

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 February 1, 1984 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Mary Galligan, Lynne Holt, Julian Efird, Sherry Brown,
Chris Stanfield

Revisor's Office: Norman Furse

Committee Office: Mark Skinner, Doris Fager

Conferees appearing before the committee:

Ron Smith, Representative for Pester Oil Company

Art Griggs, Chief Attorney, Department of Administration

Jerry Shelor, Secretary, Department of Human Resources

Jerry Abbott, Department of Human Resources

Lynn Muchmore, Director, Division of the Budget

Warren Corman, Architect, Board of Regents

Dr. Robert Harder, Secretary, Social and Rehabilitation Services

Dennis Williams, Division of the Budget

Judith McConnell, Executive Secretary, Kansas Corporation Commission

Brian Moline, Kansas Corporation Commission

Terri Muchmore, Kansas Corporation Commission

Mahlon G. Weed, Adjutant General's Office

INTRODUCTION OF BILLS

Mr. Smith requested introduction of a bill by the committee concerning deductions from wages. He explained the provisions of the bill, noting that it implements Iowa law. (Attachment A)

Motion was made by Senator Werts and seconded by Senator Gaines to introduce the bill requested by Mr. Smith. The motion carried by voice vote.

Mr. Griggs distributed Attachment B, which contained a list of ten proposals the Department of Administration would like to have introduced by the committee. There was a brief review of the proposals. Senator Steineger commented there might be a conflict on Item #2.

Motion was made by Senator Hein and seconded by Senator McCray to introduce the ten proposals requested by the Department of Administration. The motion carried by voice vote.

SB 507 - Health Care Providers Liability Insurance

The Chairman distributed a memorandum indicating procedure for examining records of certain documents from an investigation of Wesley Medical Center submitted by Gerald L. Michaud, pursuant to a court order. (Attachment C) He explained that the records in question should be available on February 3 in Robert Coldsnow's office; and that action would not be taken on SB 507 on February 13, in order to give all committee members an opportunity to examine the records in question. The committee members agreed to this procedure.

DEPARTMENT OF HUMAN RESOURCES

Mr. Shelor distributed Attachments D and E, and proceeded to give an overview of the Department of Human Resources. As he spoke, committee members asked questions. In answer to a question from committee he said there are approximately 1,088 employees in the Department at the present time; and the number can go as high as 1,300 during periods of high unemployment.

There was discussion about reorganization of the department, advisory committees and the work of those committees.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

DEPARTMENT OF HUMAN RESOURCES - Continued

Senator McCray commented about the apprenticeship training, and asked if more emphasis would be placed upon allowing people other than relatives and friends of employees to be in the apprenticeship programs of various trades. Mr. Abbott indicated apprenticeship trainees are not selected by the Department, but by industry. At Goodyear, for instance, the company tests employees and certain criteria are required. He said the problem involving those programs is in industry and in labor. He added that he isn't sure how labor unions handle the apprenticeship training.

Senator Bogina noted that, in 1983, the Legislature appropriated \$390,961 in major maintenance of an emergency nature on existing buildings. He added that it is his understanding a building was purchased in Wichita with those funds. Mr. Shelor said when he became Secretary of the Department of Human Resources he thought it was established there may be a possibility of purchasing a building in Wichita in order to consolidate offices. He noted the language used in the appropriation measure was the same as that used by the Federal Government; that the purchase was approved by the Department of Administration and by the Federal Government. He said he thought the funds appropriated were federal funds. When Senator Bogina commented that he didn't think the appropriation language meant buying a building, Mr. Shelor said he would prepare an explanation and send to the Senator.

Senator Hein requested information about the number of claims filed in order to determine the percentage of claims upheld as they go through various appeal levels. He added that he is concerned that there are too many levels of appeal. Mr. Shelor agreed to furnish that information.

SB 577 - Emergency Supplemental Appropriations FY 1984

The Chairman asked Mr. Muchmore if he would like to comment on any portion of the bill. Mr. Muchmore answered that there would be a change on lines 76 and 79 in the dollar amounts. Other than that, he had no comments.

Section 2 - Adjutant General

Colonel Weed distributed information relative to this section and answered questions from committee members. (See Attachment F)

Section 3 - State Corporation Commission (See detailed discussion later in minutes)

Section 4 - Emporia State University

Mr. Corman said the Joint Committee on State Building Construction chaired by Representative Farrar has reviewed this request and has a recommendation.

Senator Bogina (also a member of the Building Construction Committee) referred to Attachments G and H and explained the reason for the request. He reminded the committee that there had been a determination by the Department of Labor of the prevailing wages that should be paid on projects with revenue sharing funds. He explained that the original appropriation was made during the 1982 session; that Breukelman Hall roof repair was to be done with federal funds; and when the work began there was picketing because of the revenue sharing funds used on the project. If prevailing wages are paid, the project will cost \$44,885 extra. Consequently, the Building Committee recommends that the Federal revenue sharing funds be lapsed and Educational Building Fund funds be appropriated instead. (See Attachment H).

Motion was made to amend Section 4 of SB 577 to lapse \$137,996 of federal revenue sharing funds and appropriate \$127,996 from the Kansas educational building fund. The motion was made by Senator Bogina and seconded by Senator McCray, and carried by voice vote.

SB 577 - Continued

Section 5 - Youth Center at Topeka

Senator Bogina explained that the \$193,000 in line 86 needs to be appropriated for FY 1986 instead of FY 1984; but that the appropriation needs to be included in SB 577 in order that a contract may be signed.

Motion was made by Senator Bogina and seconded by Senator Harder to amend SB 577, Section 5, to provide for an appropriation of \$193,000 for FY 1986, and to change the title of the bill accordingly. The motion carried by voice vote.

Section 6 - Larned State Hospital

Dr. Harder explained that this section is an extension of what is being done in working with the mentally disabled who come to SRS from the Corrections system. He added that this provides beds for the mentally ill, but is not included in the total number of on-line new beds. Senator Bogina volunteered that the radio equipment had also been approved by the Building Construction Committee.

Section 7 - Department of Administration

Mr. Williams explained that the fund alluded to in this section was in SB 12 (1983 session) which was vetoed by the Governor. He added this clears up necessary problems in HB 2678 (1984 session). There were further questions for clarification of the funds. Mr. Furse explained this is the fund for health care coverage. When the Governor vetoed SB 12, no money went into the fund. The transfer is to reimburse the State General Fund for advancing the \$75,000. When Senator Hein asked if that reimbursement would actually occur, Senator Hess said it should occur because HB 2678 provides an assessment of the cost; and there is no attempt to say the State General Fund should not be reimbursed.

ADDITIONAL SECTION

Motion was made by Senator Bogina and seconded by Senator Talkington to follow Building Committee recommendations to lapse EBF funds in the amount of \$144,511 at Pittsburg State University. The motion carried by voice vote.

Section 3 - State Corporation Commission

Atch. I.
Ms. McConnell explained that this section would increase expenditure limits on various funds in the Kansas Corporation Commission by over \$700,000 and the major portion is related to the Wolf Creek investigation. There were a number of questions from committee members concerning that investigation and the need for additional work there by the Commission.

Motion was made by Senator Talkington and seconded by Senator Doyen to report SB 577 as amended favorably for passage. The motion carried by roll call vote.

The meeting was adjourned by the Chairman.

SENATE BILL NO. _____

AN ACT relating to deductions from wages; amending K.S.A. 44-319 and repealing the existing section.

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

Section 1. K.S.A. 44-319 is hereby amended to read as follows: 44-319. (a) No employer may withhold, deduct or divert any portion of an employee's wages unless: (1) The employer is required or empowered to do so by state or federal law; (2) the deductions are for medical, surgical or hospital care or service, without financial benefit to the employer, and are openly, clearly and in due course recorded in the employer's books; or (3) the employer has a signed authorization by the employee for deductions for a lawful purpose accruing to the benefit of the employee.

(b) The following shall not be deducted from an employee's wages unless deducted pursuant to written agreement signed by the employer and employee: (1) Cash shortage in a common money till, cash box or register operated by two or more employees or by an employee and an employer. However, the employer and a full-time employee who is the manager of an establishment may agree in writing the employee will be responsible for a cash shortage that occurs within 45 days prior to the most recent regular payday;

(2) losses due to acceptance by an employee on behalf of the employer of checks which are subsequently dishonored if the employee has been given the discretion to accept or reject such checks and the employee does not abuse the discretion given;

(3) losses due to breakage, lost or stolen property, unless such tools and equipment are specifically assigned to and their receipt acknowledged in writing by the employee from whom the deduction is made;

(4) damage to property, default of customer credit or nonpayment for goods or services rendered so long as such losses are not attributable to the employee's willful or intentional disregard of the employer's interests; and

(5) gratuities received by an employee from customers of the employer.

~~(b)~~ (c) Nothing in this section shall be construed as prohibiting the withholding of amounts authorized in writing by the employee to be contributed by him to charitable organizations; nor shall this section prohibit deductions by check-off of dues to labor organizations or service fees, where such is not otherwise prohibited by law.

Sec. 2. K.S.A. 44-319 is hereby repealed.

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

STATE OF KANSAS
DEPARTMENT OF ADMINISTRATION
JOHN CARLIN, Governor
PATRICK J. HURLEY, Secretary of Administration
Room 263-E, Capitol Building
(913) 296-3011

MEMORANDUM

TO: Senate Ways and Means Committee
FROM: Arthur Griggs, Chief Attorney
DATE: February 1, 1984
SUBJECT: Request for Committee-Sponsored Bills

The Department of Administration has several legislative proposals that we wish to have considered by the 1984 Legislature. We are requesting that the following bills be introduced by the Senate Ways and Means Committee:

1. Imprest funds (3 RS 1935) Many state agencies have imprest funds, which are checking accounts in local banks that can be used to make immediate payments for certain types of transactions. The bill provides a mechanism whereby all the various imprest fund accounts would be held by one bank. By establishing a "zero balance account" the monies in imprest funds could then be invested and earn interest until such time as they are needed to pay checks written on the various imprest funds. Interest earnings under this mechanism would be credited to the state general fund.

2. Contracts for financial services (3 RS 2083) Currently large acquisitions of equipment which will be paid for over several years are generally structured through vendor-arranged financing from third party leasing companies. In the past few years many governmental entities have utilized "certificate of participation" financing to reduce the interest expense associated with installment purchase or lease purchase procurements. Although the state of Kansas to date has not utilized this method of financing, it is believed that it can result in substantial savings of interest expense in certain large procurements. Because of both lack of experience and the multitude of variables to consider in the documents necessary to structure certificate of participation financings, the bill permits deviation from the procurement procedures used for the purchase of goods. The procurement procedure authorized by the bill

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follows the same request for proposal format that was used to structure the state's deferred compensation program and the procurement procedure provided in 1984 HB 2678, relating to the state's health care benefits program.

3. Trust funds (3 RS 2150) This bill clarifies that inmate and patient funds held by a state agency may be placed in interest-bearing checking accounts.

4. Motor Vehicle property tax receipts to the state (3 RS 2237) K.S.A. 1983 Supp. 12-1678a sets six dates for county treasurers to distribute property taxes to local taxing units. This bill provides that county treasurers distribute the state's share of motor vehicle taxes on this same time schedule.

5. Remittance of state property tax levies (3 RS 1961) The state makes a property tax levy for the educational building fund and the state institutions building fund. County treasurers collect this tax along with other property taxes. Current law does not specify particular due dates as to when county treasurers should remit this money to the State Treasurer. Rather, the Division of Accounts and Reports periodically request tax collection data from the county treasurers. After receiving this data a sight draft is generated by the state and sent to each county to bring the funds into the state treasury. Because this procedure is more time consuming and has more administrative cost than periodic payment dates, the bill proposes to establish periodic remittance dates for the collection of these funds.

6. Credit card charge tickets (3 RS 2148) Currently some state agencies permit the use of credit card charges to pay certain fees and expenses. State agencies then deposit the credit card charge ticket in their fee agency accounts. These agency accounts do not pay bank service charges but rather are compensated for their services by the use of compensating balances. The Division of Accounts and Reports specifies to state agencies the frequency for remitting their fee funds to the state treasurer; it is through this process that banks obtain the "compensating balance". Since different banks apply varying service charges for charge card tickets, this bill permits the state to negotiate with financial institutions for the collection of credit card tickets. It is felt that by pooling the various charge card tickets from state agencies, the state can realize a lower service charge for costs incurred in the processing of charge card tickets.

7. Canteen and Benefit Funds (3 RS 2149) This bill clarifies that canteen and benefit funds may be deposited in interest-bearing accounts.

8. Construction Defects Recovery Fund (3 RS 2098) The construction defects recovery fund receives the proceeds from recoveries the state has made by virtue of defects in state construction. Monies in such fund can then be utilized to correct the defect for which the recovery was received. Under current law all expenditures from this fund must be approved by the state finance council. The bill would eliminate the state finance council approval requirement, and substitute in lieu thereof, approval by the Secretary of Administration.

9. Unemployment Claims Audit Fund (3 RS 2099) The bill establishes the unemployment claims audit fund which would be used to pay for the auditing of claims made against the state for unemployment benefits and to provide funds for improving the state's procedures in responding to such claims. The funds would be deducted from the current charge made against state agencies for the states reimbursing account under the employment security law.

10. State Surplus Property Plan (3 RS 2084) The federal General Services Administration, which administers the federal surplus property program, has required that a legislatively-developed plan of operation for the state surplus property program be received by the Administrator of General Services no later than June 30, 1984. GSA suggested that the state legislature pass a resolution adopting the present plan under which the state agency operates. This resolution approves and adopts the current state plan.

Procedures For Review By Members Only Of The Senate Ways And Means Committee Of Certain Documents From An Investigation Of Wesley Medical Center Submitted By Gerald L. Michaud, Esquire Pursuant To A Court Order

1. Any member of the Ways and Means Committee of the Kansas Senate by reading or reviewing these documents agrees to be bound by the Order of the Court that these documents or any of their contents not be disclosed to any other persons or entities without prior Court approval.
2. The documents are to be forwarded to Robert A. Coldsnow, Legislative Counsel, in a sealed wrapper appropriately marked to assure that they are opened only by him.
3. To assure the Court and counsel for the respective parties compliance with the Order of the Court, these documents will be held by Robert A. Coldsnow, Legislative Counsel, and opened by him only for the purpose of permitting a member of the Ways and Means Committee of the Kansas Senate to review and read said documents upon the following conditions only:
 - (a) No person shall make a copy of any part of said documents either by hand-written notes, dictated notes, any photocopying process or any other means or procedure;
 - (b) The documents are not to be removed from the office of Robert A. Coldsnow, Legislative Counsel.
4. These documents are to be maintained in a secure and locked place at all times, except when a member of the Ways and Means Committee of the Kansas Senate is reading or reviewing them in accordance with these conditions.

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5. As soon as all members of the Ways and Means Committee of the Kansas Senate, who desire to do so, have reviewed these documents the documents are to be returned to Gerald L. Michaud, Esquire in a sealed wrapper appropriately marked to assure their receipt and opening only by Mr. Michaud. Members of the Committee are encouraged to make known to Legislative Counsel, as soon as possible, whether or not they desire to examine these documents so they may be kept only so long as is necessary.

6. Any member of the Staff of the Ways and Means Committee of the Kansas Senate or the Legislative Counsel who might be exposed to any of these documents or any of their contents shall be bound by these same procedures and conditions of confidentiality.

