

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANSThe meeting was called to order by Senator Paul Hess at  
Chairperson9:00 a.m./p.m./ on April 20, 1983, 19\_\_ in room 123-S of the Capitol.

All members were present except:

## Committee staff present:

Research Department: Marlin Rein, Sherry Brown, Julian Efird  
Revisor's Office: Norman Furse  
Committee Office: Mark Skinner, Doris Fager

## Conferees appearing before the committee:

Omnibus Bill -HB 2576University of Kansas Medical CenterA. Wichita Housestaff Positions

Following presentation by staff and explanation of this item, it was decided to defer approval until a decision is made concerning the amount of increase in salary for state employees.

B. Utilities

It was noted by staff that the decision made at the April 19 meeting concerning utilities at Regents' Institutions included this item.

C. Senate Bill No. 282 (Pending)

The committee approved the suggestions included in the memorandum dated April 18, 1984, providing SB 282 is passed by the Legislature.

D. Senate Bill 284

The committee approved additional appropriation of \$41,313 to support the Health Care Stabilization Fund.

Kansas Corporation CommissionA. Unclassified Positions

Following explanation of this item by staff, it was agreed to approve the recommendations, since authorization for these unclassified positions was omitted from SB 109.

B. Research AssistantsIn addition to the explanation found in the Research Department memorandum of April 18, 1983, this item is detailed in a letter from the State Corporation Commission dated April 15, 1983. (See Attachment A) Following a lengthy discussion and questions from committee members, motion was made by Senator Warren and seconded by Senator Hein to authorize three new positions to the position limitation for FY 1984, plus increased salary limitation authority, but no additional expenditure authority for the total K.C.C. budget. The motion carried by voice vote.

Omnibus Bill (HB 2576) - Continued

Kansas Corporation Commission - Continued

C. Mined Land Board

The request detailed in the explanation of this item is also contained in Attachment A. The committee did not approve the request.

D. Claim.

The committee approved expenditure of only \$1,699 for this claim, instead of the \$4,000 suggested by the Commission in the letter dated April 15, 1983 (Attachment A).

INTRODUCTION OF BILL

Senator Steineger presented a bill to supplement the income tax proposal decoupling the federal income tax from state income taxes. He noted that the original bill has an adverse effect in regard to school aid entitlement in counties paying a large portion of the income tax. The bill he presented would nullify this effect.

Following a short discussion, motion was made by Senator Steineger and seconded by Senator McCray to introduce the above proposal and ask that it be referred back to this committee. The motion carried by voice vote.

The meeting was recessed until 1:00 p.m.



JOHN CARLIN  
RICHARD C. (PETE) LOUX  
JANE T. ROY  
PHILLIP R. DICK  
JUDITH A. McCONNELL  
BRIAN J. MOLINE

Governor  
Chairman  
Commissioner  
Commissioner  
Executive Secretary  
General Counsel

## State Corporation Commission

Fourth Floor, State Office Bldg.

Ph. 913/296-3355

TOPEKA, KANSAS 66612-1571

April 15, 1983

Representative William W. Bunten, Chairman  
House Committee on Ways and Means  
Room 514 South, Statehouse  
Topeka, Kansas 66612

Senator Paul Hess, Chairman  
Senate Committee on Ways and Means  
Room 123 South, Statehouse  
Topeka, Kansas 66612

Gentlemen:

Please let this letter serve as an official request for consideration of the following proposals for inclusion in the 1983 Omnibus Bill.

### 1. Commissioner's Personal Support Staff

As part of the compromise reached by the Conference Committee on 1983 Senate Bill 109 (which contains appropriations for the Kansas Corporation Commission), it was agreed that authorization for the three Research Assistant positions requested by the Commission would be reconsidered by both the House and Senate Ways and Means Committees during the week of April 18th if the Commission were to submit a proposal for funding of the positions. It was clearly understood that while neither the House nor Senate conferees were inclined to provide funding for the positions in FY 1984, the conferees were willing to consider increasing the agency's position limitation by 3.0 F.T.E. positions if the Commission chose to fund the positions within previously authorized budgetary authority. The Commission strongly supports retention of the Research Assistant positions in FY 1984 and is willing, if necessary, to make reductions in other portions of its budget to fund these positions.

While the Commission would probably realize a portion of its reduction by holding positions vacant for a period of time, it is unrealistic to assume that the entire reduction of

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9:00 A.M.

