

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANSThe meeting was called to order by Senator Paul Hess at _____
Chairperson11:00 a.m./p.m./on January 26, 1983, 19__ in room 123-S of the Capitol.All members were present except:
Senator McCray

Committee staff present:

Research Department: Marlin Rein, Sherry Brown, Mary Galligan, Carolyn Rampey
Revisor's Office: Norman Furse
Committee: Mark Skinner, Administrative Aide; Doris Fager, Secretary

Conferees appearing before the committee:

Joseph Snell, Executive Director, Kansas Historical Society

Budget Memo on Unemployment Compensation Management (Continued)

Staff continued presentation of the above Budget Memo. Following the presentation, committee members were given opportunity to ask questions. There was discussion regarding reducing the cost of unemployment compensation by permitting experience rating by agency. Senator Werts suggested that this would provide incentive to reduce the cost of unemployment compensation throughout state agencies if, when considering the budgets, the experience rating were compared with the private sector.

Senator Bogina asked why the unemployment compensation for the University of Kansas is so much higher than other state agencies. Staff explained that the Medical Center is included in that figure, and there is a large turnover of employees at that institution. According to staff, they terminate more employees than any other agency.

It was revealed during the discussion that the rate of unemployment compensation paid by employers in the State of Kansas is .4% for FY 1983 and will increase to .7% for FY 1984. The maximum benefit is \$163 per week.

Budget Memo 83-3 - The Kansas Museum of History

Staff distributed the above Budget Memo (See Attachment A). Following the presentation of the memo there were questions and discussion. There was extended discussion concerning the road leading into the museum, and whether it would be maintained by the state or by the City of Topeka.

It was decided that committee members should tour the site of the new Historical Museum, and the Chairman agreed to arrange for such a tour.

The meeting was adjourned by the Chairman.

SUBJECT: The Kansas Museum of History

Introduction

Construction began in September, 1981, on the Kansas Museum of History, located west of Topeka on 81 acres of land adjoining Interstate 70. The land was purchased by the state in 1974 and is the site of the Pottawatomie Baptist Mission, one of 17 historic properties owned by the state. Also on the land is a warehouse the Society uses for the storage of artifacts. When completed, the 90,000 square foot museum will provide space for museum exhibits, collection storage, work areas, and staff offices. The building is designed in such a way that it can be expanded in the future to include additional gallery space and an auditorium.

Based upon the current construction schedule, the building will be completed by October, 1983. The earliest the public opening of the museum could occur would be in the first part of 1985 because it will take more than a year to move artifacts into the building and construct new exhibits. (A few museum activities, such as crafts days, will begin to take place at the new museum before the public opening of the exhibits.) According to the Society, if its FY 1984 request for new museum personnel and funds for exhibit construction, furniture, and equipment is not approved, the public opening of the museum could be delayed until at least 1986 and perhaps later. In the meantime, on February 1, 1983, the Society plans to close to the public that portion of the Memorial Building which is currently occupied by the museum department and includes the exhibits. Except for a winter film series, its outreach program, and adult workshops, public museum department activities will cease so that the staff can dismantle exhibits and begin to pack the approximately 90,000 objects which will be moved.

The Governor's recommendation includes funding for new positions with responsibilities for the physical maintenance of the new museum, the care of museum artifacts, and the museum outreach program. The Governor does not recommend funds for exhibit construction personnel or exhibit construction materials. According to his budget document, funding for exhibit construction "will be requested in the following fiscal year." The effect of the Governor's recommendation is that the public opening of the museum will be in early 1986.

Background

For FY 1978, \$94,000 from the Federal Revenue Sharing Fund was appropriated to the Historical Society to begin planning for a new museum. The following year, \$306,500 from the State General Fund for "fees for final planning" was appropriated. In 1980, a multi-year appropriation totaling \$8 million from the Federal Revenue Sharing Fund was made for FY 1981 and FY 1982 for the construction of the building. These amounts are shown below:

	<u>Fund</u>	<u>Amount</u>	<u>Purpose</u>	<u>Unencumbered Balance</u>
FY 1978	FRS	\$ 94,000	Planning	\$ 0
FY 1979	SGF	306,500	Planning	31,000
FYs 1981 and 1982	FRS	<u>8,000,000</u>	Construction	<u>275,058</u>
		<u>\$8,400,500</u>		<u>\$ 306,058</u>

Of the balance remaining, the \$31,000 appropriated in 1978 was specifically designated to be spent for planning and, now that most planning activities are completed, cannot be spent unless the Legislature approves its expenditure for some other purpose. (The Society would like authorization to add the money to its construction contingency fund which, in the Society's opinion, is uncomfortably low.)