KANSAS DEPARTMENT OF TRANSPORTATION

PROGRAM SUMMARY

JUNE 10, 1983

	<u>Miles of Roadway and Number of Bridges</u>				<u>Programmed Amounts (\$1,000)</u>			
	<u>FY 1984</u>	<u>FY 1985</u>	<u>Possible</u>		<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986-88</u>	<u>Total</u>
			<u>FY 1986-88</u>	<u>FY 1984-88</u>				<u>FY 1984-88</u>
<u>SURFACE PRESERVATION</u>	997.2	896.6	2,767.0	4,661.0	\$ 26,024	\$ 30,570	\$106,670	\$163,264
<u>REHABILITATION</u>								
Bridge Replacement	30	21	58	109	17,195	31,617	35,095	83,907
Bridge Rehab & Repair	26	33	118	177	11,104	8,839	41,319	61,262
Overlays more than 1 1/2" (may include shoulder & widening)	65.3	49.1	214.2	328.6	27,528	15,132	99,905	142,565
Interstate Reconstruction	1.8	0	12.6	14.4	16,204	22,788	97,829	136,821
Freeway Reconstruction	10.7	0	32.0	42.7	6,825	0	22,365	29,190
Other Reconstruction	6.8	58.2	72.6	137.6	7,798	32,354	50,629	90,781
<u>NEW CONSTRUCTION</u>								
Interstate	2.8*	0*	0*	2.8*	30,366	10,414	37,916	78,696
Freeway	0*	1.5*	24.0*	25.5*	46,266	9,840	52,780	88,886
Other	<u>28.5*</u>	<u>5.7*</u>	<u>26.2*</u>	<u>60.4</u>	<u>33,699</u>	<u>14,307</u>	<u>23,948</u>	<u>71,954</u>
Subtotal Roadway	<u>1,100.8</u>	<u>1,069.5</u>	<u>3,236.9</u>	<u>5,407.2</u>	<u>194,710</u>	<u>135,405</u>	<u>472,042</u>	<u>802,157</u>
Subtotal Bridge	56	54	176	286	<u>28,299</u>	<u>40,456</u>	<u>76,414</u>	<u>145,169</u>
Subtotal Other (KLINK, R/W, Utilities (PE & CE))					<u>30,297</u>	<u>20,562</u>	<u>69,478</u>	<u>120,337</u>
TOTAL					<u>\$253,306</u>	<u>\$196,423</u>	<u>\$617,934</u>	<u>\$1,067,663</u>

*Includes only miles of grading

KANSAS DEPARTMENT OF TRANSPORTATION

STATE OFFICE BUILDING—TOPEKA, KANSAS 66612



JOHN B. KEMP, Secretary of Transportation

JOHN CARLIN, Governor

MEMORANDUM TO: SENATE WAYS AND MEANS COMMITTEE

FROM: JOHN B. KEMP, P.E.
SECRETARY OF TRANSPORTATION

DATE: JANUARY 25, 1984

I APPRECIATE THE INVITATION TO APPEAR BEFORE THIS COMMITTEE TO OUTLINE AND DISCUSS BUDGET AND TRANSPORTATION RELATED ISSUES. IT IS DISTINCTLY A PLEASURE TO APPEAR BEFORE YOU AND NOT HAVE TO PLEAD OUR NEED FOR INCREASED HIGHWAY FUNDING. INSTEAD, I CAN TALK ABOUT A SPECIFIC DIRECTION AND PROGRAM. THROUGH THE EFFORTS OF THE GOVERNOR, EACH OF YOU ON THIS COMMITTEE, AND MANY OTHERS, A HIGHWAY FUNDING PACKAGE WAS PROVIDED BY THE 1983 LEGISLATURE. I THANK YOU FOR PROVIDING THE NECESSARY RESOURCES SO THAT THE DEPARTMENT OF TRANSPORTATION, AND LOCAL UNITS OF GOVERNMENT, COULD SET ABOUT THE TASK OF THE PRESERVATION AND IMPROVEMENT OF THE STATE HIGHWAY SYSTEM.

OVERVIEW

THE BUDGET YOU ARE CONSIDERING FOR THE DEPARTMENT OF TRANSPORTATION FOR FY 1985 EMBODIES TWO SIGNIFICANT MILESTONES: (1) THE RESURGENCE OF CAPITAL IMPROVEMENTS SUFFICIENT TO REVERSE DETERIORATION AND BEGIN IMPROVEMENT TO THE HIGHWAY SYSTEM AND (2) THE ACHIEVEMENT OF MANY ECONOMY AND EFFICIENCY MEASURES. THE ADDITIONAL REVENUE PROVIDED FROM BOTH STATE AND FEDERAL SOURCES AND AVAILABLE BEGINNING IN FY 1984 IS TO THE MAXIMUM EXTENT POSSIBLE BEING DIRECTED TO ROAD IMPROVEMENT PROJECTS. IN FY 1983, CAPITAL IMPROVEMENT EXPENDITURES FROM THE STATE HIGHWAY FUND WERE APPROXIMATELY \$60 MILLION. HOWEVER, THE EXPECTED CAPITAL IMPROVEMENT EXPENDITURES FROM THE STATE HIGHWAY FUND IN FY 1984 AND FY 1985 ARE ONLY SLIGHTLY LESS THAN \$200 MILLION A YEAR. WHILE KDOT HAS RECEIVED SUFFICIENT FUNDS TO HAVE A SIGNIFICANT ROAD IMPROVEMENT PROGRAM, KDOT WILL CONTINUE EFFORTS TO INCREASE THE EFFICIENCY AND EFFECTIVENESS OF ITS OPERATIONS.

CAPITAL IMPROVEMENT PROGRAM

SCOPE. SINCE I MET WITH YOU A YEAR AGO, THE HIGHWAY FUNDING PROGRAM PROVIDED BY THE KANSAS LEGISLATURE COUPLED WITH THE FEDERAL SURFACE TRANSPORTATION ASSISTANCE ACT HAS BEEN TRANSLATED INTO A MULTI-YEAR PRESERVATION AND IMPROVEMENT PROGRAM OF APPROXIMATELY ONE BILLION DOLLARS. A FIRM PROGRAM OF PROJECTS FOR FISCAL YEARS 1984 AND 1985 TOTALING \$450 MILLION AND A TENTATIVE PROGRAM FOR FISCAL YEARS 1986 THROUGH 1988 OF APPROXIMATELY \$600 MILLION HAS BEEN DEVELOPED.

AS SHOWN IN THE ATTACHED SUMMARY AND OUTLINED BY THE GOVERNOR IN HIS LEGISLATIVE MESSAGE, THE MULTI-YEAR PROGRAM CONSISTS OF:

- + SURFACE PRESERVATION COVERING APPROXIMATELY 1,000 MILES A YEAR WITH SEALS AND OVERLAYS UP TO 1 1/2 INCHES.
- + REHABILITATION AND RECONSTRUCTION OF APPROXIMATELY 114 MILES IN FY 1984 AND FY 1985.
- + NEW CONSTRUCTION ON A LIMITED SCALE INVOLVING INTER-STATE GAP CLOSINGS, SCHEDULED FREEWAY FUND PROJECTS AND PROJECTS RELATED TO ECONOMIC DEVELOPMENT.
- + BRIDGES HAVE HEAVY EMPHASIS WITH WORK TENTATIVELY SCHEDULED ON NEARLY 300 BRIDGES OVER THE FIVE YEARS.

FIRM PLAN. THE CONCEPT OF A TWO YEAR FIRM AND A THREE YEAR TENTATIVE PROGRAM OFFERS THE FOLLOWING ADVANTAGES:

- + A 2 YEAR FIRM PROGRAM HOLDS THE DEPARTMENT ACCOUNTABLE TO PRODUCE WHAT IS COMMITTED WHILE ALSO ALLOWING FOR DETAILED ANALYSIS OF EXPENDITURES AND BALANCES.

- + THE 3 YEAR TENTATIVE PROGRAM ALLOWS FOR FLEXIBILITY TO ASSESS SYSTEM NEEDS OBJECTIVELY WHILE ALLOWING FOR IN-HOUSE WORK TO BEGIN ON PROJECTS SO THAT THEY CAN BE LET ON SCHEDULE.

LAST JUNE 10, 1983, I ANNOUNCED THE DETAILS OF THIS CONSTRUCTION PROGRAM TO THE KANSAS HIGHWAY ADVISORY COMMISSION. I HAVE ATTACHED COPIES OF THE PREPARED STATEMENT AND THE SUMMARY PAGE OF PROJECT INFORMATION FROM THAT PRESENTATION FOR YOUR INFORMATION.

PUBLIC MEETINGS. IN ADDITION TO ANNOUNCING THE PROGRAM TO THE HIGHWAY ADVISORY COMMISSION, TWELVE PUBLIC MEETINGS WERE HELD AROUND THE STATE THROUGHOUT THE SUMMER AND FALL TO PRESENT THE PROGRAM TO THE CITIZENS OF KANSAS. ROBERT MORRISSEY OF THE FEDERAL HIGHWAY ADMINISTRATION, THE LOCAL KDOT DISTRICT ENGINEER, AND I ATTENDED THE MEETINGS WHICH WERE CHAIRED BY A MEMBER OF THE HIGHWAY ADVISORY COMMISSION.

AT THESE MEETINGS, I WAS ABLE TO EXPLAIN AND ANSWER QUESTIONS ABOUT THE PROGRAM AND SOLICIT SUGGESTIONS AND IDEAS FOR FUTURE PROGRAMS. I PLAN TO CONTINUE THESE PUBLIC MEETINGS AS EACH ADDITIONAL YEAR ON THE PROGRAM IS MADE FIRM. THE MEETINGS WILL BE ROTATED AMONG DIFFERENT SITES SO THAT IN TIME ALL KANSANS WILL HAVE HAD AN OPPORTUNITY TO ATTEND A PUBLIC MEETING AND HAVE INPUT INTO OUR PROGRAM.

PROJECT SELECTION METHODOLOGY. KDOT HAS EXPENDED CONSIDERABLE TIME AND EFFORT IN DEVELOPING PROJECT SELECTION PROCEDURES CONSISTENT WITH THE DIRECTION KDOT RECEIVED FROM THE 1979 LEGISLATURE. THESE REQUIREMENTS WERE FORMULATED AND AGREED TO BY THE WAYS AND MEANS COMMITTEES.

THE FOUR REQUIREMENTS WERE:

1. THE SYSTEM BE CLEARLY DEFINED AND USE DOCUMENTED CRITERIA;
2. A SYSTEMATIC AND CONSISTENT PROCEDURE BE USED TO DETERMINE THE RELATIVE WEIGHTS OF VARIOUS CRITERIA AND THE RELATIVE PRIORITY RANKING FOR CONSTRUCTION OF ROAD AND BRIDGE SEGMENTS;
3. THE RESULTS OF THE SYSTEM BE REPRODUCIBLE SUCH THAT AN INDIVIDUAL NOT PART OF THE ORIGINAL DECISION MAKING EFFORT WOULD BE ABLE TO RECREATE THE LIST OF PRIORITIES OF CONSTRUCTION PROJECTS; AND
4. QUANTITATIVE AND VERIFIABLE FACTORS BE USED IN DETERMINING RELATIVE PRIORITIES. IF, FOR SOME FACTORS, HARD DATA ARE NOT AVAILABLE AND PROFESSIONAL JUDGEMENTS MUST BE USED, THE RATIONALE FOR THESE JUDGMENTS MUST BE DOCUMENTED.

THE PROJECT SELECTION PROCEDURES ARE DISCUSSED IN MORE DETAIL ON THE ATTACHED MEMORANDUM.

INTERSTATE DISCRETIONARY FUNDS. I PLAN TO ACTIVELY SEEK INTERSTATE DISCRETIONARY FUNDS IN FY 1984 TO AUGMENT THE SCHEDULED PROGRAM. WE HAVE SUBMITTED A REQUEST TO THE FEDERAL HIGHWAY ADMINISTRATION ASKING FOR \$70 MILLION IN INTERSTATE DISCRETIONARY FUNDS.

TO APPLY FOR INTERSTATE DISCRETIONARY FUNDS, A STATE MUST HAVE OBLIGATED ALL OF THE NORMAL APPORTIONMENTS MADE TO IT FOR CONSTRUCTION OF THE INTERSTATE SYSTEM. IN ADDITION, THE REQUESTED DISCRETIONARY FUNDS MUST BE APPLIED TO A READY TO COMMENCE PROJECT, AND IN THE CASE OF CONSTRUCTION WORK, WORK MUST BEGIN WITHIN 90 DAYS OF OBLIGATION. ALLOCATIONS IN FY 1984 ARE TO BE MADE ONLY ON PROJECTS WHICH DIRECTLY CONTRIBUTE TO THE COMPLETION OF AN INTERSTATE SEGMENT WHICH IS NOT OPEN TO TRAFFIC.

AT THE PRESENT TIME, KDOT HAS TOTALLY COMMITTED ALL CURRENT INTERSTATE FUNDS AND WILL COMMIT ITS NORMAL INTERSTATE APPORTIONMENTS AS SOON AS IT IS AVAILABLE AND STANDS READY TO RECEIVE AND USE WHATEVER DISCRETIONARY FUNDS MIGHT BE AWARDED TO KANSAS. I AM ESPECIALLY PROUD OF OUR RECORD IN RECEIVING DISCRETIONARY FUNDS OVER THE LAST FOUR YEARS.

DISCRETIONARY FUNDS OBLIGATED

	<u>Interstate</u>	<u>Bridge Repair & Replacement</u>
FFY 79	\$ 0	\$ 5,256,600
FFY 80	25,044,426	0
FFY 81	34,732,546	6,115,300
FFY 82	1,090,111	1,885,259
FFY 83	9,966,000	6,092,315
FFY 84	*	18,120,000**
TOTAL	<u>\$70,833,083</u>	<u>\$37,468,874</u>

* PENDING REQUEST FOR \$70 MILLION.
** APPORTIONED BUT NOT OBLIGATED.

KANSAS HAS RECEIVED \$37.5 MILLION IN BRIDGE DISCRETIONARY AND \$70.8 MILLION IN INTERSTATE DISCRETIONARY, OR A TOTAL OF \$108.3 MILLION IN DISCRETIONARY FUNDS SINCE FFY 1979.

AGENCY OPERATIONS

STAFF REDUCTIONS. IN ADDITION TO THE SUPERVISION OF OUR BILLION DOLLAR CONTRACT CONSTRUCTION PROGRAM, THE FY 1985 OPERATING BUDGET PROVIDES FOR THE MUCH NECESSARY WORK TO KEEP OUR SYSTEM SAFE AND SOUND -- PATCHING POTHOLES, MOWING THE RIGHT OF WAY, PLACING AND REPLACING SIGNS, PAINTING CENTERLINE AND LANE LINE STRIPES ON THE PAVEMENT, PLOWING SNOW IN THE WINTER, ETC. IN GENERAL THE OPERATING BUDGET SUPPORTS THE CONTINUED MOVEMENT TOWARDS THE ANNOUNCED STAFFING GOALS. THE FY 1985 REQUESTED F.T.E. OF 3,154 REPRESENTS REDUCTION OF 463 POSITIONS FROM TIME OF REORGANIZATION. A FURTHER REDUCTION OF ONLY 17 ADDITIONAL F.T.E. IS NEEDED TO REACH THE REORGANIZATION GOAL BY THE END OF FY 1985. THE TOTAL REDUCTION AS A RESULT OF REORGANIZATION WOULD BE APPROXIMATELY 480 F.T.E. WHILE THIS HAS BEEN ACCOMPLISHED WITHOUT LAYOFFS, THE RESTRICTIONS ON FILLING POSITIONS HAS RESULTED IN SOME IMBALANCES WHICH MUST BE CORRECTED.

WEATHER CONDITIONS. AS A RESULT OF THE EARLY BAD WEATHER THIS WINTER, KDOT HAS EXPERIENCED SOME SIGNIFICANT EXPENDITURES IN THE AREAS OF OVERTIME AND MATERIALS (SALT, SAND) BECAUSE OF SNOW, ICE AND THE COLD. WHILE THERE IS NO CAUSE FOR ALARM AT THIS POINT IN TIME, WE ARE CLOSELY MONITORING THE SITUATION SO THAT I CAN REPORT TO YOU IMMEDIATELY IF FUNDING PROBLEMS OCCUR IN THESE AREAS.

REST AREAS. AN ITEM I WOULD LIKE TO DISCUSS IS THE RECENTLY RELEASED ROADSIDE PARK STUDY. AS SECRETARY OF TRANSPORTATION, I HAVE THE RESPONSIBILITY TO DETERMINE PRIORITIES AND TO ALLOCATE THE RESOURCES DEDICATED TO OUR DEPARTMENT ACCORDING TO THOSE PRIORITIES. OFTEN TIMES, THIS RESPONSIBILITY REQUIRES DIFFICULT DECISIONS TO BE MADE AFTER BALANCING MANY COMPETING NEEDS AND INTERESTS.

I HAVE A STRONG COMMITMENT TO THE SAFETY OF OUR TRAVELLING PUBLIC AND TO BUILDING THE IMAGE OF KANSAS AS A GOOD PLACE TO BE FROM AND TO VISIT. OF COURSE, OUR HIGHEST PRIORITY IS TO MAINTAIN A SYSTEM OF SAFE ROADS AND BRIDGES. THE FUNDING PACKAGE PASSED LAST SESSION HAS GIVEN US MUCH NEEDED RESOURCES TO PRESERVE AND MAINTAIN OUR SYSTEM; BUT AS YOU WELL KNOW, IT DOES NOT ALLOW US TO BUILD EVERY PROJECT OR MEET EVERY NEED WHICH EXISTS.

