

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by Senator Paul Hess at _____
Chairperson

11:00 a.m./p.m. on March 7, 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 Office: Mark Skinner, Doris Fager

Conferees appearing before the committee:

John Hipp, Division of Architectural Services, Department of Administration
Jim Cobler, Division of Accounts and Reports, Department of Administration
Art Griggs, Chief Counsel, Department of Administration
Gary Howland, Department of Administration

SB 389 - Accessibility of state building construction documents

Mr. Hipp explained the purpose of the request for SB 389. He said that secured facilities such as the prison would be restricted from public view; and at the discretion of the Secretary, viewing of documents can be restricted for commercial purposes.

Senator Hess questioned limiting reproduction, asking if there are other laws which might take care of that problem. Mr. Hipp said most architects and engineers do not copyright work, so he was not aware of any such laws. During the ensuing discussion, Mr. Hipp said that anyone can look at the work, but it cannot be reproduced for commercial purposes. He gave an example of the Topeka Arts Council using a drawing from the Division of Architectural Services for fund-raising. The particular document was then reproduced and is on sale in certain art stores. He explained that he does not think that is the proper use for such drawings.

SB 394 - State capital improvement projects; exempting from certain fees

Mr. Hipp explained that the contents of SB 394 have been followed but are not statutory. The Secretary of Administration had requested an opinion from the Attorney General, and the opinion stated that state capital improvement projects are exempt from local building codes so far as payment of fees are concerned. The opinion further stated these projects are subject to zoning ordinances. This bill merely follows what has actually been done in the past, and abides by the Attorney General's opinion and a decision by the State Supreme Court in a KUMC parking garage case.

When asked by Senator Hein why this policy is necessary, Mr. Hipp said there are many different codes throughout the state in the various cities; that there is no state building code; and that the Department of Administration enters into contracts with architects, etc., by using the Uniform Building Code. Furthermore, the fees are substantial, and would cost the state a good deal. He suggested that, if the state is to be subjected to fees, there should be a uniform code for all building projects.

SB 395 - Capital improvement projects for state agencies; architectural and management services provided by the secretary of administration

Mr. Hipp explained that the Governor's budget made the assumption the Division of Architectural Services would be able to charge a fee for services rendered to reduce the drain on the State General Fund. He noted that his budget was reduced by about \$200,000, which relates to loss of 8 positions. This would severely handicap the ability to do adequate work within state agencies. He explained that SB 395 would allow his department

SB 395 - Continued

to charge all agencies one percent of the estimated cost of construction. He explained that the Governor's budget is the only base upon which his department can work.

Senator Hein said the subcommittee report for the Department of administration recommended passage of this bill.

SB 396 - Contracts for construction, etc., exempt from competitive bidding

Mr. Hipp explained that the bill raises the contract amount which can be exempt from bidding from \$2,000 to \$5,000. He noted that it takes much time and money to do competitive bidding, and he reminded the committee that the proposal applies only to construction projects.

There was an extended discussion concerning the proposal and its effect on state agencies.

SB 390 - State Warrants; disposition of balances, etc.

Mr. Cobler explained the proposal before the committee. He said that, under present legislation, his division invariably must request a supplemental appropriation. Under proposed legislation, the warrants would be placed in a special fund and all payments would be made from that fund. He said it is the intent to keep enough funds to deal with the outlawed warrants. There were questions from committee members following his explanation

SB 392 - State payroll accounting

Mr. Cobler explained SB 392. He said the new personnel and payroll system would allow the Division of Accounts and Reports to look at the account from which a certain agency intends to fund a state employee. He would like to be able to charge that account directly without going through a clearing fund. He explained that this is a technical adjustment. He then distributed a balloon of SB 392 with proposed amendments (See Attachment A).

SB 397 - Collection of amounts owed to state; duties of director of Accounts and Reports

Mr. Cobler said present legislation concerning set-offs has been working very well, and collections are increasing. However, the level of participation by state agencies is not what it should be. Some agencies do not submit all their bad debts and some do not submit any bad debts.

Mr. Cobler explained the provisions of the bill: (1) it assigns all accounts written off by an agency to the Director of Accounts and Reports. He said that the fee for collecting the accounts is used to finance his agency, and it sometimes causes funding problems for him. He said he is attempting to get all accounts turned over to the Division of Accounts and Reports. (2) it grants authority to the Secretary of Administration to require that agencies certify all delinquent debts to the Department of Administration. This should solve the problem of having all delinquent debts turned over to the Division of Accounts and Reports. (3) It states that if a portion of a debt is collected and future payments are made to the agency, the Division of Accounts and Reports would get a 15% fee from the future payments.

There were questions from committee members and a lengthy discussion concerning the success of the program.

SB 388 - Transfer of money from SGF to Property Contingency Fund, etc.

Mr. Griggs explained the proposal to the committee. He said the Property Contingency Fund was established to receive proceeds from the 500 Block Kansas Avenue property, and this may be received around September 1.