\$61,713 can be achieved through salary savings in view of the fact that all budgeted amounts for salaries in FY 1984 have already been adjusted for turnover. Consequently, some reductions will be made in the operating budget (i.e., the decision to eliminate or delay the purchase of selected capital outlay items, a closer inventory of office supplies, etc.). Because of the structure of the appropriations language for FY 1984, which places salaries and wages expenditure limitations on all funds, and because the Commission intends to realize its reductions not only in salaries and wages but in its operating budget as well, the Commission requests that expenditure limitations on salaries and wages be increased as follows:

Public Service Regulation.....	25,919
Motor Carrier License Fees Fund.....	10,491
Conservation Fee Fund.....	24,068
Mined-Land Conservation and Reclamation Fee Fund.....	1,235

This would not result in any increase in the overall size of the budget but would merely allow the Commission the flexibility to make its reductions in the other operating portion of its budget as well as salaries and wages.

The Commission has begun to review, in considerable detail, its FY 1984 budget with a view towards reducing operating expenditures through the implementation of better management practices. As positions become vacant, the Commission is reassessing its needs and the desirability of filling the position. When situations occur which necessitate the expenditure of funds not originally budgeted for, the Commission is examining how it will meet those expenditures within existing budgetary authority viewing supplemental funding requests only after all internal means of adjusting and reducing the budget have been exhausted. While the Commission has, in the past, routinely made this a part of its internal management practices, the Commission intends to make good faith effort in the future to more aggressively meet this responsibility.

Conferees on Senate Bill 109 also discussed the possibility of downgrading the Commissioner's secretarial staff to Secretary I level positions. This represents the recommendation made by the House Ways and Means Committee. This decision was also left open to reconsideration if the Commission chose to propose a compromise position. Presently,

the Chairman is assigned an Administrative Officer position while the other two Commissioners are each assigned a Secretary III position. The Commission would propose to downgrade the Administrative Officer position to a Secretary III level and maintain the other two positions at the present level. The duties and responsibilities of these positions far exceed that of a Secretary I classification. The Commission desires a clear indication of legislative intent in this regard. Uncertainties surrounding this decision have, in part, contributed to the Commission's loss this week of an immensely valued employee.

2. Potential Transfer-Energy Conservation Management Program

In the event that the Energy Conservation Management program is transferred to the Corporation Commission in FY 1984, the Commission would request that a financial audit be performed. An amount of \$23,835 has been identified as the FY 1984 transfer from the Kansas Energy Office to the Federal Audit Services Fund as adopted by the Federal Audit Committee. The Commission raises this issue only in an effort to ensure that the mechanics of such a transfer allow for the expenditure of funds by the Commission for the purpose of such an audit.

3. Claim

On April 11, 1983, an employee of the Commission (while enroute to the Mined-Land Conservation and Reclamation Board office located in Pittsburg) was involved in an automobile accident. While the Commission has not yet received an official estimate of damages, preliminary reports indicate that damages could total \$4,000.

4. Mined-Land Conservation and Reclamation Board

In view of the concerns recently expressed by the Office of Surface Mining regarding operation of the State's Mined-Land Conservation and Reclamation program and in view of the Board's response to the federal allegations, the Commission proposes to initiate a thorough review of the Board's rules and regulations. While not originally contemplated at the time the budget was prepared, the Commission has since determined that such a review is necessary and should be initiated immediately. The Commission presently assigns an Attorney on a very limited part-time basis to assist the Board. This Attorney's time is devoted largely to the Transportation

Division and any additional workload generated by virtue of rules and regulations review cannot be absorbed by this individual. The Commission requests that the expenditure limitation on the Mined-Land Conservation and Reclamation Fees Fund be increased in an effort to allow the Commission the ability to hire a full-time Attorney for the sole purpose of assisting the Board in the updating of its rules and regulations as well as its plan.

In an attempt to respond to the criticisms of the Office of Surface Mining, one alternative would be to conduct business much like the Commission conducts its rate hearings --in a quasi-judicial manner. In this regard, the Commission proposes the use of a Hearing Examiner on a part-time basis; the Hearing Examiner would listen to and take the evidence on the record and would make recommended findings to the Board. This approach has the virtue of formalizing the process, i.e., provides notice, provides a verbatim transcript, offers a formalized procedure that is understood by all parties, affords an opportunity to present evidence. Such a formalized process would represent an improvement when compared with the rather informal process that the Board presently functions under, and which the Office of Surface Mining finds objectionable.

Finally, work entailed with the review process could conceivably result in additional travel on the part of Board members. Costs associated with this proposal are detailed as follows.

Attorney's Salary	
(including fringe benefits).....	\$32,052
Hearing Examiner Services.....	3,000
Travel and Subsistence.....	4,438
TOTAL	<u>39,490</u>

Thank you for your consideration of these matters. If I can provide additional information please let me know.

Sincerely,



Judith A. McConnell  
Executive Secretary

cc: Budget Division  
Legislative Research