ROADSIDE PARKS ARE BOTH SAFETY REST AREAS AND A CONVENIENCE FOR MOTORISTS. WE HAVE ASSISTED THE KANSAS DEPARTMENT OF ECONOMIC DEVELOPMENT WITH THE UPGRADING OF TOURIST INFORMATION AREAS AT GOODLAND AND KANSAS CITY ON INTERSTATE 70 AND ARE COMMITTED TO SUCH ASSISTANCE AT SOUTH HAVEN ON I-35. I BELIEVE THE 79 FACILITIES WE ARE COMMITTED TO MAINTAIN--32 ON THE INTERSTATE AND 47 ON THE STATE HIGHWAY SYSTEM--CONTINUE TO BE A GOOD ADVERTISEMENT FOR KANSAS. THESE ARE THE AREAS WHICH HAVE THE HIGHEST USAGE BY THE TRAVELLING PUBLIC AND WE WILL DEVOTE CONSIDERABLE RESOURCES TO THEIR MAINTENANCE AND UPGRADING EACH YEAR; OVER ONE MILLION DOLLARS FOR MAINTENANCE AND \$100,000 FOR UPGRADING IS CURRENTLY BUDGETED.

SINCE 1979, I HAVE DIRECTED THAT THE DEPARTMENT TAKE ACTION IN MANY AREAS TO MAKE THE OPERATION OF KDOT MORE EFFICIENT.

WE HAVE REORGANIZED THE DEPARTMENT; MADE A SIGNIFICANT REDUCTION IN OUR FORCES, PARTICULARLY IN THE MAINTENANCE AREA; SCOPED DOWN THE SCALE OF MANY PROJECTS; AND MADE POLICY DECISIONS ON REDUCTION OF LIGHTING, MOWING AND OTHER ACTIVITIES. THESE ACTIONS HAVE ALLOWED US TO ADDRESS MORE OF THE CRITICAL NEEDS ON OUR HIGHWAYS AND BRIDGES.

KANSAS HAS A REPUTATION FOR ITS FINE REST AREAS AND HISTORICALLY, WE HAVE BUILT AND MAINTAINED MORE SITES THAN MOST OTHER STATES. FRANKLY, WE'VE OVERBUILT IN SOME AREAS, AND WE HAVE OVER THE YEARS CLOSED SOME FACILITIES AND TRANSFERRED OTHERS TO LOCAL AUTHORITIES WHEN IT WAS WARRANTED.

A PROPOSED PLAN THAT KDOT DEVELOPED FROM 1975 TO 1981 BY THE LANDSCAPE UNIT IN OUR DESIGN DEPARTMENT CALLED FOR THE CLOSING OF 68 FACILITIES AND THE CONVERSION OF 53 SITES TO LOW SERVICE TURNOUTS WHERE THERE ARE HISTORICAL MARKERS. IT ALSO PROPOSED UPGRADING OR REBUILDING 32 FACILITIES AND BUILDING 19 FACILITIES AT NEW LOCATIONS. IT WAS ESTIMATED THAT THE COST OF THIS UPGRADING AND REBUILDING WOULD BE AROUND \$5 MILLION.

SINCE OUR MAINTENANCE FORCES HAVE BEEN REDUCED BY ABOUT 20% OVER THE PAST SEVERAL YEARS AND BECAUSE OUR RESOURCES DO NOT MEET ALL OF OUR NEEDS, WE DECIDED TO TAKE A CLOSE LOOK AT OUR REST AREAS AND MAKE DECISIONS REGARDING OUR LEVEL OF SERVICE ON THE SYSTEM. THE FIRST PRIORITY OF OUR MAINTENANCE FORCES IS EMERGENCY WORK--PLOWING SNOW, FLOOD CONTROL, REPLACING STOP SIGNS WHEN THEY HAVE BEEN REMOVED OR STRUCK, ETC. THEIR NEXT PRIORITY IS SERVICE TO THE ROADWAY AND BRIDGES--POTHOLES, CRACKS, SIGNS, GUARDRAILS, SHOULDERS, ETC. THEN COME OTHER PRIORITIES INCLUDING THE MAINTENANCE OF REST AREAS.

OUR STUDY LOOKED AT USAGE, MAINTENANCE COST AND ALTERNATIVE REST STOP FACILITIES. OUR REPORT RECOMMENDED CLOSING 38 FACILITIES AND TRANSFERRING 57 TO LOCAL AUTHORITIES. SINCE THE RELEASE OF THE STUDY, 12 LOCAL ENTITIES HAVE INDICATED AN INTEREST IN FACILITIES WE RECOMMENDED CLOSING, SO WE NOW HAVE 26 RECOMMENDED TO BE CLOSED, 69 TRANSFERRED TO LOCAL UNITS OF GOVERNMENT, 17 CONVERTED TO HISTORICAL MARKER SITES WITH A LOW LEVEL OF SERVICE AND 79 (32 INTERSTATE AND 47 NON-INTERSTATE REST STOP FACILITIES) TO REMAIN OPEN AT THEIR CURRENT LEVEL OF SERVICE.

WE BELIEVE THE TRANSFER OF SITES TO LOCAL UNITS MAKES SENSE IN MANY CASES AND WE HAVE HAD VERY GOOD COOPERATION IN EFFECTING THIS TRANSFER. MANY OF THE SITES ARE IN CITIES OR VERY NEARBY. MANY ARE USED AS PARKS BY LOCAL CITIZENS AND ORGANIZATIONS. RESPONSIBILITY FOR THE SECURITY OF THESE FACILITIES IS OFTEN BETTER HANDLED AT THE LOCAL LEVEL WITH MORE RESPECT FOR THE PROPERTY EXHIBITED IF IT BELONGS TO THE COMMUNITY. AND THE COSTS FOR MAINTENANCE MAY WELL BE LESS AT THE LOCAL LEVEL FOR NEARBY FACILITIES.

I BELIEVE THAT OUR REST AREA STUDY OBJECTIVELY EVALUATES THE PROBLEMS WHICH WE HAVE ENCOUNTERED WITH THESE AREAS. I BELIEVE THAT ANY OBJECTIVE ANALYSIS OF THE PROBLEM WOULD LEAD TO RECOMMENDATIONS WHICH ARE SIMILAR TO THOSE CONTAINED IN THE DEPARTMENT'S STUDY.

I ASKED ONE OF OUR DISTRICT ENGINEERS TO PROVIDE SPECIFIC INFORMATION ABOUT THE EXTENT OF VANDALISM AT ONE SPECIFIC SITE. THIS RESPONSE IS QUOTED AS FOLLOWS:

"... THE SUBAREA SUPERVISOR AND HIS CREW WERE ASKED TO RECALL TO THE BEST OF THEIR KNOWLEDGE THE REPAIRS THEY HAVE MADE TO THE REST AREA AS A RESULT OF VANDALISM. THE FOLLOWING ITEMS ARE THOSE FURNISHED ME. THEY WOULD REPRESENT APPROXIMATELY A 24-MONTH PERIOD:

1. INTERIOR PANELS IN MEN'S RESTROOM REPAIRED AT LEAST 10 TIMES.
2. EXTERIOR WALLS PAINTED TWICE DUE TO GRAFFITI.
3. GRAFFITI PAINTED OVER ON INTERIOR WALLS AT LEAST 3 TIMES PER WEEK.
4. REPAIR STOP SIGN POST 12 TIMES.
5. REPLACE SOME FIBERGLASS ROOF PANELS ON TABLE SHADES 5 TIMES.
6. REPAIR DOOR TO STORAGE ROOM 1 TIME.
7. REPLACE WOOD SHINGLES ON TABLE SHELTER SEVERAL TIMES AFTER SHINGLES HAVE BEEN TORN OFF TO START A FIRE.

8. CONCRETE BLOCK SCREENING WALL HAS BEEN BROKEN AND NOW NEEDS REPAIR.
9. BLIND PANELS IN INTERIOR NOW NEED REPAIR.
10. AT LEAST 4 LIGHT BULBS PER WEEK ARE STOLEN.
11. TWO PICNIC TABLES STOLEN.
12. REPAIR PICNIC TABLES 4 TIMES.
13. WEEKEND BEER BUSTS BY AREA TEENAGERS DURING SUMMER MONTHS HAS RESULTED IN PICNIC TABLES BEING THROWN IN THE ADJACENT RIVER. THESE HAVE BEEN RECOVERED."

IT HAS BEEN SUGGESTED THAT PRISON INMATES MAY BE AVAILABLE TO MAINTAIN REST AREAS IN THE PROXIMITY OF PLACES WHERE SUCH INMATES ARE HOUSED. IN THE PAST FEW DAYS, I HAVE HAD DISCUSSIONS ABOUT THIS MATTER WITH SECRETARY OF CORRECTIONS MICHAEL BARBARA. WE WILL BE EXPLORING THIS ISSUE FURTHER IN THE IMMEDIATE FUTURE. THIS TYPE OF MAINTENANCE MAY HAVE POTENTIAL FOR SOME SITES.

IT IS VERY INTERESTING TO NOTE THAT THE KANSAS DEPARTMENT OF TRANSPORTATION WOULD BE SUPPORTING MORE REST AREAS THAN OUR NEIGHBORING STATES DO EVEN AFTER THE REDUCTION IN NUMBERS WE CONTEMPLATE. THE INFORMATION PROVIDED BY OTHER STATES IS AS FOLLOWS:

<u>STATE</u>		<u>TOTAL NUMBER OF REST AREAS</u>
OKLAHOMA	14*	ALL INTERSTATE FACILITIES
IOWA	40**	ALL INTERSTATE FACILITIES
MISSOURI	37***	17 TWIN INTERSTATE FACILITIES AND 3 NON-INTERSTATE FACILITIES
NEBRASKA	30	27 INTERSTATE FACILITIES AND 3 NON- INTERSTATE FACILITIES

* 7 TOURIST INFORMATION CENTERS NOT INCLUDED

** IOWA HAS OVER 60 OTHERS THAT ARE MAINTAINED BY AGREEMENTS, SERVICE CLUBS, CITIES, ETC.

*** 2 ARE COMBINED TOURIST INFORMATION CENTERS

I URGE ALL OF YOU TO READ THE STUDY WHICH WE HAVE PREPARED. ON A CASE BY CASE BASIS, THE DEPARTMENT WILL CERTAINLY BE WILLING TO CONSIDER ANY OTHER FACTS WHICH ARE BROUGHT TO OUR ATTENTION AND TO REEVALUATE ANY CONCLUSIONS WE HAVE REACHED IN LIGHT OF SUCH INFORMATION. HOWEVER, I BELIEVE THAT OUR BASIC APPROACH TO THIS PROBLEM IS SOUND AND THAT THE CITIZENS OF THE STATE WILL BE BETTER SERVED IF OUR RECOMMENDATIONS ARE IMPLEMENTED.

IT IS NEVER POPULAR TO REDUCE SERVICES. IT IS OUR AIM TO PROVIDE GOOD SERVICES AT THE HIGHEST LEVEL POSSIBLE AT THE 79 ROAD-SIDE SAFETY AREAS WHERE THERE IS THE HIGHEST LEVEL OF USAGE AND THE RESOURCES TO DO SO.

LOCAL CONSTRUCTION INSPECTION. IN THE PAST, KDOT HAS PROVIDED THE CONSTRUCTION INSPECTION ON LOCAL PROJECTS WHEN FEDERAL FUNDS WERE USED. KDOT HAS TRADITIONALLY USED CONSULTING SERVICES TO COVER PEAK WORK LOADS IN ORDER TO MAINTAIN APPROPRIATE STAFFING LEVELS. WITH THE INFLUX OF THE ADDITIONAL FUNDS FROM THE SURFACE TRANSPORTATION ACT OF 1982 AND THE KANSAS HIGHWAY PACKAGE PASSED DURING THE PAST YEAR, THE WORK LOAD HAS INCREASED A GREAT DEAL. WE HAVE ADOPTED A PROCEDURE WHERE LOCAL PUBLIC AUTHORITIES WOULD PERFORM CONSTRUCTION ENGINEERING ON LOCAL PROJECTS. THIS IS THE ACTIVITY REQUIRED DURING CONSTRUCTION TO ASSURE PROPER CONSTRUCTION ACCORDING TO CONTRACT SPECIFICATIONS.

ANOTHER REASON FOR TRANSFER OF THE CONSTRUCTION ENGINEERING ON LOCAL PROJECTS TO A LOCAL PUBLIC AUTHORITY IS THAT WHEN WE ACT FOR A LOCAL PUBLIC AUTHORITY WE ACT AS THEIR AGENT, THUS THEY ARE LIABLE FOR OUR ACTIONS AS THEIR AGENTS. IN SOME INSTANCES THIS HAS LED TO DISPUTE AND LITIGATION. WHEN THE LPA ACTS AS ITS OWN AGENT WE DO NOT HAVE THIS PROBLEM.

WHEN KDOT PERFORMS THE ACTIVITY, IT BILLS COSTS UP TO THE LIMITS OF:

- A. 15 PERCENT OF THE FEDERAL PARTICIPATING SHARE OF A CITY OR COUNTY PROJECT FROM THE FEDERAL GOVERNMENT.

B.1. AMOUNTS IN EXCESS OF THE 15% FEDERAL PARTICIPATING SHARE OF CITY PROJECTS FROM CITIES.

B.2. 10 PERCENT OF THE LOCAL PARTICIPATING SHARE OF COUNTY PROJECTS FROM THE COUNTY.

C. AMOUNTS IN EXCESS OF THE COMBINED 10% COUNTY PARTICIPATING SHARE AND THE 15% FEDERAL PARTICIPATING SHARE OF COUNTY PROJECTS, IF ANY, ARE ABSORBED BY KDOT.

WHEN A LOCAL PUBLIC AUTHORITY IS RESPONSIBLE, IT MAY PERFORM THE ACTIVITY WITH ITS OWN QUALIFIED STAFF OR HIRE A CONSULTANT, KDOT TRAINS BOTH GROUPS. THE SAME BILLING PROCEDURE APPLIES WHEN A LOCAL PUBLIC AUTHORITY IS RESPONSIBLE AS WHEN KDOT PERFORMS THE ACTIVITY.

ANOTHER POSITIVE ASPECT OF THIS ACTION IS THAT THE LOCAL PUBLIC AUTHORITY WILL HAVE GREATER CONTROL OVER ITS OWN TRANSPORTATION PROGRAM. IT IS NOT THE POLICY OF THE DEPARTMENT TO QUIT HELPING COUNTIES WITH THEIR ENGINEERING PROBLEMS, BUT THERE HAS BEEN A CHANGE IN THE METHOD BY WHICH THESE SERVICES ARE PROVIDED.

COMPUTER AIDED DESIGN. THE 1983 HOUSE WAYS AND MEANS SUB-COMMITTEE SUGGESTED THAT KDOT CONSIDER A COMPUTER AIDED DESIGN SYSTEM. KDOT HAS PROPOSED TO STUDY BOTH COMPUTER AIDED DESIGN AND COMPUTER AIDED MAPPING. HOWEVER, THE HOUSE COMMITTEE ON COMMUNICATION, COMPUTERS AND TECHNOLOGY "DEFERRED" THESE ITEMS "DUE TO MORE URGENT PRIORITIES". I STILL BELIEVE THAT BOTH SYSTEMS SHOULD BE STUDIED.

I WOULD BE GLAD TO RESPOND TO ANY QUESTIONS YOU MIGHT LIKE TO ADDRESS TO ME.

ATTACHMENTS

TESTIMONY BEFORE THE SENATE COMMITTEE
ON GOVERNMENTAL ORGANIZATION

1984 KANSAS STATE LEGISLATURE

FEBRUARY 1, 1984

Presented By:

Jerry Shelor, Secretary
Department of Human Resources

AHD
2-1-84

TESTIMONY BEFORE THE SENATE COMMITTEE

ON GOVERNMENTAL ORGANIZATION

1984 KANSAS STATE LEGISLATURE

FEBRUARY 1, 1984

THANK YOU FOR THIS OPPORTUNITY TO PRESENT INFORMATION REGARDING THE OPERATIONS OF THE DEPARTMENT OF HUMAN RESOURCES. THE DEPARTMENT WAS CREATED BY EXECUTIVE ORDER NUMBER 14, ISSUED ON FEBRUARY 10, 1976, BY GOVERNOR ROBERT F. BENNETT. THIS ORDER, AS APPROVED AND AMENDED BY THE LEGISLATURE, CONSTITUTES K.S.A. 75-7501 TO 75-5732, ET SEQ.

I WILL START BY DISCUSSING THE OFFICE OF SECRETARY THEN CONTINUE THROUGH EACH MAJOR ORGANIZATION WITHIN THE DEPARTMENT.