Most of the \$8,000,000 in construction funds has been spent or encumbered. The unencumbered balance of \$275,058 is earmarked for the following projects which will complete the construction phase of the museum:

Off-Site Gas Service	\$ 10,485
Landscaping	62,000
Carpeting	70,000
Graphics	18,000
Testing - Construction Materials	21,173
Testing and Balancing - Mechanical System	33,400
Contingency	<u>60,000</u>
	<u>\$275,058</u>

FY 1983 and FY 1984 Funding

In addition to the cost of planning and constructing the museum, additional expenses have been or will be incurred in order to staff, equip, maintain, and operate the museum. In general, the bulk of additional costs associated with the expansion of museum activities was either appropriated for FY 1983 or is included in the agency's FY 1984 budget request. These items include additional staff, capital outlay, funds for exhibit construction, capital improvements, and security for the building and grounds.

Staff. The museum department is the largest of the ten departments which comprise the Historical Society. The 34.2 F.T.E. positions currently authorized for the museum represent more than one-quarter of the total positions allocated to the Society (123.0 F.T.E.). (The number of museum positions currently authorized will automatically increase by 2.0 F.T.E. in FY 1984 as a result of positions authorized part-time for FY 1983 becoming full-time in FY 1984.) The 1982 Legislature approved eight new museum staff positions for FY 1983 and, for FY 1984, the Society is requesting an additional 14 positions for the museum department. The Society considers five of these new positions and nine existing positions temporary and would terminate them when the moving and exhibit construction phase of the museum's development is completed. When the museum opens to the public, the Society envisions a staff totaling 36.2 F.T.E. (This number does not include the 14 temporary positions which will terminate once the museum is ready to open, nor does it include security personnel who are contracted for

from the Highway Patrol. One of the museum positions is at the Souders Farm Museum in Cheney.)

Attachment I lists the positions currently authorized for the museum department and shows the positions requested for FY 1984. The Governor recommends that \$567,709 be spent for museum department salaries and wages in FY 1983. The amount requested for FY 1984 for salaries is \$908,347, of which \$213,610 is attributable to the 14 new positions requested. Attachment II lists the new positions requested in order of their priority as determined by the Society.

The Governor recommends the addition of 7.75 F.T.E. new positions to the museum staff. He also recommends that seven temporary positions be deleted at the end of the current fiscal year. His total recommendation for museum department salaries and wages for FY 1984 is \$664,920.

Capital Outlay. The 1982 Legislature approved the expenditure of \$824,000 for furniture, office equipment, storage units, tools, and other items considered necessary to equip the museum and prepare it for its public opening. (That amount has been reduced by \$12,952 as a result of the allotment imposed by the Governor.) For FY 1984, the Society is requesting \$512,562 in capital outlay for the museum, bringing to \$1,323,610 the amount available in FY 1983 and requested for FY 1984. According to the Society, this amount would purchase all of the items considered necessary to open the museum. Of the items requested for FY 1984, the greatest expenditure would be for storage equipment consisting of collection storage cabinets (\$333,633), art collection storage racks (\$35,000), and lockable doors for shelves in the museum storage room (\$65,000).

The Governor recommends \$8,000 for capital outlay. The money would be used to remove a section of the roof on the Memorial Building so that large artifacts could be lifted out with a crane and moved to the new building.

Approximately \$625,000 of the money approved for capital outlay in FY 1983 is unencumbered. The primary reason is that when the 1982 Legislature made its appropriation it was thought that the museum would be ready to move into late in FY 1983. Because the completion date of the museum has been moved to October, 1983, the bulk of the expenditures for office furniture, equipment, and tools to be used in the new building has not been spent. Most of the capital outlay money which has been spent has been used for routine operations of the museum department. Few expenditures have been made in connection with the new museum, although the Society expects to either spend or encumber the money by the end of FY 1983. Of the \$625,000 which is yet unspent, most (\$503,419) is earmarked for storage cabinets.

Exhibit Construction. It is the intention of the Society to dismantle the existing museum exhibits in the Memorial Building and construct new exhibits for display in the new museum. As much of the work as possible will be done in-house by museum personnel using equipment and materials purchased specifically for the design and construction of museum exhibits.

The Society estimates that the total cost of the materials needed is \$2,405,000. This figure is based upon an estimated cost of \$100 per square foot of exhibition space. (The museum will have two exhibit galleries totaling approximately 24,000 square feet.) The estimate was obtained by Society personnel who contacted

museum officials in other states and found that the \$100 per square foot cost was generally the lowest figure reported. The types of materials and services to be purchased include construction materials such as plywood, glass, carpeting, paint, and wallpaper; electrical wiring; tract and other lighting; audio-visual equipment; photographic and silkscreen supplies; small tools; the services of electricians and audio-visual consultants; and contracts for conservation services for artifacts which must be treated before they can be exhibited.

