

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

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

10:00 a.m./p.m. on April 23, 1984 in room 123-S of the Capitol.

All members were present except:
Senators Doyen, Francisco and Steineger

Committee staff present:
Research Department: Mary Galligan, Ray Hauke, Chris Stanfield,
Bill Gilmore, Gloria Timmer
Revisor's Office: Norman Furse
Committee Office: Doris Fager, Mark Skinner

Conferees appearing before the committee:
Thomas Kelly, Kansas Bureau of Investigation
Robert Harder, Secretary Social and Rehabilitation Services
Barbara Sabol, Secretary Health and Environment
Jerry Sloan, Office of Judicial Administrator
John Wurth, State Securities Commissioner
Richard Schultz, Department of Corrections, KSP
Harley Duncan, Secretary of Revenue

INTRODUCTION OF BILLS

Senator Hess distributed a draft of a bill which would provide that Courts could send people to county or local institutions rather than to state hospitals for determination of competency to stand trial.

Motion was made by Senator Gaines and seconded by Senator Harder to introduce the above bill. The motion carried by voice vote.

Senator Hein explained that there is a statute which prohibits a state employee to accept compensation for representing persons before a state agency except the workmen's compensation area. He presented a bill which would also except representation before the Board of Tax Appeals.

Following a short discussion, motion was made by Senator Hein and seconded by Senator Gaines to introduce the bill and request that it be referred to the Elections Committee. The motion carried by voice vote.

OMNIBUS APPROPRIATIONS BILL - (SB 882)

The Committee was given a memorandum from the Legislative Research Department dated April 23, 1984, and entitled ITEMS FOR OMNIBUS CONSIDERATION. The memorandum is attached, and reference is made to the material in the memorandum throughout these minutes.

Department of Transportation - A. Technical Adjustment

The request by the agency was approved.

Kansas Bureau of Investigation

A. Senate Bill No. 595 - This item was approved as requested.

Letter to Senator Hess dated April 23, 1984

Mr. Kelly appeared to explain the items set out in the letter to Senator Hess. He noted that the six items listed in the letter are one-time costs associated with the move to the new headquarters. It was noted during the ensuing discussion that this would all be taken from the State General Fund. Mr. Kelly said Kansas is the only state in the nation at this time which cannot access certain Federal records. Following additional discussion, the request was approved. (See Attachment A)

Omnibus Appropriations Bill - SB 882 (Continued)

Social and Rehabilitation Services

A. House Bill No. 2893 - The committee approved the agency's request in this item.

B. House Bill No. 2796 - It was the concensus of the committee that the agency should absorb this item in its approved budget.

C. House Bill No. 3049 (Pending) - The committee decided to let the agency absorb costs brought about by pending passage of this bill.

D. House Bill No. 2997 (Pending) - As noted in the explanation given by the Legislative Research Department, HB 2997 was in conference on this date. The committee agreed to abide by the Senate version of the bill in approving appropriations.

E. Medical Assistance Program - Dr. Harder explained the problems occurring in the cash assistance program (a shortfall of approximately \$569,000) and the foster care program (a shortfall of approximately \$251,000). He said if the Medical Assistance Program had not been reduced, funding would be available to take care of this shortfall. When asked if there are areas where funding is excessive, Dr. Harder said there may be an excess if \$150,000 in the Homemaker Program. Motion was made by Senator Bogina and seconded by Senator Gaines to approve \$650,000 for this item. The motion carried by voice vote.

Kansas Highway Patrol

A. Senate Bill No. 831 (Pending)

There was discussion concerning the need for requested funding for the transfer of EMS to the Highway Patrol. The \$390,586 recommended by the Governor and noted on page 2-3 of the Legislative Research Department memo was approved by concensus.

In connection with the request for funds for additional space, motion was made by Senator Talkington and seconded by Senator Gaines to provide \$15,000 for an additional 1,500 square feet of office space in the event the EMS must move; but that this expenditure be subject to Finance Council approval; and further, that EMS be a separate line item in the appropriations bill. Following a short discussion, and questions of Secretary Sabol about the present rental costs for EMS, the committee approved the motion.

Department of Health and Environment

A. Senate Bill No. 831 (Pending) - The notations by the Legislative Research Department were approved by the committee.

B. House Bill No. 2864 - There was a brief discussion before the committee approved the funds requested by the Department.

C. Senate Bill No. 640 - Motion was made by Senator Talkington and seconded by Senator Gaines to include \$75,000 for this item. The motion carried by voice vote.

D. House Bill No. 2101 - The committee did not approve the request of the Department in connection with this item, but asked that the problem be worked out with the Judicial Branch of state government.

Omnibus Appropriations Bill (SB 882) - Continued

Department of Health and Environment (Continued)

E. Senate Bill No. 659 - The committee approved the suggested funding of this item. Secretary Sabol indicated, in answer to a question from Senator Hess, that she is committed to getting a fee structure in place to cover the cost of the state licensing required by this bill.