SB 388 - Continued

Mr. Griggs said the balance in the fund will be used to retire bonds on 503 Kansas Avenue; and the remainder is to be expended for rents, moving costs, equipment, etc., associated with moving state agencies into the Santa Fe Office Building. The interest on the fund now goes to the State General Fund, according to Mr. Griggs.

SB 393 - Department of Administration; transfers of moneys between funds

Mr. Howland noted that the bill has been discussed before in conjunction with the department's appropriation. It combines several building operating funds, and combines depreciation funds into a single fund for all buildings operated by the Department of Administration. The depreciation fund would be used for replacement of equipment and capital improvements only on buildings which contribute to the fund. A percentage of that (39.5%) would be used to finance the power plant at the capitol complex.

There were questions from committee members. Senator Bogina noted that it is an economic way of financing various items, and that it is a way to get the job done, even though he does not fully agree with the proposal.

SB 392

Motion was made by Senator Harder and seconded by Senator Steineger to adopt the amendments proposed by Mr. Cobler in Attachment A. The motion carried by voice vote.

Motion was made by Senator Harder and seconded by Senator Steineger to report SB 392 as amended favorably for passage. The motion carried by roll call vote.

SB 390

Motion was made by Senator Steineger and seconded by Senator Werts to report SB 390 favorably for passage. The motion carried by roll call vote.

SB 397

Motion was made by Senator Bogina and seconded by Senator Harder to report SB 397 favorably for passage. The motion carried by roll call vote.

SB 388

Motion was made by Senator Steineger and seconded by Senator Werts to report SB 388 favorably for passage. The motion carried by roll call vote.

SB 393

It was the concensus of the committee that this proposal should be held for further consideration.

SB 389

Several members of the committee expressed concern with certain provisions in SB 389. Mr. Griggs suggested he might work with Mr. Hipp to come up with alternative language. It was decided to hold SB 388 for further consideration.

SB 395

Motion was made by Senator Steineger and seconded by Senator Hein to report SB 395 favorably for passage. The motion carried by roll call vote.

SB 396

Motion was made by Senator Bogina and seconded by Senator Steineger to report SB 396 favorably for passage. The motion carried by roll call vote.

SB 109 - Appropriations FY 1984, Department of Administration, etc.

Section 7 - State Historical Society

Senator Hein explained that when the subcommittee for this proposal met they did not have access to the recommendations of the Joint Committee on State Building Construction concerning Historical Society Buildings.

Motion was made by Senator Hein to reconsider action on SB 109 and the subcommittee reports with the purpose of considering recommendations of the Committee on State Building Construction. Following a brief explanation of Attachment B, Senator Bogina seconded the motion and it carried by voice vote.

Motion was made by Senator Hein and seconded by Senator Gaines to amend the subcommittee report for the State Historical Society to concur with the Building Committee's recommendation, and that SB 109 be amended accordingly. The motion carried by voice vote.

Motion was made by Senator Hein and seconded by Senator Warren to adopt the amended subcommittee report. The motion carried by voice vote.

Motion was made by Senator Hein and seconded by Senator Warren to report SB 109 as amended favorably for passage. The motion carried by roll call vote.

The meeting was adjourned by the Chairman.

SENATE BILL No. 392

By Committee on Ways and Means

2-28

Att A 3-783

0016 AN ACT concerning state payroll accounting; amending K.S.A.
0017 75-5516 and repealing the existing section.

0018 *Be it enacted by the Legislature of the State of Kansas:*

0019 Section 1. K.S.A. 75-5516 is hereby amended to read as fol-
0020 lows: 75-5516. (a) There is hereby created in the state treasury a
0021 payroll account for each state agency which shall may be used
0022 by the director of accounts and reports and state treasurer to
0023 issue a consolidated payroll for each state agency. *If consoli-*
0024 *dated payroll procedures are required by the director of ac-*
0025 *counts and reports, each state agency shall file such consoli-*
0026 *dated claims and encumbrance documents containing*
0027 *authorization to pay future salaries and wages of officers and*
0028 *employees of such state agency. Payment of such future salaries*
0029 *and wages shall be based on [certified] time and attendance*
0030 *reports required by the director of accounts and reports. Payrolls*
0031 *of state agencies prepared by either the agency or the director of*
0032 *accounts and reports as prescribed in the system of payroll*
0033 *accounting shall be charged against the payroll account created*
0034 *herein for the state agency by this section or directly against the*
0035 *appropriate agency account or accounts in the state treasury on*
0036 *an individual account basis as determined by the director of*
0037 *accounts and reports. The payroll of each state agency shall*
0038 *show thereon a summary distribution of the amount of the*
0039 *payroll to be charged against each appropriation [account within*
0040 *the state treasury ~~or fund~~ account in the custody of the state*
0041 *treasurer, and. If the consolidated payroll procedures are in*
0042 *effect under this section at the time the payroll is paid, the*
3 *director of accounts and reports and state treasurer shall transfer*
0044 *moneys from each appropriation in the state treasury ~~or fund~~*

