

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANSThe meeting was called to order by Senator Paul Hess at  
Chairperson3:00 a.m./p.m. on February 9, 1984 in room 123-S of the Capitol.

All members were present except:

Senators Doyen, Harder, McCray, Steineger and Talkington

Committee staff present:

Research Department: Ed Ahrens, Mary Galligan, Lynne Holt, Sherry Brown  
Revisor's Office: Norman Furse  
Committee Office: Mark Skinner, Doris Fager

Conferees appearing before the committee:

Dr. Marvin Harder, Secretary of Administration  
Lynn Muchmore, Director, Division of Budget  
Judith McConnell, Executive Secretary, Kansas Corporation Commission  
Brian Moline, Attorney, Kansas Corporation Commission  
Richard Hayter, Kansas State UniversitySB 550 - Appropriations FY 1985, Continued from 11:00 meetingSection 2 - Department of Administration

Senator Hein reviewed the subcommittee report on this section. There was committee discussion, after which Chairman Hess suggested the Secretary of Administration be given opportunity to respond to the report.

Dr. Harder indicated he agrees with much of the report; for instance, the matter of the motor pool. He stated it seems sensible to him to try to save state money by extending the mileage for the cars in the motor pool. He said he would report back next year with the results.

Dr. Harder also agreed with the decision to remove DISC from SB 550, because it gives the Department time to look at the options as a study is made of the Santa Fe building and KIPPS.

In regard to reductions for FY 1984, Dr. Harder said it is his understanding that Secretary Hurley took the position that he would oppose those reductions on the grounds that some flexibility is needed in moving funds from one category to another within the Department.

Dr. Harder stated he had requested the subcommittee to provide \$36,000 to be used for a special project, and he was not sure whether that had been removed. Senator Hein commented that he felt this may have been overlooked by the subcommittee.

Dr. Harder said he had observed that the Legislature invests a lot of responsibility in the office of the Secretary of Administration; and he is of the opinion that the Legislature also has the obligation to provide flexibility with which to carry out those responsibilities.

Senator Hess questioned the deletion of funds for both FY 1984 and FY 1985 from the Budget Division's budget. There was extended discussion regarding the tradition of not changing the Governor's budget, just as he does not change the Legislature's budget. Several members of the committee were of the opinion that the Budget Division is more closely related to the Governor's office than many Departments under his jurisdiction. Others indicated they had questions about that division being left alone when others are subject to budget cuts.

SB 550 - Continued

During continuing discussion about cuts in the Budget Division funding, Dr. Harder said he is going through the problem of defining his responsibility under the law. He suggested that, at some point, the Legislature should clarify that responsibility. He said there was a time when he proposed that the Budget Division be taken out of the Department of Administration and attached to the Governor's office. He added that he does not want to be held accountable for the operation of the Budget Division if the policy is in effect that he does not have authority commensurate with his responsibility. He further stated that he has no comment about the cuts in funding for the Budget Division.

The Chairman asked Mr. Muchmore if any significant changes were being made in the Budget Division for FY 1985. Mr. Muchmore said there are no plans to add staff, but that there are several vacancies he intends to fill. He said there are increasing bills of normal sort in the area of computer applications particularly.

Motion was made by Senator Werts and seconded by Senator McCray to restore the \$5,000 for the Budget Division for FY 1985 which had been deleted by the subcommittee. Following a brief discussion, the motion carried by voice vote.

Motion was made by Senator Hein and seconded by Senator Gaines to amend the subcommittee report for FY 1984 to reinstate the \$26,178 for the Budget Division. Senator Hein added that this should be listed as a contingency account. The motion carried by voice vote.

In connection with recommendations 9 and 10, concerning KIPPS; and recommendation 11, the committee decided to invite Secretary Marvin Harder to brief them on those subjects at a later date.

Motion was made by Senator Hein and seconded by Senator McCray to amend the subcommittee report to indicate that a request for special projects money in the amount of \$36,000 was not specifically rejected; but was an oversight and was not considered by the Senate subcommittee. This would make it possible for the Department to go before the House committee with its request. The motion carried by voice vote.

SB 578 - Appropriations FY 1984, Corporation Commission

Senator Hein presented the subcommittee report on this section, and commented on certain recommendations as he made his presentation. There was a lengthy discussion concerning the reductions suggested by the subcommittee report, and explanation by representatives of the Kansas Corporation Commission concerning the need for such funds.

It was noted by Ms. McConnell that the reason for the appeal for \$50,000 in the Utilities Division in the Emergency Supplemental bill (SB 577) is that there is need for a contingency in the event a rate case is filed between now and when the final appropriations are made by the Legislature in April. Ms. McConnell indicated that the \$5,000 remaining for legal services in the Mined Land Division is adequate for the remainder of FY 1984.

SB 550 - Appropriations FY 1985

Section 6 - State Corporation Commission

Senator Hein reviewed the subcommittee report on Section 6. There was discussion concerning subcommittee recommendation No. 4. Senator Hein explained that the administrative assistants referred to in this recommendation were recently created, particularly because the minority member of the commission felt he needed an assistant. Mr. Moline agreed that was one reason, but said the prevailing reason for creation of those positions is that no two commissioners can get together to talk about a rate case unless there have been public notices; and that it is crucial that there be some interplay. According to Mr. Moline, this can be done only by staff because of the Open Meetings Law.

SB 550 - Continued

Section 6 - Continued

There was discussion concerning subcommittee item No. 8. Senator Hein stressed the fact that the increase in the Public Service Regulation Fund is a rate increase passed on to the consumers. Mr. Moline countered that the question which needs to be answered is "Is the cost of regulation worth it?" If the Corporation Commission does not have capacity to respond quickly to a rate increase request, the entire amount of the rate request becomes effective. He added that there seems to be a tendency that all utilities file for rate increases at the same time, and this adds to the burden on the Corporation Commission.

Motion was made by Senator Warren and seconded by Senator Gaines to introduce two bills related to fees of the Mined Land Division, as recommended in Subcommittee item No. 9. The motion carried by voice vote.

Motion was made by Senator Hein and seconded by Senator Warren to adopt all subcommittee reports for SB 550 as amended. The motion carried by voice vote.

There followed a discussion concerning suggestions of the subcommittee concerning KSU and KCC in Item No. 5. At this point, Mr. Hayter noted that there is now a contract with which Kansas State University has no problems. He added that he needs to do some budget shifting internally, and that can be done in a few days.

Motion was made by Senator Warren and seconded by Senator Hein to report SB 550 as amended favorably for passage. The motion carried by roll call vote.

The meeting was adjourned by the Chairman.