THE OFFICE OF SECRETARY CONSISTS OF TWO SECRETARIES, A STAFF PROFESSIONAL ASSISTANT AND MYSELF. THE OFFICE IS CHARGED WITH THE RESPONSIBILITY FOR THE EFFECTIVE AND EFFICIENT ADMINISTRATION OF THE DEPARTMENT. RECENTLY WE EMBARKED ON AN EXCITING

ACTIVITY -- THE SECURING OF MORE FEDERAL GRANT FUNDS FOR THE STATE OF KANSAS. MY STAFF ASSISTANT, WITH THE DUAL ROLE OF FEDERAL GRANTS SOLICITOR AND GRANTS SINGLE POINT OF CONTACT FOR THE STATE OF KANSAS, HAS BEEN IN THE POSITION ONLY FIVE MONTHS, AND HAS ALREADY PROCESSED TWENTY-TWO GRANT APPLICATIONS TOTALING SIX MILLION, FIVE HUNDRED SIXTY-SEVEN THOUSAND, FIVE HUNDRED AND THREE DOLLARS (\$6,567,503). THE FEDERAL PORTION OF THESE PROJECTS IS FOUR MILLION, FOUR HUNDRED THOUSAND, ONE HUNDRED SIXTY-SEVEN DOLLARS (\$4,400,167) OR 67% OF THE TOTAL GRANTS. A STATE-WIDE GRANTS REVIEW PROCESS IS BEING DEVELOPED IN CONSULTATION WITH STATE AND LOCAL ELECTED OFFICIALS.

THE GOAL IN ESTABLISHING THE FEDERAL GRANTS SOLICITOR IS TO ASSIST ALL LEVELS OF GOVERNMENT WITHIN THE STATE OF KANSAS IN PREPARING GRANT APPLICATIONS WITH THE END RESULT BEING TO IMPROVE THE QUALITY OF APPLICATIONS. THIS SHOULD INCREASE KANSAS' SHARE OF GRANT APPROVALS. ANOTHER BENEFIT OF THE PROGRAM IS THAT GRANT ACTIVITIES CAN BE COORDINATED, AS AN EXAMPLE, TWO GRANTS WOULD NOT BE SUBMITTED WITH CONFLICTING GOALS. UPON FULL

IMPLEMENTATION, THIS PROGRAM WILL BE A DEFINITE BOON TO KANSAS.

TWO ADDITIONAL COMPONENTS, THE EQUAL EMPLOYMENT OPPORTUNITY OFFICE AND THE PERSONNEL OFFICE, ALSO ANSWER DIRECTLY TO THE SECRETARY. THE EEO OFFICE IS RESPONSIBLE FOR MONITORING JOB SERVICE AND UNEMPLOYMENT INSURANCE OFFICES TO ENSURE THAT THE AGENCY IS IN COMPLIANCE WITH STATE AND FEDERAL EEO REQUIREMENTS AS THEY RELATE TO AGENCY OPERATIONS REGARDING REGISTRANTS AND EMPLOYERS. THE UNIT ALSO MONITORS THE DEPARTMENT'S AFFIRMATIVE ACTION PLANS.

THE PERSONNEL DIRECTOR AND STAFF ARE RESPONSIBLE FOR RECRUITING AND SCREENING QUALIFIED POTENTIAL EMPLOYEES IN ACCORDANCE WITH CIVIL SERVICE RULES AND REGULATIONS, COMPILING AND PROCESSING THE AGENCY PERSONNEL PAYROLL, ADVISING MANAGEMENT ON PERSONNEL MATTERS, AND PROVIDING GUIDANCE IN PLANNING IN-SERVICE AND OUT-SERVICE PERSONNEL DEVELOPMENT AND TRAINING.

THE FIRST MAJOR SERVICE AREA I WISH TO DESCRIBE TO YOU IS THE DIVISION OF EMPLOYMENT AND TRAINING HEADED BY AN ASSISTANT

SECRETARY. WITHIN THE DIVISION ARE JOB SERVICE, JOB TRAINING/CETA, GOVERNOR'S SPECIAL GRANT UNIT, THE WORK INCENTIVE OR WIN PROGRAM, APPRENTICESHIP TRAINING, PUBLIC INFORMATION, RESEARCH AND ANALYSIS, THE MONITOR ADVOCATE, AND THE OCCUPATIONAL INFORMATION COORDINATING COMMITTEE. ALSO, THREE ADVISORY GROUPS -- THE KANSAS COUNCIL ON EMPLOYMENT AND TRAINING, THE COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED, AND THE APPRENTICESHIP COUNCIL WORK WITH THIS ASSISTANT SECRETARY.

JOB SERVICE, THROUGH 37 OFFICES IN FIVE SERVICE DELIVERY AREAS, ASSISTS PEOPLE IN FINDING WORK AND ASSIST EMPLOYERS IN FINDING WORKERS. APPLICANT SERVICES PROVIDED INCLUDE INTAKE, TESTING, COUNSELING, AND REFERRAL TO JOBS OR TRAINING. EMPLOYER SERVICES INCLUDE REFERRING QUALIFIED APPLICANTS TO FILL SPECIAL JOB OPENINGS, INFORMING EMPLOYERS OF SPECIAL PROGRAMS SUCH AS THE TARGETED JOBS TAX CREDIT, ASSISTING EMPLOYERS IN MAKING APPLICATION FOR THE PROGRAMS, AND PROVIDING LABOR MARKET INFORMATION TO ASSIST IN ECONOMIC PLANNING.

A RECENT STUDY OF JOB SERVICE CONDUCTED BY SRI INTERNATIONAL POINTS OUT THAT PERSONS PLACED BY JOB SERVICE WILL EARN \$146 A YEAR MORE THAN IF THEY HAD NOT USED THE SERVICE. FOR THE YEAR ENDED SEPTEMBER 30, 1983, KANSAS JOB SERVICE PROVIDED ASSISTANCE TO 154,290 INDIVIDUALS. OVER 40,000 QUALIFIED APPLICANTS WERE PLACED IN JOBS BY THE SERVICE. A TOTAL OF 6,815 UNEMPLOYMENT INSURANCE CLAIMANTS WERE PLACED THEREBY REDUCING THE DRAW ON THE UNEMPLOYMENT INSURANCE TRUST FUND. DURING LAST YEAR'S WHEAT HARVEST, OUR RURAL SERVICES COMPONENT OF JOB SERVICE PLACED 7,500 HARVEST WORKERS WHICH HELPED TO STIMULATE OUR AGRICULTURAL ECONOMY AS WELL AS PROVIDE NEEDED WORKERS AT CRUCIAL TIMES DURING THE HARVEST.

JOB SERVICE IS A FEDERALLY FUNDED PROGRAM MANDATED BY THE FEDERAL WAGNER-PEYSER ACT. OPERATIONAL REQUIREMENTS AND REGULATIONS FOR THE PROGRAM MAY BE FOUND IN FEDERAL REGULATIONS VOL. 48.

THE NEXT ORGANIZATION WITHIN THE DIVISION IS JOB TRAINING

OR JTPA. THIS A NEW PRIVATE-SECTOR DRIVEN TRAINING INITIATIVE PASSED BY CONGRESS DURING 1983 TO REPLACE THE CETA PROGRAM.

THE PROGRAM, THROUGH FEDERAL FUNDING, TARGETS TRAINING RESOURCES FOR THE ECONOMICALLY DISADVANTAGED AND FOR OTHERS WHO FACE SERIOUS BARRIERS TO EMPLOYMENT.

KANSAS IS DIVIDED INTO FIVE SERVICE DELIVERY AREAS. EACH AREA DETERMINES ITS OWN PROGRAMS BY A PRIVATE INDUSTRY COUNCIL. THE SERVICES ARE PROVIDED AND COORDINATED THROUGH A NETWORK OF CENTERS AND ARE TAILORED TO MEET THE SPECIFIC NEEDS OF LOCAL EMPLOYERS AND PARTICIPANTS.

DURING FEDERAL FISCAL YEAR 1984, APPROXIMATELY \$16 MILLION IS BEING ALLOCATED TO KANSAS TO CARRY ON THESE TRAINING FUNCTIONS.

CETA AND ITS ASSOCIATED GOVERNOR'S SPECIAL GRANTS UNIT ARE IN A CLOSE-OUT PHASE AND WILL CEASE TO EXIST AS OF MARCH 31, 1984.

JTPA IS A FEDERALLY-MANDATED PROGRAM THROUGH PUBLIC LAW 97-300, THE JOB TRAINING PARTNERSHIP ACT.

ASSOCIATED WITH THE JTPA PROGRAM IS THE KANSAS COUNCIL ON EMPLOYMENT AND TRAINING. THE COUNCIL, CONSISTING OF MEMBERS REPRESENTING BUSINESS AND INDUSTRY, THE LEGISLATURE AND STATE AGENCIES, GENERAL LOCAL GOVERNMENT AND THE PUBLIC AT LARGE, IS ALSO MANDATED BY PUBLIC LAW 97-300. THE MEMBERS ARE APPOINTED BY THE GOVERNOR.

THE OVERALL MISSION OF THE COUNCIL IS TO COORDINATE ALL EMPLOYMENT AND TRAINING ACTIVITIES WITHIN THE STATE. THIS IS TO ENSURE THAT THESE SERVICES TRULY MEET THE NEEDS OF KANSAS CITIZENS.

NEXT WITHIN THE DIVISION IS THE WORK INCENTIVE (WIN) PROGRAM. THE WIN PROGRAM IS DESIGNED TO PROVIDE EMPLOYABILITY SERVICES TO RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN (AFDC). THE ULTIMATE GOAL OF THE PROGRAM IS TO ELIMINATE OR REDUCE THE APPLICANTS DEPENDENCY ON PUBLIC ASSISTANCE.

SERVICES PROVIDED INCLUDE SPECIAL ASSESSMENT AND EMPLOYABILITY PLANNING, JOB DEVELOPMENT, REFERRAL AND PLACEMENT,

INCENTIVE AND TRANSPORTATION ALLOWANCES, AND SOME WORK-RELATED EXPENSES. SUPPORTIVE SOCIAL SERVICES SUCH AS CHILD CARE, MEDICAL SERVICES, AND COUNSELING ARE PROVIDED IN COOPERATION WITH THE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES.

DURING FEDERAL FISCAL YEAR 1983, THE KANSAS WIN PROGRAM PLACED 1,582 INDIVIDUALS IN JOBS WITH ASSOCIATED WELFARE GRANT REDUCTIONS OF \$4,709,822. TOTAL COSTS OF OPERATIONS FOR THE SAME PERIOD WAS \$2,183,059, WITH NINETY PERCENT (90%) OF THIS AMOUNT BEING FUNDED BY THE FEDERAL GOVERNMENT AND 10% BY THE STATE. FOR EVERY DOLLAR SPENT ON PROGRAM OPERATIONS IN WIN, WELFARE SAVINGS OF TWO DOLLARS AND FIFTEEN CENTS ARE REALIZED THROUGH REDUCED FOOD STAMP USAGE AND MEDICAL CARE. THE WIN PROGRAM IS THE MOST COST-EFFECTIVE PROGRAM OPERATED BY THE DEPARTMENT.

THE WORK INCENTIVE PROGRAM IS AUTHORIZED IN PARTS A AND C OF TITLE IV OF THE SOCIAL SECURITY ACT AS ENACTED IN 1967 AND AMENDED IN 1971. REGULATORY AUTHORITY IS CONTAINED IN TITLES

29 AND 45 OF THE CODE OF FEDERAL REGULATIONS.

ALSO WITHIN THE EMPLOYMENT AND TRAINING DIVISION IS THE APPRENTICESHIP TRAINING PROGRAM AND ITS' COMPANION KANSAS APPRENTICESHIP COUNCIL. THE COUNCIL ASSISTS THE SECRETARY IN THE DEVELOPMENT AND ADMINISTRATION OF A SOUND VOLUNTARY SYSTEM OF APPRENTICESHIP IN KANSAS AND IS RESPONSIBLE FOR PROMOTING THE APPRENTICESHIP CONCEPT IN ALL SEGMENTS OF MANAGEMENT, LABOR AND INTERESTED ORGANIZATIONS.

THE DIRECTOR OF APPRENTICESHIP SERVICES AS SECRETARY TO THE COUNCIL AND PREPARES AND ISSUES ALL CORRESPONDENCE PERTAINING TO THE COUNCIL'S ACTIONS. PERSONNEL WITHIN THE PROGRAM ADMINISTER THE RULES AND REGULATIONS REGARDING THE APPROVAL AND REGISTRATION OF APPRENTICESHIP PROGRAMS AND AGREEMENTS. THE UNIT IS ALSO RESPONSIBLE FOR CERTIFYING ALL APPRENTICES TO PARTIALLY OR FULLY FUNDED FEDERAL PROJECTS. FINALLY, THE UNIT IS RESPONSIBLE FOR COORDINATING ACTIVITIES WITH THE U.S. BUREAU OF APPRENTICESHIP AND TRAINING, AND APPRENTICESHIP INFORMATION IN JOB SERVICE CENTERS.

THE COUNCIL EXISTS BY VIRTURE OF K.S.A. 44-639 ET. SEQ. AND K.S.A. 75-5724. THIS AUTHORITY IS FURTHER RECOGNIZED BY THE U.S. DEPARTMENT OF LABOR'S BUREAU OF APPRENTICESHIP AND TRAINING, WHICH HAS DESIGNATED THE COUNCIL AS THE APPROPRIATE AGENCY TO REGISTER APPRENTICESHIP PROGRAMS IN KANSAS FOR FEDERAL PURPOSES. THESE AUTHORIZATIONS EMPOWER THE COUNCIL TO REGISTER VALID PROGRAMS.

NEXT WITHIN THE DIVISION IS THE PUBLIC INFORMATION OFFICE. THIS OFFICE IS RESPONSIBLE FOR DEPARTMENT-WIDE PUBLIC RELATIONS ACTIVITIES AND IS THE DEPARTMENT CONTACT FOR STATEWIDE NEWS MEDIA. NEW PROGRAM INFORMATION, CHANGES IN LAWS AFFECTING EMPLOYERS AND JOB SEEKERS, AND LABOR MARKET INFORMATION ANNOUNCEMENTS ARE MADE THROUGH THIS OFFICE.

SINCE JULY 11, 1983, THE PUBLIC INFORMATION OFFICE HAS BEEN QUITE ACTIVE. THE "RESOURCE," A PUBLICATION DESIGNED TO KEEP THE LEGISLATURE AND THE BUSINESS COMMUNITY INFORMED OF ACTIVITIES WITHIN THE DEPARTMENT HAS BEEN INITIATED. A PUBLIC INFORMATION

CAMPAIGN ON EMPLOYMENT OF THE HANDICAPPED WAS PRODUCED. A FURTHER EXAMPLE OF THE TYPES OF WORK DONE WITHIN THE UNIT WAS THE DESIGN AND IMPLEMENTATION OF A MODEL PUBLICITY PLAN FOR JTPA.

NEXT WITHIN THE DIVISION IS THE RESEARCH AND ANALYSIS SECTION. THIS SECTION IS RESPONSIBLE FOR MAINTAINING BASIC LABOR FORCE INFORMATION TO PROVIDE ECONOMIC INDICATORS AND PERMIT CONTINGENCY PLANNING. THE SECTION ALSO PROVIDES MANAGEMENT INFORMATION ESSENTIAL TO PROGRAM PLANNING, DIRECTION AND EVALUATION FOR MANY PROGRAMS WITHIN THE DEPARTMENT. DURING THE PAST FISCAL YEAR, OVER 3,200 FEDERALLY REQUIRED REPORTS WERE ISSUED BY THE SECTION AS WELL AS OVER 400 REPORTS FOR GOVERNMENTAL UNITS WITHIN KANSAS. ALSO, ABOUT 2,000 SPECIAL REPORTS WERE ISSUED ON REQUEST FROM PRIVATE INDUSTRY, CHAMBERS OF COMMERCE OR INDUSTRIAL DEVELOPMENT GROUPS, UNIVERSITIES AND OTHERS.

PROGRAMS UNDER THE JURISDICTION OF THE RESEARCH AND ANALYSIS SECTION ARE MANDATED UNDER THE PROVISIONS OF PUBLIC LAW 97-300, THE JOB TRAINING PARTNERSHIP ACT AND THE WAGNER-PEYSER ACT.

THE PURPOSE OF THE MONITOR ADVOCATE IS TO INSURE THAT THE DEPARTMENT OPERATES ACCORDING TO THE MANDATES OF A COURT ORDER AND THE MIGRANT AND SEASONAL AGRICULTURAL WORKER PROTECTION ACT. THIS POSITION MAINTAINS A SYSTEM TO MONITOR AND ASSESS AGENCY ACTIVITIES RELATED TO MIGRANT AND SEASONAL FARMWORKERS (MSFW'S) AND TO RECEIVE AND RESOLVE COMPLAINTS FROM MSFW'S. IT ADVOCATES THE NEEDS OF MSFW'S WITHIN THE STATE AND COORDINATES AGENCY RESPONSIBILITIES IN IMPROVING THEIR STANDARD OF LIVING; IT MAKES REVIEWS OF JOB SERVICE CENTERS TO IDENTIFY CRITICAL ISSUES AND PROBLEMS INTERPOSING ON SERVICES TO MSFW'S; IT ANALYZES TRENDS OF MSFW MOVEMENT IN THE STATE, AND SERVES AS THE PRINCIPAL SOURCE OF STATISTICAL DATA RELATED TO MSFW'S SERVED BY JSC'S. ALSO, IT MAINTAINS COOPERATIVE RELATIONSHIPS WITH ORGANIZATIONS AND AGENCIES SERVING FARM WORKERS AND AGRICULTURAL EMPLOYERS.