In its FY 1983 budget, the Society requested \$504,572 for exhibit construction, intending to request the balance of the \$2.4 million in FY 1984 and FY 1985. At the time the FY 1983 budget was considered, the completion of the building was expected in June, 1983, with the possibility that it might not be completed until the beginning of FY 1984. Therefore, the Legislature approved only a small amount of exhibit construction money (\$4,252) to be used to maintain current exhibits, reasoning that very little new exhibit design and construction could take place in FY 1983.

For FY 1984, the Society is requesting \$1,802,500 for exhibit construction and intends to request the balance (\$598,248) in FY 1985. The Society's position is that the public opening of the museum, which the society has scheduled for early in 1985, is dependent upon its request for exhibit construction money being approved for FY 1984 because it will take the staff at least a year to design and prepare the exhibits. The Society also notes that its requests for additional personnel and exhibit construction funds are interrelated. That is, some of the specialized personnel requested for FY 1984, such as the exhibit technicians, the photographer, and the carpenters, can not be used unless they have exhibit materials to work with, nor can the materials be used if there are no persons skilled in exhibit design and construction added to the staff.

The Governor recommends no funding for the construction of exhibits for the new museum. According to the budget document, funding for exhibit construction would be requested in FY 1985.

Capital Improvements. The 1982 Legislature approved the expenditure of \$318,915 for a pallet rack storage system which will add a second and third deck and shelving to the storage room of the new museum. At this time, the funds have not been spent because the storage system will not be added until the final phase of the museum's construction. The Society expects to encumber the money by late in FY 1983.

A request was also made in the FY 1983 budget, but not approved, for funds for an access road to the new museum. That request is again made in the agency's FY 1984 budget for an amount of \$492,077. The money would be used to build a two-lane road with concrete curbs and gutters leading from Sixth Street and Wanamaker Road to the museum site, approximately one-half mile away. The road would be built on a right-of-way donated by the Menninger Foundation.

The Governor recommends \$492,077 for the access road in his FY 1984 budget. At this time, however, the Department of Transportation has been notified by Topeka city officials that the road, as proposed, may not meet city specifications. Personnel in the Department of Transportation are working with city officials to determine what changes, if any, may need to be made in the design of the road before it will meet city standards. It appears likely that, if the city prevails and additional specifications must be met, the cost of the road would increase.

Security. The Historical Society presently contracts with the Highway Patrol for security personnel in the Memorial Building. (The FY 1984 budget includes \$19,866 for payment to the Highway Patrol which provides for one security guard on duty when the Memorial Building is open to the public.)

The problem of security at the new museum is made difficult by the relatively isolated location of the building. The building will be equipped with an electronic security and fire detection system which will be connected to police headquarters, a fire control center, and the Capitol Area Security Patrol. In addition, the Society wants to contract with the Highway Patrol for security personnel who will patrol the building and grounds on a 24-hour basis.

The museum staff believes two security persons should be on duty at all times after the building is completed and prior to the public opening. Once the museum is open to the public, the Society would like to increase the number of security personnel to three during the daytime shift when the public is in the building.

Based upon the staffing levels specified by the Society, the Highway Patrol has estimated that security for the museum will cost \$273,208 in FY 1984. The estimate includes \$212,206 for the salaries of nine Patrol Officers and three Patrol Sergeants who would be added to the number of personnel authorized for the Highway Patrol. (In order to provide coverage on weekends, holidays, and other days off, the total number of positions necessary to provide 24-hour coverage exceeds the number of people working during any one 24-hour period.) In addition, the request includes \$36,694 for equipment and \$24,308 for the installation of a radio tower so that the communication equipment used by the Patrol Officers will operate. The personnel provided for would be law enforcement officers, i.e., they would have full authority to make arrests and to carry guns.

The Governor recommends a total of \$111,796 for museum security. That amount provides for the salaries and wages of five Patrol Officers, their equipment, and mobile relay units which eliminate the need for a radio tower. The number of positions recommended would provide for one security person on duty for each of two shifts (3:00 p.m. until 7:00 a.m.) from Monday through Friday. On Saturdays and Sundays, one person would be on duty for each of three shifts.

