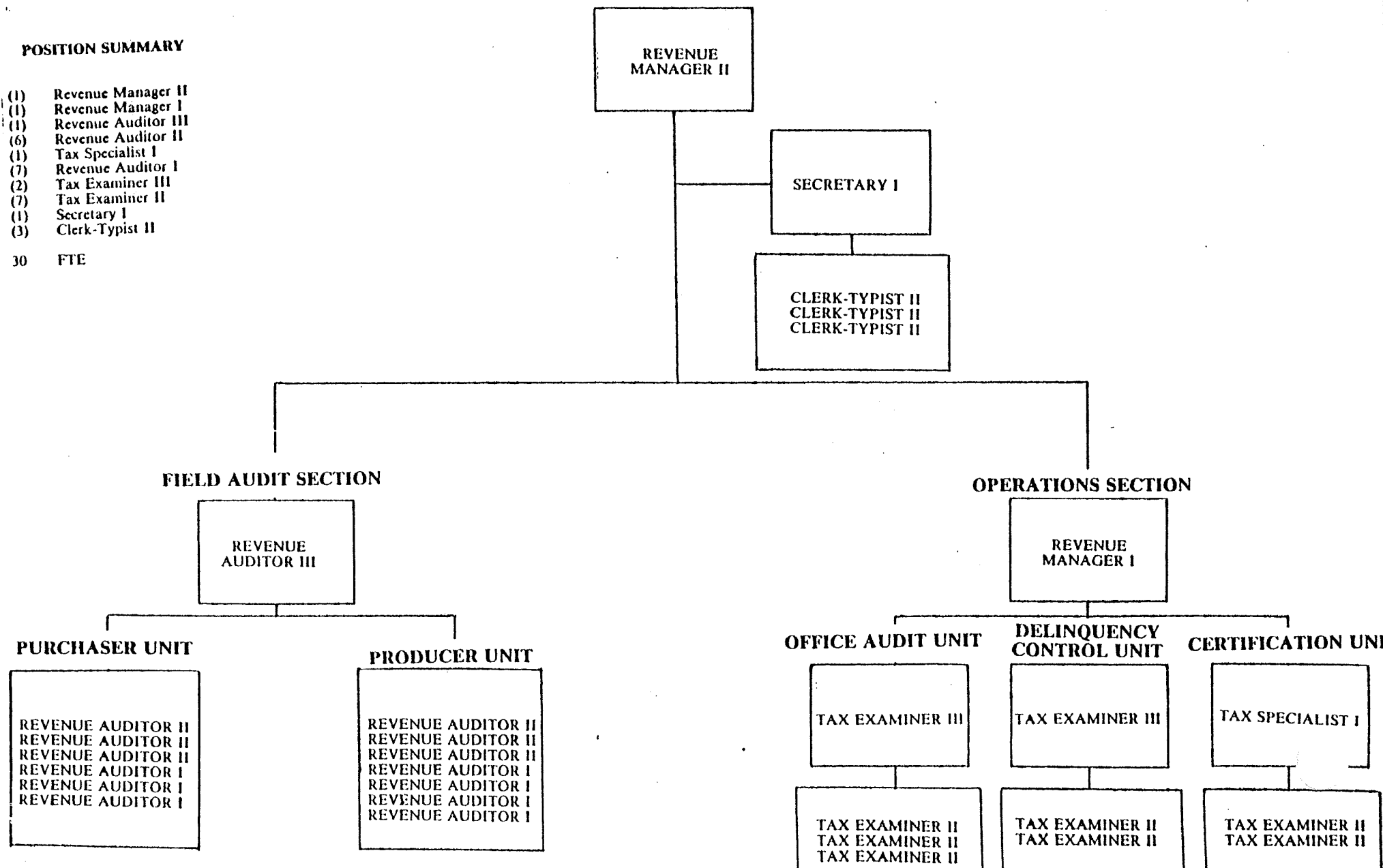
\* - The amount of \$25,000 has been appropriated for consulting services within the Department. This position is to be used in the operations of the Division of Property Valuation and the Minerals Tax Bureau.

**KANSAS DEPARTMENT OF REVENUE  
DIVISION OF TAXATION  
MINERAL TAX BUREAU  
(Proposed Fiscal Year 1984)**

**POSITION SUMMARY**

- (1) Revenue Manager II
- (1) Revenue Manager I
- (1) Revenue Auditor III
- (6) Revenue Auditor II
- (1) Tax Specialist I
- (7) Revenue Auditor I
- (2) Tax Examiner III
- (7) Tax Examiner II
- (1) Secretary I
- (3) Clerk-Typist II

30 FTE



## State Library

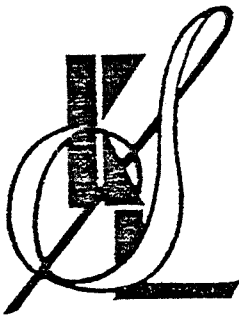
A. Library Construction. The State Librarian in a letter to the Ways and Means Chairman requests for FY 1984 the addition of \$421,071 in federal funds under Title II of the Library Services and Construction Act. The recently passed Emergency Jobs Bill contains an appropriation of \$50 million for library construction and renovation. The Kansas allocation must be obligated at the state level by September 30, 1983. Federal funds would be used as aid to local units for construction grants.

Public library construction funds may be used solely for the purpose of paying the federal share of the cost of (1) construction of public libraries, (2) remodeling of public libraries necessary to meet handicapped accessibility standards, and (3) remodeling designed to conserve energy in the operation of public libraries. Local libraries will have to provide a match in order to receive federal funds under the Title II program, probably on a dollar for dollar basis.

B. Official Hospitality. The State Librarian in a letter to the Ways and Means Chairman requests for FY 1984 the addition of two items to allow the State Library to expend funds for official hospitality. A \$500 authorization is requested for the State General Fund other operating expenditures account and another \$500 authorization is requested for the federal library services and construction act fund account.

83-115

Atch. XVII



# State Library of Kansas

(913) 296-3296

Third Floor, State Capitol,

Topeka, Kansas 66612

April 18, 1983

Representative Bill Bunten, Chairman  
Ways and Means Committee  
Room 514-S  
BUILDING MAIL

Dear Representative Bunten:

There are two additional items related to the F.Y. 1984 appropriations statement for the State Library for which we are asking the consideration of the Ways and Means Committee:

- 1) We are requesting the addition of a proviso to allow the library to use a portion of its travel funds for official hospitality. The requests are for \$500 in "Other operating expenditures," at about line 0066 of H.B. 2064, and \$500 in the "Federal library services and construction act fund," at about line 0088 of H.B. 2064.
- 2) The recently enacted Federal Emergency Jobs Bill contains an appropriation under Title II of the Library Services and Construction Act which will bring to the State Library additional funds of \$421,071. This Kansas allocation is to be distributed to local library construction projects throughout the state and is to be under contract with qualifying libraries by September 30 of this calendar year. We are requesting a F.Y. 1984 budget and expenditure authority amendment increase in the amount of \$421,071.

We appreciate the committee's consideration of these requests.

Sincerely,

  
DUANE F. JOHNSON  
State Librarian

DFJ/bs

*Atch. #VII*