ANOTHER OPERATION WITHIN THE DIVISION IS THE KANSAS OCCUPATIONAL INFORMATION COORDINATING COMMITTEE. THE COMMITTEE, COMPOSED OF A REPRESENTATIVE FROM VOCATIONAL EDUCATION, VOCATIONAL

REHABILITATION, KANSAS DEPARTMENT OF ECONOMIC DEVELOPMENT, AND THE DEPARTMENT OF HUMAN RESOURCES, IS FEDERALLY MANDATED TO DEVELOP AN OCCUPATIONAL INFORMATION SYSTEM. THE INTENT OF THE SYSTEM IS TO PROVIDE EMPLOYMENT TRAINING, EDUCATION AND ECONOMIC DEVELOPMENT PROGRAM PLANNERS WITH INFORMATION TO TARGET TRAINING FOR CERTAIN LABOR SKILLS IN DEMAND. CURRENT PROJECTS INCLUDE AN OCCUPATIONAL SUPPLY AND DEMAND REPORT AND SUPPORT FOR CAREER INFORMATION FOR SECONDARY STUDENTS.

FINALLY, THE COMMITTEE ON EMPLOYMENT OF THE HANDICAPPED IS ANOTHER IMPORTANT COMPONENT OF THIS DIVISION. THIS COMMITTEE IS RESPONSIBLE FOR FACILITATING EMPLOYMENT OPPORTUNITIES FOR APPROXIMATELY 350,000 HANDICAPPED KANSANS. THIS MISSION IS ACCOMPLISHED THROUGH EDUCATING HANDICAPPED KANSANS REGARDING THEIR EMPLOYMENT RIGHTS; ASSISTING EMPLOYERS IN UNDERSTANDING AND IMPLEMENTING LEGAL REQUIREMENTS REGARDING HANDICAPPED INDIVIDUALS, EMPLOYMENT TRAINING PROGRAMS, ORIENTATION TECHNIQUES, AND REASONABLE ACCOMMODATIONS; AND TO RECOMMEND LEGISLATIVE

PROPOSALS TO THE SECRETARY REGARDING EMPLOYMENT OF THE HANDI-CAPPED.

THE COMMITTEE WAS ESTABLISHED BY K.S.A. 74-67.

WE URGE THAT ALL OF THE ABOVE MENTIONED ORGANIZATIONS WITHIN THE DEPARTMENT OF HUMAN RESOURCES, DIVISION OF EMPLOYMENT AND TRAINING BE CONTINUED WITH THE EXCEPTIONS OF THE CETA PROGRAM AND THE GOVERNOR'S SPECIAL GRANTS UNIT.

THE NEXT MAJOR DIVISION UNDER THE JURISDICTION OF THE DEPARTMENT IS THE DIVISION OF EMPLOYMENT SECURITY. THE ADMINISTRATIVE HEAD OF THIS DIVISION HAS THE POSITION OF ASSISTANT SECRETARY AND DIRECTOR OF EMPLOYMENT SECURITY.

THE FIRST MAJOR COMPONENT WITHIN THE DIVISION IS UNEMPLOYMENT INSURANCE SERVICES. THE BASIC FUNCTIONS WITHIN UNEMPLOYMENT INSURANCE SERVICES ARE THE COLLECTION OF PAYROLL CONTRIBUTIONS (OR TAXES) AND PAYMENT OF UNEMPLOYMENT INSURANCE BENEFITS WHEN DUE.

THIS PROGRAM IS ADMINISTERED THROUGH A UNIQUE FEDERAL-STATE PARTNERSHIP MANDATED BY TITLES III AND IX OF THE SOCIAL SECURITY ACT AND FEDERAL UNEMPLOYMENT TAX ACT. ALTHOUGH THE PROGRAM IS MANDATED BY FEDERAL LAW, THE INDIVIDUAL STATES MAY SET THEIR OWN BENEFIT PAYMENT REQUIREMENTS. KANSAS MEETS OVERALL FEDERAL OPERATIONAL STANDARDS, THUS EMPLOYERS WITHIN THE STATE RECEIVE A CREDIT OF 2.7% AGAINST THEIR TOTAL FEDERAL UNEMPLOYMENT TAX LIABILITY OF 3.5%. FUNDS NECESSARY FOR ADMINISTRATION OF THE UNEMPLOY-

MENT INSURANCE SERVICES ARE PROVIDED BY THE FEDERAL GOVERNMENT FROM FUTA REVENUES.

THE BENEFIT PAYMENTS OPERATION CONSISTS OF TWO ORGANIZATIONAL UNITS: ADMINISTRATIVE ACTIVITIES AND FIELD OPERATIONS. THE ADMINISTRATIVE UNIT, OR BENEFIT BRANCH, IS RESPONSIBLE FOR MAINTAINING CENTRAL BENEFIT HISTORY FILES, ESTABLISHING TRAINING PROGRAMS FOR U.I. CLAIMS PERSONNEL, CONDUCTING CLAIMS ADJUDICATIONS ACTIVITIES AND PAYING INTERSTATE BENEFIT CLAIMS -- WHICH PROVIDES PAYMENTS FOR INDIVIDUALS WHO WORKED IN KANSAS AND ARE NOW RESIDING IN ANOTHER STATE.

THE FIELD OPERATIONS UNIT MAINTAINS EIGHT DISTRICT JOB INSURANCE OFFICES ACROSS THE STATE. IT IS AT THESE OFFICES THAT CLAIMANTS FILE THEIR CLAIM FOR BENEFITS AND SUBMIT SUBSEQUENT WEEKLY REQUESTS FOR PAYMENT. THE OFFICES ARE ALSO RESPONSIBLE FOR CLAIMS ADJUDICATION TO INSURE THAT UNEMPLOYMENT INSURANCE PAYMENTS ARE MADE ONLY TO THOSE INDIVIDUALS WHO ARE ENTITLED UNDER THE LAW.

TO INSURE THAT BOTH CLAIMANTS AND EMPLOYERS ARE TREATED EQUITABLY UNDER THE EMPLOYMENT SECURITY LAW, TWO LEVELS OF ADMINISTRATIVE REVIEW EXISTS WITHIN UNEMPLOYMENT INSURANCE SERVICES. THE FIRST LEVEL, ADMINISTERED THROUGH OUR OFFICE OF APPEALS, MAINTAINS A STAFF OF REFEREES WHO TAKE SWORN TESTIMONY AND MAKE DECISIONS REGARDING A CLAIMANT'S ELIGIBILITY FOR BENEFITS UNDER THE LAW. THE SECOND LEVEL, KNOWN AS THE BOARD OF REVIEW, PROVIDES FOR A TRIPARTITE REVIEW OF LOWER APPEALS DECISIONS BY INDIVIDUALS REPRESENTING EMPLOYERS, EMPLOYEES AND THE GENERAL PUBLIC.

DURING CALENDAR YEAR 1983, 113,147 INDIVIDUALS FILED A CLAIM FOR BENEFITS. A TOTAL OF 78,373 DETERMINATIONS RELATING TO PAYMENT OF 1,320,755 WEEKS OF UNEMPLOYMENT WERE MADE. 14,486 REFEREE DECISIONS WERE ISSUED WITH 1,928 BEING REVIEWED BY THE BOARD OF REVIEW. TOTAL STATE AND FEDERAL BENEFIT PAYMENTS AMOUNTED TO \$169,791,602 DURING FEDERAL FISCAL YEAR 1983. ADDITIONALLY, \$47,299,078 WERE PAID IN FEDERAL SUPPLEMENTAL COMPENSATION, WHICH

IS FUNDED BY FEDERAL GENERAL REVENUES.

THE NEXT MAJOR COMPONENT WITHIN UNEMPLOYMENT INSURANCE SERVICES IS THE CONTRIBUTIONS BRANCH. IT IS THIS BRANCH WHICH COLLECTS THE PAYROLL TAX NECESSARY FOR PAYMENT OF UNEMPLOYMENT INSURANCE BENEFITS. THE BRANCH CONSISTS OF AN ADMINISTRATIVE UNIT AT OUR OFFICE IN TOPEKA AND FIVE REGIONAL OFFICES WITH ABOUT 30 FIELD REPRESENTATIVES LOCATED ACROSS THE STATE.

DURING CALENDAR YEAR 1983, UNEMPLOYMENT INSURANCE CONTRIBUTIONS AND INTEREST AMOUNTING TO \$176,804,517 WERE PAID INTO THE KANSAS UNEMPLOYMENT INSURANCE TRUST FUND BY 56,208 EMPLOYERS.

ENABLING STATE LEGISLATION FOR THE UNEMPLOYMENT INSURANCE SERVICE IS FOUND AT K.S.A. 44-701 THROUGH 44,756.

NEXT WITHIN THE DIVISION OF EMPLOYMENT SECURITY IS THE EMPLOYMENT SECURITY SYSTEMS INSTITUTE. IN 1969, THE EMPLOYMENT AND TRAINING ADMINISTRATION OF THE U.S. DEPARTMENT OF LABOR SELECTED KANSAS FROM A FIELD OF FIVE STATES COMPETING FOR A NATIONAL TRAINING FACILITY FOR ADP PROGRAMMERS AND SYSTEMS ANALYSTS WORK-

ING IN THE NATION-WIDE EMPLOYMENT SECURITY SYSTEM. IN 1971, THE CENTER WAS EXPANDED TO INCLUDE A HIGH-LEVEL ADP TECHNICAL SUPPORT UNIT.

DURING THE PAST YEAR, OVER 1,200 STUDENTS, MOSTLY FROM OTHER STATES, WERE TRAINED BY THE INSTITUTE'S STAFF AND APPROXIMATELY 25% WERE TRAINED AT THE CENTER IN TOPEKA WITH THE REST TAUGHT IN THEIR OWN STATE. THE INSTITUTE, WITH A STAFF OF 65 AND A TOTAL ANNUAL BUDGET EXCEEDING \$2 MILLION, IS FULLY FEDERALLY FUNDED. STUDENTS AT THE INSTITUTE SPENT AN ESTIMATED SEVENTY-FIVE TO ONE HUNDRED THOUSAND DOLLARS (\$75,000 - \$100,000) IN FOOD AND LODGING WHILE IN ATTENDANCE AT CLASSES IN TOPEKA DURING THIS LAST YEAR.

THE TECHNICAL SUPPORT ARM OF THE INSTITUTE IS RESPONSIBLE FOR DESIGNING AND MAINTAINING COMPUTER PROGRAMS FOR THE NATION-WIDE EMPLOYMENT SECURITY SYSTEM. THIS ALLOWS UNIFORMITY IN REPORTING ACROSS THE NATION AND HELPS SMALL STATES IN UTILIZING SOPHISTICATED COMPUTER SYSTEMS WITHOUT THE NEED FOR A LARGE ADP STAFF.

WE ARE VERY PROUD THAT KANSAS WAS SELECTED TO PERFORM THESE IMPORTANT TRAINING AND TECHNICAL ASSISTANCE TASKS.

THE LAST MAJOR COMPONENT WITHIN THIS DIVISION IS THE STAFF SERVICES FUNCTION. THIS COMPONENT IS RESPONSIBLE FOR ADMINISTRATIVE SERVICES WITHIN THE DEPARTMENT. THE UNITS WITHIN STAFF SERVICES ARE THE DATA PROCESSING SECTION, FISCAL UNIT AND MANAGEMENT ANALYSIS BRANCH.

THE ADP SECTION IS RESPONSIBLE FOR PROCESSING EMPLOYER DATA, BENEFIT PAYMENT INFORMATION, JOB SERVICE REFERRAL AND PLACEMENT INFORMATION, TRAINING DATA, AND THE MASSIVE AMOUNT OF LABOR MARKET INFORMATION NECESSARY FOR EMPLOYMENT AND TRAINING PLANNING FOR THE STATE OF KANSAS. DATA PROCESSING COMPUTED AND PRINTED MORE THAN ONE MILLION UNEMPLOYMENT CHECKS IN FEDERAL FISCAL YEAR 1983.

THE FISCAL MANAGEMENT SECTION IS RESPONSIBLE FOR INSURING THAT TAX DOLLARS, BOTH FEDERAL AND STATE, ARE SPENT EFFICIENTLY IN PERFORMANCE OF THE MANY TASKS WITHIN THE DEPARTMENT. The UNIT MAINTAINS A SOPHISTICATED COST INFORMATION SYSTEM AND INSURES

THAT ANY PAYMENTS MADE BY THE AGENCY ARE PROPER AND ACCURATE.

LAST WITHIN THIS SECTION IS THE MANAGEMENT ANALYSIS BRANCH. SPACE PLANNING, PERFORMANCE AUDITS, EQUIPMENT UTILIZATION RE-REVIEWS, AND EFFICIENCY STUDIES ARE EXAMPLES OF THE TYPE OF WORK PERFORMED WITHIN THIS UNIT. THE MANAGEMENT ANALYSTS WITHIN THIS UNIT ARE RESPONSIBLE FOR INSURING THAT OPERATIONS WITHIN THE DEPARTMENT ARE CONDUCTED WITH OPTIMUM EFFICIENCY.

IN ADDITION TO THESE MAJOR COMPONENTS IS A NON-GOVERNMENTAL ADVISORY BODY, THE EMPLOYMENT SECURITY ADVISORY COUNCIL. THE COUNCIL IS EQUALLY COMPOSED OF REPRESENTATIVES FROM EMPLOYERS, EMPLOYEES, AND THE PUBLIC. IT MEETS ON A MONTHLY BASIS TO REVIEW UNEMPLOYMENT INSURANCE ISSUES AND ADVISE THE SECRETARY OF HUMAN RESOURCES. THE COUNCIL IS CHAIRED BY THE ASSISTANT SECRETARY FOR EMPLOYMENT SECURITY.

AS YOU CAN SEE, THE PROGRAMS WITHIN THE DIVISION OF EMPLOYMENT SECURITY ARE VITAL TO THE ECONOMIC WELL-BEING OF THE CITIZENS OF THE STATE OF KANSAS. WE URGE THE CONTINUATION OF THE PROGRAMS WITHIN THIS DIVISION.

THE THIRD MAJOR COMPONENT OF THE DEPARTMENT IS THE DIVISION OF LABOR MANAGEMENT RELATIONS AND EMPLOYMENT STANDARDS. THIS DIVISION IS HEADED BY AN ASSISTANT SECRETARY WHO ALSO ASSUMES THE ROLE OF DIRECTOR OF LABOR MANAGEMENT RELATIONS AND EMPLOYMENT STANDARDS.

WITHIN THIS DIVISION ARE THE VETERANS COMMISSION, WORKERS' COMPENSATION, MEXICAN AMERICAN AFFAIRS AND ITS' ASSOCIATED ADVISORY COMMITTEE, EMPLOYMENT STANDARDS, INDUSTRIAL SAFETY AND HEALTH, LABOR RELATIONS WITH TWO ASSOCIATED COMMITTEES -- THE PUBLIC EMPLOYEES RELATIONS BOARD AND THE AGRICULTURE LABOR RELATIONS BOARD, AND FINALLY - BOILER INSPECTION ACTIVITIES. THIS DIVISION, FOR THE MOST PART, WORKS WITH EMPLOYERS AND WORKERS WITHIN THE STATE OF KANSAS TO INSURE SAFE, HEALTHY WORK ENVIRONMENTS FOR OUR CITIZENS. THE DIVISION ALSO SERVES THE NEEDS OF SPECIAL GROUPS IN THE KANSAS POPULATION.

FIRST, THE VETERANS COMMISSION AND ITS STAFF HELP TO INSURE THAT OVER 300,000 KANSAS VETERANS RECEIVE ALL SERVICES AVAILABLE

THROUGH THE VETERANS ADMINISTRATION. OUTREACH PERSONNEL WITHIN THE COMMISSION WORK WITH VETERANS AT THE VETERANS ADMINISTRATION HOSPITALS IN LEAVENWORTH, TOPEKA AND WICHITA.

IN STATE FISCAL YEAR 1983, THE VETERANS COMMISSION WAS INSTRUMENTAL IN HELPING KANSAS VETERANS RECEIVE AN ADDITIONAL TWENTY-THREE MILLION DOLLARS IN BENEFITS. WE CONSIDER THIS A MODEST ACCOUNTING BECAUSE THIS ONLY INCLUDES BENEFITS OBTAINED THROUGH A POWER-OF-ATTORNEY EXECUTED BY THE COMMISSION. WE HELP MANY OTHER VETERANS APPLY AND SECURE BENEFITS, BUT BECAUSE WE DO NOT NEED A POWER-OF-ATTORNEY, WE ARE NOT ALWAYS AWARE OF THOSE RESULTS.