Moving Costs. It is estimated that the 90,000 artifacts which will be moved to the new building amount to 62,000 cubic feet or more than 30 van loads. The Society is requesting \$84,350 to pay for the services of professional movers who will transport artifacts to the museum over a several month period. In addition, the Society is requesting \$7,983 for packing materials and other items needed to wrap and keep track of objects during the move. (These amounts are in addition to \$8,234 included in the agency's request for capital outlay for moving equipment and for removing and replacing a section of roof in the Memorial Building so that large objects can be removed with a crane.)

In his budget for FY 1984, the Governor provides for moving costs, although at a lesser amount than that requested by the Society. The Governor recommends \$78,114 for payment to professional movers, \$7,943 for packing materials, and \$8,000 for the removal of a section of the Memorial Building roof.

Other Operating Costs. Excluding expenditures for staff salaries and capital outlay, the operating budget of the museum department is estimated to be \$126,563 for FY 1983. This amount is for the routine operation of the department and includes printing costs, the repair of office equipment, travel and subsistence expenses for the museum staff, special storage and conservation materials, materials for the museum outreach program, and the operation of the Souders Farm Museum.

For FY 1984, the department is requesting \$693,950 for museum operations, excluding funds for salaries, capital outlay, and exhibit construction materials. Some of the increase over the estimate for FY 1983 is due to expenses specifically associated with the new building. These expenses are estimated to total \$219,412 and include the following: phone service (\$25,351), the repair and servicing of equipment and electrical and mechanical systems purchased specifically for or installed in the new building (\$18,036), utilities (\$152,653), and janitorial supplies (\$15,075).

The Governor recommends a total of \$205,189 for these specific expenses associated with operating the new museum.

Summary of FY 1983 and FY 1984 Museum Opening Costs. With the exception of expenditures for staff and security personnel and other operating costs, the major items discussed in this paper are "one-time" expenditures associated with constructing, equipping, and providing access to the museum. These costs are summarized below:

TABLE I
MUSEUM OPENING COSTS

	<u>Available For FY 1983</u>	<u>Requested For FY 1984</u>	<u>Anticipated For FY 1985</u>
Capital Outlay	\$811,048 ^(a)	\$ 512,562	
Exhibit Construction	4,252	1,802,500	\$598,248
Capital Improvements:			
Pallet Racks	318,915 ^(b)		
Access Road		492,077 ^(c)	
Moving Costs		92,333 ^(c)	
Landscaping	20,000 ^{(b),(d)}		

a) \$625,000 (approximately) is unencumbered.

b) Unencumbered.

c) Excludes moving costs (\$8,234) included in FY 1984 request for capital outlay.

d) Excludes landscaping costs (\$62,000) contracted for as part of building construction.

In general, the bulk of the museum opening costs is included in the FY 1983 budget and in the Society's FY 1984 budget request. A major exception is the remainder of the exhibit construction cost (\$598,248) which the agency plans to include in its budget request for FY 1985.

A comparison of the Society's request for FY 1984 for museum opening costs and the Governor's recommendation is shown below:

	<u>Requested for FY 1984</u>	<u>Governor's Recommendation</u>
Capital Outlay	\$ 512,562	\$ 8,000
Exhibit Construction	1,802,500	—
Access Road	492,077	492,077
Moving Costs	92,333	86,057
TOTAL	<u>\$ 2,899,472</u>	<u>\$ 586,134</u>

Private Gifts

When the decision was made to construct a new museum, the Legislature established a fund into which could be deposited gifts, grants, and bequests from private individuals, groups, and organizations. The purpose of the fund was to give the Society an additional source of revenue with which to support its expanding museum activities.

At the present time, private donations for the new museum total approximately \$323,000. Most of this money is restricted and must be used for the purposes specified by the donors. Examples include \$100,000 from the Garvey Foundation for conservation laboratory equipment and a \$183,892 bequest for statuary to enhance the museum.

In order to assess the feasibility of a major fund-raising campaign, the Historical Society hired a consultant in June, 1982, to evaluate the Society's potential for generating significant financial support from the private sector. The consultant interviewed 56 persons in Kansas who were considered to "represent a cross-section of those who will determine the ultimate success of the program." That is, they represented people active in community and business affairs who were in positions to make or influence charitable and philanthropic contributions.

The report, issued in October, 1982, observes that, like many cultural organizations, the Historical Society will have to make a particular effort to publicize its activities before it can expect to generate significant private support. Secondly, the report notes a generally pessimistic view about the economy on the part of persons who are able to make philanthropic contributions, causing them to place a higher priority upon contributions to social instead of cultural organizations. The report concludes that it might be realistic for the Society to begin an intensive campaign for private donations late in 1983 or early in 1984 with a target in the range of \$2,000,000 to \$2,500,000. The campaign would have to be preceded in 1983 by a major effort to make potential donors aware of the Society's activities and mission.