or fund

or fund

or fund

~~account~~ in the custody of the state treasurer to the payroll account of *the state agency* in the amounts shown on the payroll distribution summary, and shall charge such amounts to the ~~fund~~ 0047 ~~account, appropriation or allotment~~ *proper* account affected 0048 thereby. For purposes of providing a procedure for automatic 0049 payment of reported time worked, salaries and wages due, and 0050 for proper cost allocation and distribution of designated project, 0051 indirect overhead or other employee salary and wage cost to 0052 establish cost centers or sub-activities, activities, accounts, work 0053 project, federal grant, ~~appropriation or fund~~ *or other appropriate* 0054 account, the encumbrance documents required ~~herein~~ may be 0055 filed against such agency payroll clearing accounts as may be 0056 established on the records by the director of accounts and reports 0057 to pay such project or shared salary and wage costs. Advances 0058 from ~~appropriations~~ *appropriate accounts* within the state trea- 0059 sury ~~or fund~~ *accounts* in the custody of the state treasurer may be 0060 made to such agency payroll clearing accounts on the records in 0061 the amount required to cover the estimated salary and wage costs 0062 of such officers and employees. Any advances made to such 0063 agency payroll clearing account shall be used for the payment of 0064 actual salary and wage costs chargeable from actual time and 0065 attendance reports or returned to the appropriate ~~appropriation~~ 0066 ~~or fund~~ account, and such transactions shall be based on claims 0067 ~~certified~~ by the chief administrative officer of the state agency or 0068 such officer's authorized representative. Upon request of any 0069 state agency, the director of accounts and reports may authorize 0070 the issuance of payrolls within a fund other than that authorized 0071 by this section.

0072 (b) Under rules and regulations established as provided in 0073 K.S.A. 75-3706 *and amendments thereto*, the accounting system 0074 may include provisions for the settlement of transactions be- 0075 tween state agencies by making of debit and credit entries on the 0076 books on the basis of adequate vouchers, approved by the direc- 0077 tor of accounts and reports in lieu of warrants. The director of 0078 accounts and reports, upon approval of any such voucher, shall 0079 immediately notify the state treasurer of the amount thereof, and 0080 of the accounts which are to be debited and credited upon the

{ approved by *Signature*
or *electronic means* }

0082 treasurer's books and records. The state treasurer and the direc-
0083 tor of accounts and reports shall forthwith make the proper
0084 entries upon their books and records to correspond to such debit
0085 and credit entries.

0086 Sec. 2. K.S.A. 75-5516 is hereby repealed.

0087 Sec. 3. This act shall take effect and be in force from and
0088 after its publication in the ~~statute book~~ Kansas register.

MEMORANDUM

March 4, 1983

TO: Senate Ways and Means Committee

FROM: Kansas Legislative Research Department

RE: Recommendations Concerning the State Historical Society
by the Joint Committee on State Building Construction

The Senate Ways and Means Subcommittee on the State Historical Society concurred with the Governor's recommendations concerning capital improvements, pending a review and recommendations by the Joint Committee on State Building Construction. The Joint Committee met and made recommendations February 2, 1983. The Society's request, the Governor's recommendation, and the Joint Committee's recommendation are shown below.

Project	Request FY 1984	Governor's Rec. FY 1984	Committee Rec. FY 1984
Memorial Building Air Conditioning System Repair	\$ 37,100	\$ 37,100	\$ 37,100
Warehouse Conversion to Natural Gas	5,581	—	5,600
Warehouse Fire Detection and Surveillance System	23,184	—	—
Historic Properties Maintenance Program	168,181	—	100,000
Pottawatomie Baptist Mission Adaptive Renovation	967,680	—	50,000 ^b
Repair of Memorial Building Retaining Wall	7,500	—	—
Memorial Building Loading Dock and Handicapped Entry Repair	33,600	—	—
Access Road to Kansas Museum of History	492,077	492,077	30,000 ^c
Installation of Air Conditioning Units in Memorial Building	7,844	7,844	—
Shawnee Mission Rehabilitation	140,800 ^a	140,800	140,800
TOTAL	<u>\$1,883,547</u>	<u>\$ 677,821</u>	<u>\$ 363,500</u>

Funding

State General Fund	\$1,742,747	\$ 537,021	\$ 222,700
Federal Revenue Sharing Fund	140,800	140,800	140,800

- a) Multi-year funding from the Federal Revenue Sharing Fund for the renovation of the Shawnee Mission was included in 1981 S.B. 157 in the following amounts: \$207,000 in FY 1982, \$246,240 in FY 1983, and \$140,800 in FY 1984.
- b) Funding is for the purpose of completing the exterior renovation to the Mission.

AH B 3-7-83

Footnotes (continued)

- c) Funding is for the purpose of developing final plans and specifications for the access road. It is the recommendation that the road be built in FY 1985. The Kansas Department of Transportation is in the process of preparing a response to the Joint Committee concerning available options concerning the road. Specifically, the Department has been requested to address the question of whether the road could become part of the state highway system, whether the road must meet city of Topeka specifications, and how the road could be maintained.