THE VETERANS COMMISSION IS ALSO RESPONSIBLE FOR ADMINISTRATION OF THE SOLDIER'S HOME AT FORT DODGE. THIS FACILITY PROVIDES THREE LEVELS OF CARE FOR 260 KANSAS VETERANS AND DEPENDENTS WHO DO NOT HAVE THE RESOURCES TO PROVIDE FOR THEMSELVES.

THE SERVICE TO VETERANS AGENCY WAS ORIGINALLY CREATED IN 1937 AS A DIVISION OF SOCIAL WELFARE. IN 1945, THE ADDITIONAL

RESPONSIBILITY OF THE G.I. BILL WAS ADDED TO THE AGENCY. THE KANSAS SOLDIER'S HOME WAS ESTABLISHED IN 1889 IN K.S.A. 76-1901 THROUGH 76-1939. THE THREE AGENCIES WERE COMBINED BY LEGISLATIVE ACTION IN 1953. IN 1976, THE COMMISSION WAS ATTACHED TO THE DEPARTMENT BY EXECUTIVE ORDER.

THE NEXT MAJOR COMPONENT IS THE WORKERS' COMPENSATION PROGRAM. THE KANSAS WORKMEN'S COMPENSATION LAW WAS PASSED IN 1911 BY THE KANSAS LEGISLATURE. THE PURPOSE OF THE LEGISLATION WAS TO PROVIDE CERTAIN BENEFITS TO WORKERS WHO WERE INJURED ON THE JOB. THE LAW REQUIRES THAT NON-AGRICULTURAL EMPLOYERS WITH A PAYROLL OF \$10,000 OR MORE PURCHASE WORKERS' COMPENSATION INSURANCE TO COVER THEIR EMPLOYEES UNDER THE KANSAS WORKMEN'S COMPENSATION ACT. THE ACT ALSO PROVIDES FOR SELF-INSURANCE AND GROUP SELF-INSURANCE.

BASICALLY THE WORKMEN'S COMPENSATION ACT PROVIDES CERTAIN BENEFITS TO EMPLOYEES INJURED ON THE JOB. THESE BENEFITS INCLUDE A WEEKLY BENEFIT PAID WHILE THE EMPLOYEE IS OFF WORK IN

AN AMOUNT AT THE PRESENT MAXIMUM OF \$218.00 THE LAW ALSO PROVIDES THAT MEDICAL BENEFITS SHALL BE PROVIDED THE INJURED WORKER TO CURE AND RESTORE THE WORKER FROM THE EFFECTS OF THE INJURY. THE ACT REQUIRES THAT THE DIRECTOR COORDINATE VOCATIONAL REHABILITATION FOR THE INJURED WORKER WHEN THAT WORKER CANNOT RETURN TO GAINFUL EMPLOYMENT. EMPLOYERS ARE REQUIRED TO REPORT ALL JOB RELATED INJURIES TO THE DIVISION OF WORKERS' COMPENSATION WITHIN 28 DAYS OF OCCURRENCE. IN FISCAL YEAR 1983, there were 52,221 ACCIDENTS REPORTED TO THE DIVISION OF WORKERS' COMPENSATION.

EMPLOYERS, NOT REQUIRED TO BE COVERED UNDER THE KANSAS WORKMEN'S COMPENSATION ACT MAY ALSO ELECT COVERAGE UNDER THE ACT. THE DIVISION PERFORMS CERTAIN ADMINISTRATIVE DUTIES REQUIRED BY THE ACT AND ALSO ACTS AS A JUDICIAL DETERMINING BODY WHEN AN APPLICATION FOR HEARING IS FILED. THERE ARE ADMINISTRATIVE LAW JUDGES IN THE DIVISION WHO HOLD HEARINGS ON CONTESTED CASES. WHEN THE JUDGES ENTER AN AWARD, EITHER PARTY CAN APPEAL THE AWARD TO THE DIRECTOR. FROM THE DIRECTOR IT CAN BE APPEALED TO THE

DISTRICT COURT IN THE COUNTY WHERE THE ACCIDENT OCCURRED, AND FROM THE DISTRICT COURT TO THE KANSAS COURT OF APPEALS AND KANSAS SUPREME COURT. IN FISCAL YEAR 1983 THERE WERE 2,385 APPLICATIONS FOR HEARING FILED WITH THE DIVISION. THE DIVISION ALSO MAINTAINS A CLAIMANT ADVISORY SECTION TO COUNSEL INJURED WORKERS IN REGARD TO PROBLEMS ON INDIVIDUAL CLAIMS. IN FISCAL YEAR 1983 APPROXIMATELY 9,000 INJURED WORKERS CONTACTED THE DIVISION FOR THIS SERVICE.

THE DIVISION OF WORKERS' COMPENSATION IS A FEE-FUNDED AGENCY. THE FUNDS TO MAINTAIN THE AGENCY ARE BASED ON AN ASSESSMENT OF SELF-INSUREDS AND INSURANCE CARRIERS BASED ON A PERCENTAGE OF THE BENEFITS PAID OUT BY THEM EACH YEAR.

I NOW WISH TO DESCRIBE THE ADVISORY COMMITTEE ON MEXICAN AMERICAN AFFAIRS. THE MISSION OF THIS GROUP IS TO BE RESPONSIVE TO THE UNMET NEEDS, CONCERNS AND ISSUES OF THE KANSAS HISPANIC COMMUNITY.

THE KEY ROLE OF KACMAA HAS BEEN TO VOICE NEEDS TO THE KANSAS

EXECUTIVE AND LEGISLATIVE BRANCHES OF GOVERNMENT AND TO WORK WITH THESE BODIES IN ASSISTING AND COORDINATING THEIR EFFORTS TO PROVIDE SERVICES FOR THE HISPANIC COMMUNITY WITHIN THE STATE.

SPECIFIC ACTIVITIES OF THE COMMITTEE AND ITS STAFF ARE CONDUCTING RESEARCH, PROVIDING TECHNICAL ASSISTANCE WITHIN THE HISPANIC COMMUNITY, ACTING AS A REFERRAL AGENCY TO INSURE THAT ITS CONSTITUENCY KNOWS OF THE PROPER GOVERNMENTAL AGENCY FOR ASSISTANCE, AND ENCOURAGING ECONOMIC DEVELOPMENT THROUGH MINORITY BUSINESSES.

THE ULTIMATE GOAL OF THE COMMITTEE IS TO URGE HISPANICS TO DEVELOP THEIR OWN RESOURCES AND TO SEEK ACCESS, NOT TO DEPEND ON STATE GOVERNMENT.

THE COMMITTEE WAS CREATED BY K.S.A. 74-6501 ET SEQ. THE COMMITTEE WAS MADE A PART OF THE DEPARTMENT BY GOVERNOR ROBERT BENNETT'S 1976 EXECUTIVE ORDER.

THE EMPLOYMENT STANDARDS BRANCH IS THE NEXT ORGANIZATION I WISH TO DISCUSS. THE BRANCH IS CHARGED WITH THE RESPONSIBILITY OF INSURING COMPLIANCE WITH THE WAGE PAYMENT ACT AND THE

MINIMUM WAGE AND MAXIMUM HOURS LAW.

THE BRANCH PROCESSES WAGE COMPLAINTS THROUGH SERVICE OF CLAIMS ON EMPLOYERS, INVESTIGATION OF CLAIMS, CONCILIATION OF CLAIMS, AND BY CONDUCTING QUASI-JUDICIAL HEARINGS ON DISPUTED CLAIMS. DURING STATE FISCAL YEAR 1983, 1,461 CLAIMS WERE FILED WITH THIS SECTION. INVESTIGATIONS AND CONCILIATIONS WERE CONDUCTED FOR CLAIMS TOTALING \$369,000. TWO HUNDRED EIGHTY-THREE (283) HEARINGS WERE CONDUCTED ON DISPUTED CLAIMS. ALSO, THIRTY-ONE COMPLAINTS WERE FILED UNDER THE PROVISIONS OF THE MINIMUM WAGE AND MAXIMUM HOURS STATUTE.

ENABLING LEGISLATION FOR THE ACTIVITIES OF THIS BRANCH IS FOUND IN K.S.A. 44-313 ET SEQ. AND 44-1201 ET SEQ.

NEXT WITHIN THE DIVISION IS THE INDUSTRIAL SAFETY AND HEALTH PROGRAM. SEVEN DISTINCT FUNCTIONS ARE PERFORMED WITHIN THIS SECTION: (1) ON SITE CONSULTATION, (2) STATE GOVERNMENT INSPECTION SERVICE, (3) LOCAL GOVERNMENT AND SCHOOL INSPECTION SERVICE, (4) EDUCATION AND TRAINING, (5) OCCUPATIONAL HEALTH AND HAZARDOUS CHEMICALS, (6) MAPPING OF UNDERGROUND MINES, AND (7)

HEARING APPEALS FOR THE MAJOR DISASTER INDIVIDUAL AND FAMILY GRANTS PROGRAM.

ON SITE CONSULTATION PROVIDES A SERVICE TO THE EMPLOYER COMMUNITY WITHIN KANSAS. THE PROGRAM, WHICH IS 90% FEDERALLY FUNDED, PROVIDES FOR INSPECTION OF AN EMPLOYER'S PREMISES TO ADVISE THE EMPLOYER REGARDING OSHA REGULATIONS, SAFETY AND HEALTH HAZARDS AND ELIMINATION OR CONTROL OF ANY PROBLEMS FOUND DURING THE INSPECTION. DURING FISCAL YEAR 1982, 565 ON SITE CONSULTATIONS WERE CONDUCTED.

THE STATE GOVERNMENT INSPECTION SERVICE CONDUCTS REVIEWS OF STATE GOVERNMENT WORK-SITES IN AN EFFORT TO REDUCE THE FREQUENCY AND SEVERITY OF ACCIDENTS OR ILLNESSES OCCURRING TO STATE EMPLOYEES. FOR SEVERAL YEARS, WE HAVE BEEN WORKING WITH THE STATE SELF-INSURANCE FUND IN AN EFFORT TO REDUCE THE NUMBER OF JOB-RELATED INJURIES THUS REDUCING THE COST OF WORKERS' COMPENSATION CASES AGAINST THE STATE FUND. IN FISCAL YEAR 1982, A TOTAL OF SEVEN (7) STATE FACILITIES WERE INSPECTED.

TRAINING TO STATE GOVERNMENT SUPERVISORS AND EMPLOYEES IS PROVIDED TO MAKE THEM MORE AWARE OF OCCUPATIONAL SAFETY. DURING FISCAL YEAR 1982, TWENTY-ONE (21) OF THESE TRAINING SESSIONS WERE CONDUCTED.

THE LOCAL GOVERNMENT AND SCHOOL INSPECTION PROGRAM IS QUITE SIMILAR TO THE STATE GOVERNMENT PROGRAM JUST DESCRIBED. THE SAME TYPE OF INSPECTION SERVICES TO CITIES, COUNTIES AND PUBLIC SCHOOL DISTRICTS IS EXTENDED. ASSISTANCE TO THESE EMPLOYERS IS PROVIDED IN COMPLYING WITH THE REQUIREMENTS OF K.S.A. 44-636. DURING FISCAL YEAR 1982, A TOTAL OF 338 LOCAL UNITS OF GOVERNMENT AND 775 SCHOOLS WERE INSPECTED. ADDITIONALLY, 24 EDUCATIONAL SEMINARS WERE CONDUCTED.

THE EDUCATION AND TRAINING PROGRAM WITHIN THIS BRANCH IS DESIGNED TO FULFILL THE REQUIREMENTS OF K.S.A. 75-5740. TRAINING AND EDUCATIONAL PROGRAMS AND MATERIALS FOR SAFETY PROBLEMS AND SOLUTIONS FOR THE CITIZENS OF OUR STATE HAVE BEEN DEVELOPED AND MAINTAINED. THESE HAVE BEEN INCORPORATED INTO OUR STATE AND

AND LOCAL GOVERNMENT PROGRAMS AS WELL AS MADE AVAILABLE TO INDUSTRIAL FACILITIES AND THE PUBLIC. ELEVEN ADDITIONAL PROGRAMS WERE HELD FOR PRIVATE INDUSTRIAL GROUPS DURING FISCAL YEAR 1982.

THE OCCUPATIONAL HEALTH AND HAZARDOUS CHEMICAL PROGRAM PROVIDES A SERVICE IN WHICH ASSISTANCE IS PROVIDED BOTH PRIVATE AND PUBLIC SECTOR EMPLOYERS IN RECOGNIZING, EVALUATING, TESTING AND CHEMICAL ANALYSIS, AND CONTROLLING POSSIBLE CONTAMINANTS AT THE WORK-SITE. DURING FISCAL YEAR 1982, HAZARDOUS CHEMICALS WERE REMOVED FROM TWENTY-THREE (23) SCHOOLS, THREE (3) LOCAL UNITS OF GOVERNMENT, AND EIGHT (8) PRIVATE INDUSTRIES, AND ASSISTANCE WAS PROVIDED IN ONE (1) HAZARDOUS CHEMICAL SPILL IN A HIGH SCHOOL. HAZARDOUS CHEMICALS WERE ALSO REMOVED FROM TWO (2) STATE BUILDINGS. WE ALSO CONDUCTED FORTY (40) ASBESTOS INSPECTIONS, EIGHTEEN (18) COMPLETE ASBESTOS EXPOSURE ASSESSMENTS AND ASSISTED WITH TWO (2) ASBESTOS REMOVAL OPERATIONS. EIGHT (8) ADDITIONAL ASBESTOS ASSESSMENTS WERE MADE IN STATE BUILDINGS.

THE UNDERGROUND MINE MAPPING SERVICE COLLECTS AND RECORDS

DETAILED OPERATIONAL MAPS OF ALL UNDERGROUND COAL, ROCK OR LIMESTONE MINES IN KANSAS. WE CURRENTLY STORE ALL REQUIRED MAPS OF THESE MINES.

LAST, THE OCCUPATIONAL HEALTH AND SAFETY UNIT OPERATES THE APPEALS OFFICE FOR THE MAJOR DISASTER INDIVIDUAL AND FAMILY GRANTS PROGRAM. THIS PROGRAM REQUIRES ON-SITE EVALUATION AND ASSESSMENT OF DAMAGES AND RENDERING DECISIONS ON THE APPEALED ITEMS. DURING FISCAL YEAR 1982, 39 CLAIMS WERE INVESTIGATED THAT WERE APPEALED.

NEXT IS THE LABOR RELATIONS UNIT WITHIN THE DIVISION. THIS UNIT FULFILLS THREE BASIC FUNCTIONS. THE FIRST IS ADMINISTRATION OF FOUR STATUTES DEALING WITH PRIVATE OR PUBLIC SECTOR LABOR RELATIONS AND TWO STATUTES DEALING WITH REGULATION OF PRIVATE EMPLOYMENT SERVICES AND CHILD LABOR. THE SECOND MAJOR FUNCTION IS TO PROVIDE INFORMATION REGARDING THE STATUTE WHICH PROHIBITS BLACKLISTING AND THE CONSTITUTIONAL RIGHT TO WORK ADMENDMENT. THE THIRD MAJOR FUNCTION WITHIN THIS UNIT IS TO PROVIDE AN INFOR-

MATION SERVICE TO THE CITIZENS OF THE STATE OF KANSAS IN REGARD TO EMPLOYMENT RELATED QUESTIONS OR PROBLEMS.

THE UNIT MAINTAINS A STAFF OF INVESTIGATORS, ELECTIONS OFFICERS, MEDIATORS AND/OR HEARING EXAMINERS. UNDER THE PUBLIC EMPLOYER-EMPLOYEE RELATIONS ACT AND THE AGRICULTURAL LABOR RELATIONS ACT, BRANCH ACTIVITIES ARE LIMITED TO INVESTIGATIONS, HOLDING QUASI-JUDICIAL HEARINGS AND COMPOSING RECOMMENDED ORDERS WHICH ARE REVIEWED BY STATUTORILY CREATED BOARDS FOR FINAL APPROVAL. UNDER THE PROFESSIONAL NEGOTIATIONS ACT AND THE PRIVATE SECTOR EMPLOYER-EMPLOYEE RELATIONS ACT, THE STAFF HAS QUASI-JUDICIAL AUTHORITY TO INVESTIGATE, MEDIATE, HOLD HEARINGS AND RECOMMEND DECISIONS TO THE SECRETARY OR HIS DESIGNEE. A TOTAL OF 115 CASES WERE FILED AND SERVICED UNDER THESE LAWS IN FISCAL YEAR 1983 IN THE AREAS OF UNIT DETERMINATION, UNIT CERTIFICATION, UNIT CLARIFICATION, IMPASSE DECLARATION, FACTFINDING, AND UNFAIR LABOR PRACTICES.