ATTACHMENT I

MUSEUM STAFF POSITIONS

Division	Current Staff (F.T.E.)	Requested Staff FY 1984
Administration Current F.T.E.: 9.2	Museum Director (1.0) Assistant Museum Director (1.0) Historian (1.0) ^{1,2} Historian (1.0) ² Museum Assistant (1.0) Secretary II (1.0) ¹ Clerk-Steno II (1.0) Custodial Worker Custodial Worker (2.2) Custodial Worker	
Conservation Current F.T.E.: 1.0	Conservator (1.0)	Conservation Technician (1.0)
Registration Current F.T.E.: 1.0	Museum Specialist (1.0)	
Curatorial Current F.T.E.: 14.0	Museum Specialist (1.0) ³ Museum Specialist (1.0) ³ Museum Specialist (1.0) ³ Museum Assistant (1.0) ³ Museum Specialist Intern Museum Specialist Intern (1.0) ⁴ Museum Specialist Intern (1.0) ⁴ Museum Specialist Intern (1.0) ⁴ Museum Specialist Intern (1.0) ⁴ Museum Specialist Intern (1.0) ⁴ Museum Specialist Intern (1.0) ⁴ Clerk Typist II (1.0) ³ Clerk Typist II (1.0) ³ Clerk II (1.0) ³	(1.0) ⁴

<u>Division</u>	<u>Current Staff (F.T.E.)</u>	<u>Requested Staff FY 1984</u>
Exhibits Current F.T.E.: 4.0	Museum Exhibits Director (1.0) ¹ Museum Specialist (1.0) Graphic Designer I (1.0) ¹ Maintenance Carpenter (1.0)	Exhibit Technician (1.0) Exhibit Technician (1.0) ² Photographer I (1.0) ² Maintenance Carpenter Supervisor I (1.0) Maintenance Carpenter (1.0) ² Laborer II (1.0) ² Laborer II (1.0) ²
Education Current F.T.E.: 2.0	Museum Specialist (1.0) Museum Assistant (1.0)	Secretary I (1.0)
Physical Plant Current F.T.E.: 2.0	Physical Plant Supervisor (.5) ¹ (increases to 1.0 in FY 1984) Custodial Worker (.5) ¹ (increases to 1.0 in FY 1984) Custodial Worker (.5) ¹ (increases to 1.0 in FY 1984) Custodial Worker (.5) ¹ (increases to 1.0 in FY 1984)	Building Systems Operator (1.0) Chief of Custodial Services (1.0) Custodial Worker (1.0) Custodial Worker (1.0) Custodial Worker (1.0)
Souders Farm Museum (Cheney) Current F.T.E.: 1.0	Curator I (1.0)	

Agency Total: Current F.T.E.: 34.2*
Req. FY 1984: 14.0

* The F.T.E. will automatically increase by 2.0 in FY 1984 as a result of positions authorized part-time for FY 1983 becoming full-time in FY 1984.

- 1) Added in FY 1983.
- 2) Temporary position which will terminate at the end of the planning, research, and relocation period associated with the development of the new museum.
- 3) Positions associated with the special cataloging project which will be completed at the end of FY 1983. However, the Society wishes to retain existing positions beyond FY 1983 to staff the new museum. According to the Society, abolishing these existing positions would result in a corresponding increase in the number of new positions requested for FY 1984.
- 4) Positions associated with the special cataloging project which will be completed at the end of FY 1983. The agency wishes to retain these positions through FY 1984 to assist in the move to the new museum.

ATTACHMENT II

HISTORICAL SOCIETY'S FY 1984 PRIORITY
LISTING OF MUSEUM POSITIONS REQUESTED

<u>Priority</u>	<u>Position (F.T.E.)</u>	<u>Salary (Including Benefits)</u>	
1	Chief of Custodial Services (1.0)*	\$17,400	
2	Building Systems Operator (1.0)*	17,400	
3	Secretary I (1.0)** (Education Secretary and Coordinator)	13,580	
4	Conservation Technician (1.0)*	18,961	
5	Custodial Workers (3.0)*	10,866	each
6	Exhibit Technicians (2.0)	18,962	each
7	Maintenance Carpenter Supervisor (1.0)*	18,191	
8	Laborers II (2.0)	12,420	each
9	Photographer I (1.0)	16,691	
10	Maintenance Carpenter (1.0)	16,025	

* Recommended by Governor.

** Position recommended by Governor at .75 F.T.E. (Position federally funded for first three months of the fiscal year.)