STATUTORY AUTHORITY FOR THESE FUNCTIONS IS FOUND IN K.S.A.

75-4321 ET SEQ (PUBLIC EMPLOYER-EMPLOYEE RELATIONS ACT), K.S.A. 72-5413 ET SEQ. (PROFESSIONAL NEGOTIATIONS ACT), K.S.A. 44-818 ET SEQ. (AGRICULTURAL LABOR RELATIONS ACT), K.S.A. 44-801 ET SEQ. (CHILD LABOR ACT), K.S.A. 44-117 ET SEQ. (PREVENTION OF BLACKLISTING ACT), AND FINALLY, K.S.A. 44-831 AND ARTICLE 15 SECTION 12 OF THE KANSAS CONSTITUTION REGARDING THE RIGHT TO WORK.

THE LAST ACTIVITY PERFORMED WITHIN THE DIVISION IS PERFORMANCE OF BOILER INSPECTIONS WITHIN THE STATE OF KANSAS AS REQUIRED BY K.S.A. 44-913 ET SEQ. THE STATUTE REQUIRES THAT CERTAIN BOILERS WITHIN THE STATE OF KANSAS RECEIVE AT LEAST AN ANNUAL INSPECTION.

THESE INSPECTIONS ARE CONDUCTED EITHER BY BOILER INSPECTORS IN THIS BRANCH OR BY INSURANCE COMPANY INSPECTORS COMMISSIONED TO PERFORM INSPECTIONS BY THE DEPARTMENT. ALL INSPECTIONS MUST BE CERTIFIED BY THE NATIONAL BOARD OF BOILER AND PRESSURE VESSEL INSPECTORS. EMPLOYEES WITHIN THE DEPARTMENT INSPECTED 3,625

BOILERS DURING FISCAL YEAR 1983 AND AN ADDITIONAL 9,502 WERE INSPECTED BY INSURANCE INSPECTORS.

THIS FUNCTION IS SUPPORTED BY A FEE OF \$10 FOR A CERTIFICATION AND FEES RANGING FROM \$12 TO \$35 FOR INSPECTIONS DEPENDING ON THE TYPE AND SIZE OF THE BOILER.

THERE WAS A TOTAL OF 11 REPORTED BOILER EXPLOSIONS IN KANSAS DURING FISCAL YEAR 1983 INCLUDING THE ONE AT THE COFFEYVILLE, KANSAS MUNICIPAL POWER PLANT AT WHICH THERE WERE THREE FATALITIES. WE BELIEVE THAT REGULAR INSPECTIONS GREATLY REDUCE THE LIKELIHOOD OF BOILER EXPLOSIONS.

IN SUMMARY, THE ABOVE BRANCHES WITHIN THIS DIVISION ARE VITAL TO THE SAFETY AND WELFARE OF WORKERS WITHIN THE STATE AND TO THE 300,000 VETERANS IN KANSAS. WE URGE THAT ALL PROGRAMS WITHIN THIS DIVISION BE CONTINUED.

THE LAST MAJOR ORGANIZATION WITHIN THE DEPARTMENT IS THE LEGAL SERVICES UNIT. WITHIN THE UNIT ARE THE LITIGATION, BENEFIT PAYMENT AND CONTRIBUTIONS CONTROL, APPELLANT AND SUPPORT SERVICES SECTIONS.

THE LITIGATION SECTION DEALS WITH CIVIL RIGHTS AND LITIGATION OF A GENERAL NATURE BROUGHT AGAINST THE DEPARTMENT.

THE BENEFIT PAYMENT AND CONTRIBUTIONS CONTROL SECTION IS RESPONSIBLE FOR COLLECTION OF FRAUD AND NONFRAUD BENEFIT OVERPAYMENTS AND DELINQUENT EMPLOYER TAXES. DURING CALENDAR YEAR 1983, 653 FRAUD DETERMINATIONS RESULTED FROM 2,800 INVESTIGATIONS. THREE MILLION, FOUR HUNDRED THOUSAND DOLLARS (\$3,400,000) IN OVERPAYMENTS WERE ESTABLISHED AND ONE MILLION, SEVEN HUNDRED THOUSAND DOLLARS (\$1,700,000) IN PAYMENTS WERE RECOVERED. KANSAS HAS AN ENVIABLE RECORD OF FRAUD PREVENTION. FOR EVERY DOLLAR PAID OUT IN BENEFITS, ONLY ONE QUARTER OF ONE PERCENT (.25%) IS PAID FOR FRAUDULENT CLAIMS. THE NATIONAL AVERAGE IS TWO AND SIXTEEN ONE HUNDREDTHS PERCENT (2.16%).

THE CONTRIBUTIONS CONTROL FUNCTION SUCCESSFULLY RECOVERED ABOUT \$750,000 IN DELINQUENT EMPLOYER PAYMENTS. ADDITIONALLY, 757 TAX LIENS AND 257 TAX WARRANTS WERE FILED TO PROTECT THE INTERESTS OF THE STATE'S UNEMPLOYMENT INSURANCE TRUST FUND. ONE HUNDRED SIXTY (160) BANKRUPTCY CLAIMS WERE ALSO FILED DURING THE YEAR.

THE APPELLANT SECTION IS RESPONSIBLE FOR LITIGATION IN REGARD TO LAWFUL ORDERS FOR WAGE PAYMENTS OR PROFESSIONAL NEGOTIATIONS DECISIONS. IN 1983, 26 WAGE CLAIMS CASES AND 8 PROFESSIONAL NEGOTIATIONS DECISIONS WERE DEFENDED IN DISTRICT COURT AND THE KANSAS SUPREME COURT.

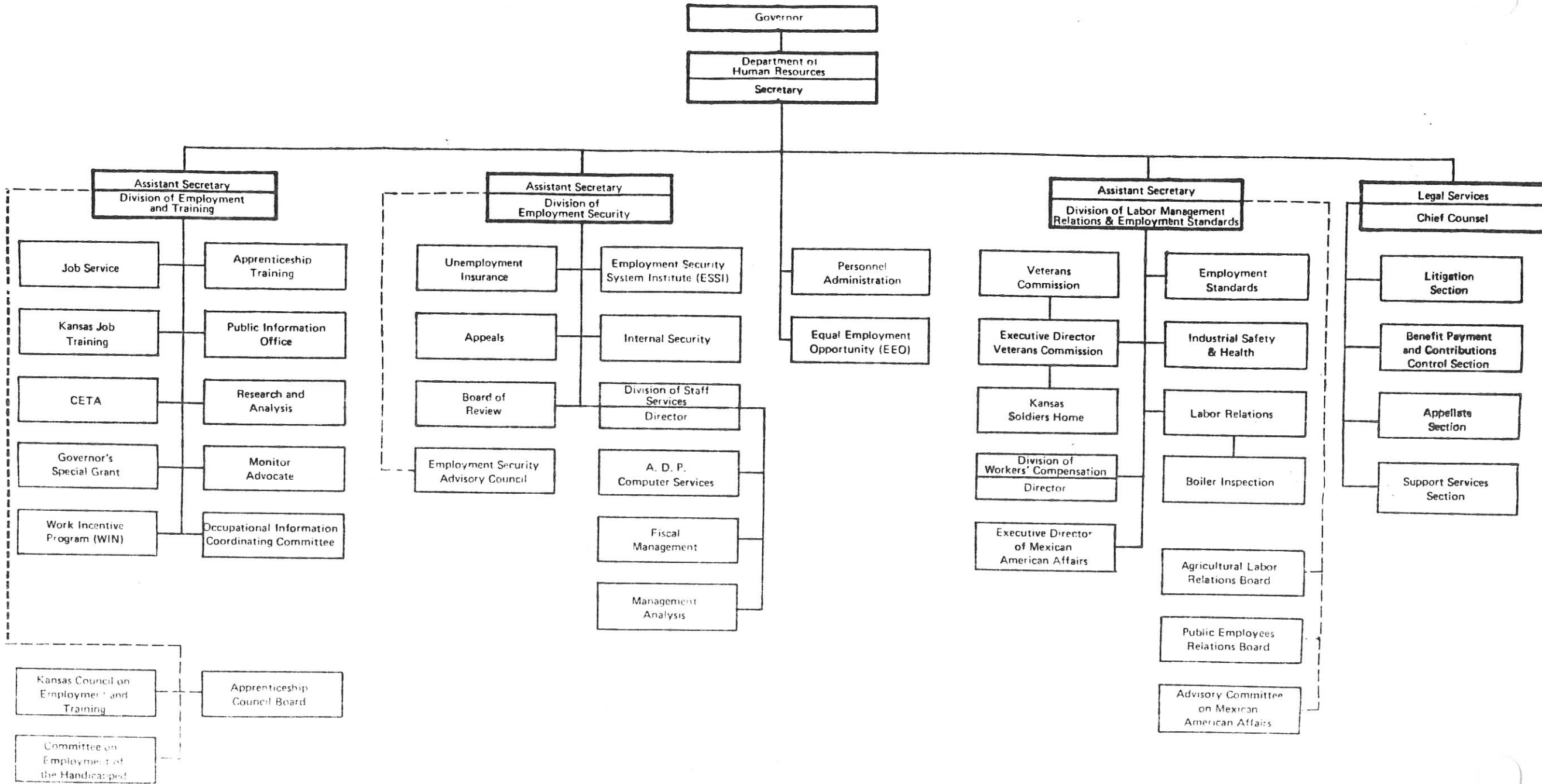
THE SUPPORT SERVICES SECTION CONCLUDES THE UNIT. THIS UNIT IS RESPONSIBLE FOR "HOUSEKEEPING" TASKS SUCH AS WORD PROCESSING, FILE MAINTENANCE AND OTHER SECRETARIAL OR CLERICAL ACTIVITIES WITHIN THE LEGAL SERVICES AREA.

WE URGE THAT ALL ACTIVITIES WITHIN THE LEGAL SERVICES UNIT BE CONTINUED.

IN SUMMARY, WE RECOMMEND THAT ALL COMPONENTS OF THE DEPARTMENT OF HUMAN RESOURCES BE CONTINUED EXCEPT FOR THE CETA AND GOVERNOR'S SPECIAL GRANTS UNITS. MOST OF THE FUNCTIONS WITHIN THE DEPARTMENT ARE FEDERALLY-MANDATED AND IN MANY CASES FULLY FEDERALLY FUNDED. IT IS OUR CONSIDERED OPINION THAT THE FUNCTIONS WITHIN THE DEPARTMENT ARE VITAL TO THE ECONOMIC WELL-BEING OF THE CITIZENS OF THE STATE OF KANSAS.

THANK YOU VERY MUCH FOR THIS OPPORTUNITY TO DISCUSS THE VARIOUS COMPONENTS OF THE DEPARTMENT. I WILL BE HAPPY TO ENTERTAIN ANY QUESTIONS YOU MAY HAVE.

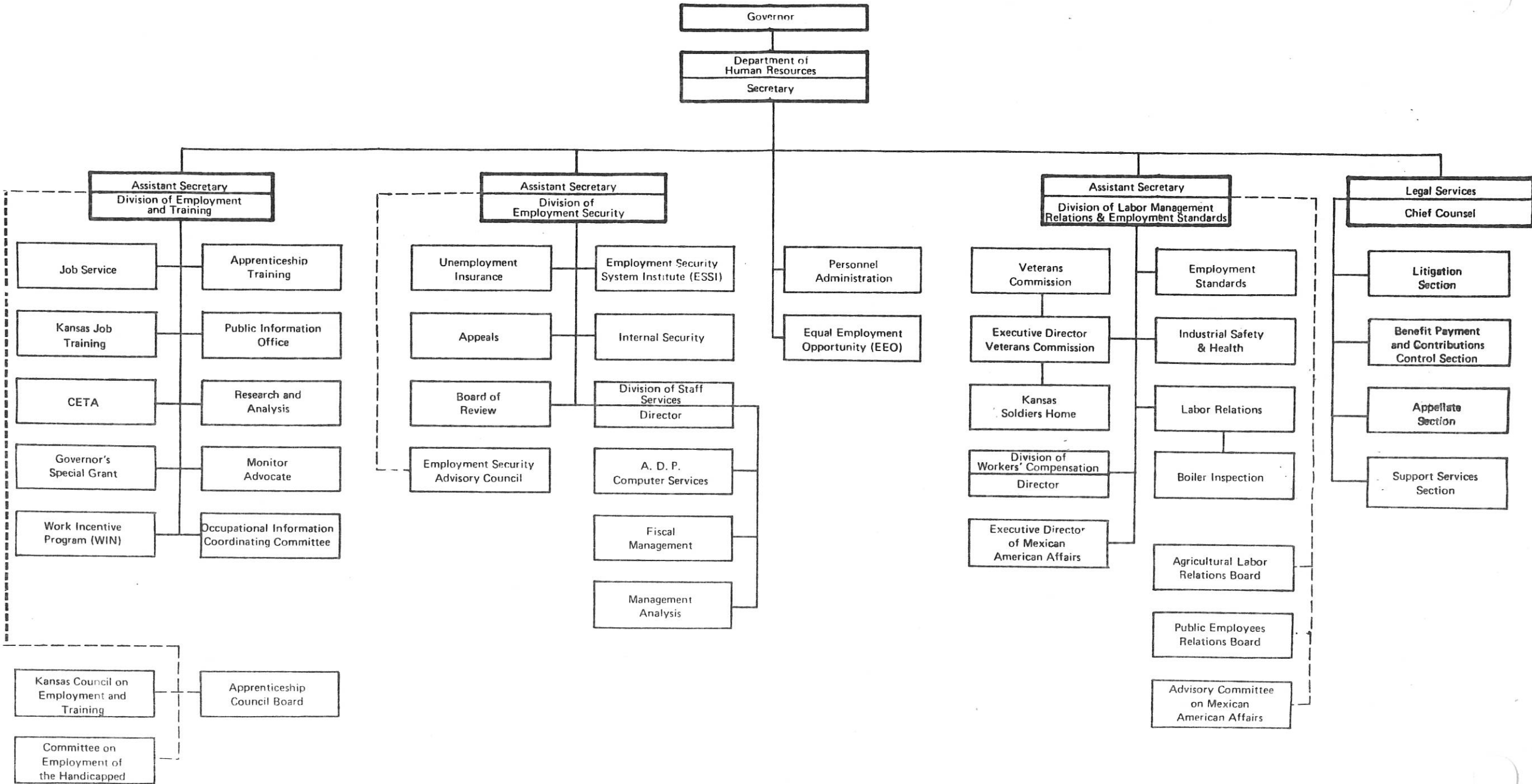
ORGANIZATIONAL CHART
Kansas Department of Human Resources



AHE
2-1-84

APPROVED BY *[Signature]*

ORGANIZATIONAL CHART
Kansas Department of Human Resources



APPROVED BY: *[Signature]*

Adjutant General's brief for SB 577

The Hazardous Material Radiological Systems Management Section is an integral part of the Division of Emergency Preparedness. This section is responsible for hazardous material planning and coordination of response to transported hazardous material spills; provides distribution and maintenance for radiological monitoring devices (54,000); provides training for State and County monitors; and provides off-site planning in the event of an accident at the Wolf Creek Nuclear Power Generating Plant.

Recent initiatives at the National level have prompted an increase in all radiological hazard planning at County and State level and to be integrated into a new concept of an Integrated Emergency Management System. In addition the planning and exercising of the planning is being intensified for the Wolf Creek Nuclear Power Plant. On top of this is emphasis in training County Radiological Defense Officers. These initiatives as well as continuation of the other duties are performed under a Comprehensive Cooperative Agreement between the Federal Emergency Management Agency and the Division of Emergency Preparedness.

The Federal Government has increased its funding to cover the costs of production and printing of additional plans, increased training in counties which will require added travel and student materials, and the exercising of plans for contingencies at Wolf Creek. It appears some new monitoring devices may also be furnished by the Federal Government which will increase exchange and distribution of devices as well. Without acceptance of the additional funds we can not fulfill the goals beset by the Federal Government.

Without the expenditure limitation increase the Hazardous Material and Radiological Systems Management Section, as well as the Division of Emergency Preparedness could not comply with the Federal and State's desire to increase readiness in protecting the citizens of our State. The Federal requirements, with the additional funding, will commence October 1, 1983. The Department is in need of the additional funds to meet Federal goals.

Emphasis is added that these funds are 100% Federal and an increase to general revenue funds is not required.

AHF
2-1-84

BUILDING COMMITTEE RECOMMENDATIONS
REGARDING S.B. 577

1. Amend Section 4(a) to lapse \$137,996 (rather than \$138,845) from Federal Revenue Sharing Fund appropriation for Breukelman Hall roof at Emporia State University.
2. Amend Section 4(b) to appropriate \$127,996 for Emporia State University to "Replace Breukelman Hall roof".
3. Add Sections for Pittsburg State University to lapse the following Educational Building Fund reappropriations from the following projects.

McCray Hall Roof	\$ 43,185
Kelce Center Roof	15,000
Weede Building Roof	<u>86,326</u>
TOTAL Lapsed	<u>\$144,511</u>

4. Amend Section 5(a) to read for the fiscal year ending June 30, 1986, appropriations are hereby made for the above agency from the S.I.B.F.

AHG
2-1-84

EMPORIA STATE UNIVERSITY

1200 COMMERCIAL / EMPORIA, KANSAS 66801 / TELEPHONE 316-343-1200



December 22, 1983

Mr. David Monical, Principal Analyst
Legislative Research Department
Statehouse, Room 545N
Topeka, KS 66612

Re: Federal Revenue Sharing Fund Appropriation - "Replace Breukelman
Hall Roof" (11004-65)

Dear David:

As I indicated to you on the phone yesterday, a problem has arisen in connection with the Breukelman Hall reroofing project.

When discussions were underway earlier this fiscal year concerning several reroofing projects on campus, it was decided to combine them all into one contract in order to secure the most favorable bid. This was done; the specifications were prepared; the contract was signed in late summer; and work began this fall. Unfortunately, no provision was made in the specifications for the payment of prevailing wages on the Breukelman Hall project since it was financed with Federal revenue sharing funds.

After the first portion of the project was completed and work commenced on Breukelman Hall, pickets appeared at the edge of the campus. Shortly thereafter, the weather closed the entire project down. Since then, we have been in contact with the office of the Director of Architectural Services and various other state offices. No solution seems to be emerging. Therefore, we feel the need to involve the Joint Committee on State Building Construction.

Since becoming aware of the problem, we have requested the U.S. Department of Labor's prevailing wage determination for the Emporia vicinity. A copy of that determination is attached. They determined that the prevailing wage for beginning roofers in Lyon County was \$14.66/hr. (not including fringe benefits). After receipt of this determination, we surveyed the only two legitimate built-up roofing contractors as to the wages they pay their employees. Those responses are listed below:

COMPANY:	Geo. Groh & Sons	Emporia Roofing
Position	Wage	Wage
Roofer & Sheetmetal Laborer	\$5.25/hour	\$5.50-5.75/hour
Sheetmetal Laborer	\$5.85/hour	----
Roofing Laborer	\$5.41/hour	----
Roofing Laborer (beginning)	----	\$5.00/hour
Journeyman Level Roofer	----	\$6.75-8.00/hour
Roofing Foreman	\$6.00-8.00/hour	----

AHH 2-1-84

It is our understanding that the roofing contractor, Weathercraft, Inc., is paying his employees comparable wages to those listed above. Furthermore, Weathercraft has advised us that his labor costs would likely nearly double if he were required to pay the wages as determined by the Department of Labor. Listed below are the current contracted project costs and the labor costs included in each portion.

CCR No.	Project Title	As Originally Contracted		Total Project Cost With Change Order #1 & Proposed Change Order #2
		Labor Cost*	Total Project Cost	
A-4579	Replace Breukelman Hall Roof	\$ 44,885	\$129,096	\$155,893
A-4290(d)	Reroof Portion of Physical Education Bldg.	10,907	25,807	29,349
A-4574	Reroof Plumb Hall	26,318	64,848	65,348
A-4769	Reroof Portion of W.A.W. Library	5,413	19,886	19,886
A-4635	Reroof Married Student Apts "B" and "C"	19,260	47,192	47,192
A-4805	Reroof Morse Hall Northeast	10,949	45,554	45,554
TOTAL		\$117,732	\$332,383	\$363,222

*These labor costs identified by the contractor in a routinely requested cost breakdown after the contract is awarded.

A doubling of the labor costs on Breukelman Hall alone would cost at least \$44,885 extra. There is a possibility that the Davis-Bacon Act could be interpreted such that the prevailing wage determination would not only apply to the Breukelman Hall work, but also to the entire project. Such an interpretation would appear to cost at least an extra \$117,732.

Listed below are the balance of funds that we expect to have available in each of the project accounts upon completion of this contract (after change order #2 is processed and assuming that there are no payments for wage adjustments).

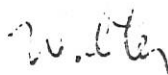
Mr. Monical
Page 3
December 22, 1983

CCR No.	Project Title	Expected Balance	Funding Source
A-4579	Replace Breukelman Hall Roof	\$14,107	Federal Revenue Sharing - Line Item Appropriation
A-4290	Reroof Physical Education Building	43,651	Educational Building Fund - Line Item Appropriation
A-4574	Reroof Plumb Hall	-0-	Educational Building Fund - Major Repairs, Special Maintenance & Remodeling
A-4769	Reroof Portion of W.A.W. Library	-0-	Educational Building Fund - Major Repairs, Special Maintenance & Remodeling
A-4635	Reroof Married Student Apts "B" and "C"	-0-	Residence Hall Maintenance & Equipment Reserve Fund
A-4805	Reroof Morse Hall Northeast	-0-	Residence Hall Maintenance & Equipment Reserve Fund
	TOTAL	\$57,758	

If the federal wage determination stands as is and its applicability is limited to the Breukelman Hall reroofing, the expected balance in Projects A-4579 and A-4290 would cover the required wage increase. However, legislative approval would be needed to transfer funds from the physical education building project to the Breukelman Hall project. Obviously, there are insufficient funds to cover the required wage increase should it be determined Davis-Bacon applies to the entire job.

Attached are some of the options that could be selected at this stage, and some of the pros and cons of each option. Since some of the options listed require legislative action, we felt that it might be appropriate for these options to be reviewed at the January 6 meeting of the Joint Committee on State Building Construction. If you concur, would you please make the necessary arrangements for it to be placed on the agenda, or advise us further in this matter.

Sincerely,


Walter G. Clark
Business Manager

ls

Enclosures

cc: Senator Bogina
Warren Corman
Dan Carroll

U. S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION
WASHINGTON, D. C. 20210

WAGE DETERMINATION UNDER THE DAVIS-BACON AND RELATED ACTS

SPECIAL PROJECT DECISION

The case is before the Department of Labor pursuant to a request for the wage rates prevailing as of July 13, 1983 in Lyon County, Kansas. On the basis of evidence and other data assembled by the Department of Labor for this area, it appears that the prevailing wage rates and fringe benefits payments in this locality were as shown on the attached schedule.

The contracting officer shall require that any class of laborers and mechanics which is not listed in the wage determination and which is to be employed under the contract, shall be classified or reclassified conformably to the wage determination, and a report of the action taken shall be sent by the Federal agency to this office. In the event the interested parties cannot agree on the proper classification or reclassification of a particular class of laborers and mechanics to be used, the question accompanied by the recommendation of the contracting officer shall be referred to the undersigned for determination.

/s/ Sylvester E. Green

Director, *ACTING*
Bureau of Government
Contract Determinations
Wage and Price Division

Department, Agency or Bureau: Dept. of Administration Division of Architectural Services	Decision No: S- S-83-KS-376
Location of Project (City or Other Description): Emporia State University	Date of Issuance: November 30, 1983
State: County: Kansas Lyon	Reflects Wage Rates as of: July 13, 1983
Description of Work: Reroof various buildings - Emporia State University, Emporia, Kansas State of Kansas Project Nos. A-4574, A-4579, A-4635, A-4769.	

U. S. DEPARTMENT OF LABOR
EMPLOYMENT STANDARDS ADMINISTRATION

REQUEST FOR DETERMINATION
AND RESPONSE TO REQUEST

(Davis Bacon Act as Amended
and Related Statutes)

FOR DEPARTMENT
OF LABOR USE

Response To Request

Use area determination
Issued for this area

The attached decision
noted below is applicable
to this project

Decision Number

Date of Decision

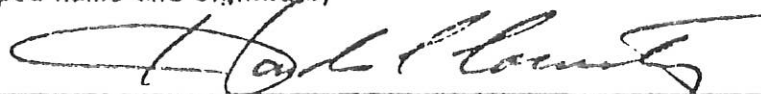
Expires

Supersedes Decision Number

Approved

Requesting Officer (typed name and signature)

HARLAN C. COUNTER



Department, Agency, or Bureau
DEPT. OF ADMINISTRATION
DIVISION OF ARCHITECTURAL SERVICES

Phone Number
913/233-9367

Date of Request
NOVEMBER 17, 1983

Advertising Date
JUNE 24, 1983

Bid Opening Date
JULY 13, 1983

Prior Decision
Number (if any)

Est. \$ Value of Contract
 Under 1/2 Mil. 1 to 5 Mil.
 1/2 to 1 Mil. Over 5 Mil.

Type of Work
 Bldg. Highway
 Resid. Heavy

Location of Project (city or other description)
EMPORIA STATE UNIVERSITY

County
LYON

State
KANSAS

Address to which wage determination should be mailed. Must be
complete and include ZIP Code. (Print or type)

HARLAN C. COUNTER - CHIEF ARCHITECT
CONTRACT DOCUMENT SECTION
DIVISION OF ARCHITECTURAL SERVICES
625 POLK STREET
TOPEKA, KANSAS 66603-3288

Wage Survey by Agency Attached
 YES NO

Wage Survey by Agency In Progress
 YES NO

Description of Work (Be specific) (Print or type)

Reroof Various Buildings - Emporia State University
Emporia, Kansas

STATE OF KANSAS PROJECT NO'S
A-4574, A-4579, A-4635, A-4769

CHECK OR LIST CRAFTS NEEDED
(Attach continuation sheet if needed)

- Asbestos workers
- Boilermakers
- Bricklayers
- Carpenters
- Cement masons
- Electricians
- Glaziers
- Ironworkers
- Laborers, (specify classes)
- Building Constr'n
- Lathers
- Marble & tile setters, terrazzo workers
- Painters
- Piledrivermen
- Plasterers
- Plumbers
- Roofers
- Sheet metal workers
- Soft floor layers
- Steamfitters
- Welders--rate for craft
- Truck drivers
- Power equipment operators, (specify types)

Other crafts

RECEIVED BY

DEC 2 11 31 AM '83

STATE ARCHITECT

LYON COUNTY, KANSAS

BUILDING CONSTRUCTION

	Basic Hourly Rates	Fringe Benefits Payments			
		H & W	Pensions	Vacation	Education and/or Appr. Tr.
Carpenters	\$12.45	\$1.00	\$.75		\$.05
Electricians	15.15	1.15	3%+.85		.13
Laborers, general	8.23	1.00	.50		.05
Painters:					
Brush, Roller	13.25	.95			
Spray	13.75	.95			
Plumbers & Pipefitters	15.83	1.30	1.00		.04
Roofers	14.66		1.15	a	.14
Pitch	15.76		1.15	a	.14
Sheet Metal Workers	14.68	3%+.90	1.89		.14
Truck Drivers:					
Station wagons, pickups, flat beds and dump 5 tons or less	11.04 11.19	.70 .70	.50 .50		

WELDERS: Receive rate prescribed for craft performing operation to which welding is incidental.

FOOTNOTE:

a - after 6 months of employment \$.26; after 5 years; \$.52.

"Unlisted classifications needed for work not included within the scope of the classifications listed may be added after award only as provided in the labor standards contract clauses (29 CFR, 5.5 (a) (1) (ii)."

COURSES OF ACTION
THAT CAN BE TAKEN TO ADDRESS THE PROBLEM

Option	Description of Possible Actions	Pro	Con
#1	Do nothing. Continue through to completion with current contract.	Easiest thing to do. The pickets may not return this spring when construction resumes. It may be all forgotten about by those who voiced concerns this fall. Dept. of Labor probably won't take any action without a formal complaint.	Somebody may raise the question again. What will be our response to them? Someone may file a formal complaint. An investigation may ensue in which it could be determined the Davis-Bacon Act applies not only to Breukelman Hall, but to the entire project. We would probably have to pay back wages plus a fine.
#2*	Have the Legislature lapse the Federal Revenue Sharing appropriation (\$170,000) and replace it with a KEBF appropriation (at least \$155,893 would be needed).	Solves the problem completely. The Federal Revenue sharing funds could be reallocated to a new project.	Requires action by full Legislature. It may appear we've taken a "back door" approach.
#3	Cancel the balance of the contract now. Pay the contractor for all materials and work performed to date. Then restructure contract into two separate contracts (one with the Breukelman Hall alone, one with the balance of the buildings), in which ESU would provide most of the materials.	It would solve the problem.	A contractual nightmare. Would delay construction. Cost likely to increase on both "new" contracts. Present contractor would have to agree to this procedure.
#4	Request the contractor to submit an add cost proposal for the entire project based on the Dept. of Labor wage determination.	It would solve the problem.	Can't afford it within current budgets. For the academic buildings, it would require a transfer of funds and an <u>additional supplemental appropriation</u> by the Legislature. For the residence halls, it would be very difficult to come up with the funds.

*Best option

Option	Description of Possible Actions	Pro	Con
#5	The same as option #4, but appeal the wage determination, in hopes of obtaining a significantly lower prevailing wage.	It would solve the problem, and could be much less expensive than option #4.	Would take a very long time and the chances for a favorable decision are minimal.
#6	The same as option #4, but only pay the determined prevailing wage on the Breukelman Hall portion.	It would solve the problem on Breukelman Hall.	It does not solve the potential problem if someone were to raise a question about Davis- Bacon's possible applicability to the entire project. Would also require a supplemental appropriation from the Legislature, a deletion of a portion of the project, or a transfer of funds from the Physical Education Building project.

SENATE BILL NO. 577
Sec. 3--Kansas Corporation Commission

The Governor is recommending expenditure limitation adjustments on several Commission funds, the combined impact of which would result in a net increase expenditure authority of \$719,522. A discussion of major items of expenditure is summarized as follows.

1. Wolf Creek Investigation. A significant portion of the recommendation (nearly 60 percent) is attributed to the addition of two staff positions and to an increased use of consultant services related to audit work associated with the Wolf Creek investigation.
2. Expansion of Communications Staff. Senate Bill 577 makes provision for the creation of a Communications Section within the Utilities Division designed to permit a concerted program directed at the changes occurring in communications regulation; the bill would allow for the addition of four new positions during the last four months of the current fiscal year.
3. Mined-Land Conservation & Reclamation Board. Senate Bill 577 also increases the expenditure authority of the Mined-Land Conservation and Reclamation Board associated with its inspection and enforcement program. The increased level of funding would finance primarily the salary of an attorney assigned to assist the Board and its staff in reviewing and revising its rules and regulations and in the development of written procedure regarding permitting, exceptions, variances, and bond release.
4. Consultant Services. The bill provides \$190,865 for consultant services above the level approved a year ago. Of the \$391,500 approved a year ago for consultant services of the Utilities Division, \$200,000 has been diverted to Phase I of the Wolf Creek investigation. It should be noted that the total amount recommended by the Governor for consultant services, excluding Wolf Creek, totals \$382,225 which is considerably less than the \$534,818 expended for this purpose in FY 1983.
5. Conservation Division Operations. Senate Bill 577 provides for an overall expenditure limitation increase of \$53,187 on the Conservation Fee Fund. This adjustment reflects no program expansions but would merely continue operations at the current level. The adjustment will provide \$36,722 for stand-by-pay; however, this increase is offset by an increase in the turnover adjustment which has the net effect of reducing salaries and wages by \$8,455. The major items of increased expenditure include communications expenses, travel and subsistence, and the purchase of office supplies; the recommended increase reflects inflationary adjustments only and would continue operations at the current level.

AHI

The following table summarizes adjustments made in Section 3 of Senate Bill 577, as introduced.

Increased Expenditure Authority	Item
\$427,401	Wolf Creek Investigation
39,247	Communications Section
190,865	Consultant Services
53,187	Conservation Division Operations
20,597	Mined Land Conservation & Reclamation Board
12,000	Compustat (Computer software program)
(23,775)	Various Reductions in the Approved Budget

Presented in a slightly different format, the following table summarizes expenditures by division and by object of expenditure.

	<u>Utilities</u>	<u>Research & Energy Analysis Division</u>	<u>Conservation</u>	<u>Mined-Land Inspection and Enforcement</u>
Salaries	\$ 18,116	\$ 17,481	\$(8,455)	\$14,710
Communication		(1,539)	24,148	
Freight & Express		(110)	1,600	
Rents		(4,206)		
Travel & Subsistence	18,131	11,000	15,312	5,887
Fees-Other Services	12,000	(17,920)	10,291	
Fees-Professional Services	390,325	199,460		
Office Supplies			10,291	
Capital Outlay	<u>3,000</u>			
TOTAL S.B. 577	\$441,572	\$204,166	\$53,187	\$20,597
New Positions	4.0	2.0	--	--

ATT I
2-1-84