F. House Bill No. 2736 (Pending) - It was decided to withhold decision on this item until the Committee on Energy and Natural Resources meets and makes its decision on this matter.

The meeting was recessed until 1:20 p.m.

AFTERNOON SESSION

Staff Present:

Legislative Research Department: Mary Galligan, Bill Gilmore, Gloria Timmer, Chris Stanfield, Julian Efird, Alan Conroy, Ray Hauke

Revisor of Statutes: Norman Furse

Committee Office: Mark Skinner, Doris Fager

SB 882 - Omnibus Appropriations Bill

Judicial Branch

Senate Bill No. 719 (Pending) - No action was made on this item. Mr. Sloan was present to answer questions from the committee.

Securities Commissioner

A. Governor's Budget Amendment No. 2-13 - This item was approved by the committee.

Request for funds to establish an office in Wichita

Mr. Wurth distributed Attachment B and deferred to questioning from committee members. During the questioning, it was noted by Mr. Wurth that there is need for establishment of an office in Wichita, because about half of the cases investigated are west of Highway 81 (Wichita is included in this area). He further noted that, without the additional personnel in Wichita some of the cases would have to be turned down.

Motion was made by Senator Gaines and seconded by Senator Talkington to approve the request of the Securities Commissioner (Attachment B).

A request was made by Senator Steineger to appoint a subcommittee to look into the matter thoroughly and bring a report to the committee. Senator Hess asked Senators Gaines, Werts and Warren to serve on a subcommittee to make a recommendation to the committee on April 24.

No action was taken on the motion of Senator Gaines.

Governor's Budget Amendment 4, page 3

Motion was made by Senator Bogina and seconded by Senator Talkington to approve the Governor's Budget Amendment regarding the office of the Securities Commissioner. The motion carried by voice vote.

Board of State Fair Managers

A. Position Reclassifications - It was the concensus of the committee to approve the agency's request.

Larned State Hospital

A. House Bill No. 2684 - The committee approved this item.

B. Senate Bill No. 507 - This item was approved by the committee.

C. Governor's Budget Amendment 3-1

Staff distributed Attachment C in connection with this amendment. Motion was made by Senator Bogina and seconded by Senator Harder to accept the KLRD Projections April 2 on Attachment C, and to make this acceptance for the other hospitals listed on the attachment. The motion carried by voice vote.

SB 882 - Omnibus Appropriations Bill (Continued)

Osawatomie State Hospital

All items for Osawatomie State Hospital were approved in accordance with decisions made for Larned State Hospital.

Budget Amendment No. 4, Page 2 (Osawatomie State Hospital)

Motion was made by Senator Bogina and seconded by Senator Talkington to adopt the Governor's Budget Amendment. The motion carried by voice vote.

Topeka State Hospital

All items for Topeka State Hospital were approved in accordance with decisions made for Larned State Hospital.

Governor's Budget Amendment No. 4, page 8 (Division of Mental Health and Retardation Services and Topeka State Hospital)

It was the concensus of the committee to approve this amendment.

Rainbow Mental Health Facility

All items for Rainbow Mental Health Facility were approved in accordance with decisions made for Larned State Hospital.

Kansas Neurological Institute

A. House Bill No. 2684 - This item was approved.

B. Governor's Budget Amendment No. 3, Item 1 - It was the concensus to approve this amendment.

Parsons State Hospital and Training Center

A. House Bill No. 2684 - This was approved by the committee.

B. Governor's Budget Amendment No. 3, Item 1 - This suggestion by the Governor was approved.

Norton State Hospital

A. Governor's Budget Amendment No. 3, Item 1 - The Governor's Budget Amendment was approved by the Committee.

Winfield State Hospital and Training Center

A. House Bill No. 2684 - The committee approved this item.

B. Governor's Budget Amendment No. 3, Item 1 - This was approved by the committee.

Animal Health Department

A. Senate Bill No. 574 - The committee approved the suggestions in this item.

SB 882 - Omnibus Appropriations Bill (Continued)

Crime Victims Reparations Board

A. Senate Bill No. 678 - Approval was given for the requests in this item.

Youth Center at Topeka

A. House Bill No. 2684 - The committee approved necessary changes for this item.

Youth Center at Beloit - A. House Bill No. 2684 - Changes were approved.

Youth Center at Atchison - A. House Bill No. 2684 - Changes were approved.

Kansas Park and Resources Authority

A. Technical Correction - Authority to make the suggested technical correction was granted.

B. Senate Bill No. 381 - The reduction suggested in the memo was approved

Kansas Department of Economic Development

A. Technical Correction - Following an extended discussion, it was the concensus of the committee to leave the total of \$610,000 without designation of specific amounts, but to leave the names of the four institutions in the bill

B. Budget Amendment No. 2-20 - The committee approved this budget amendment.

C. House Bill No. 2654 - Approval was given for this item.

D. House Bill No. 2652 - There was discussion expressing concern for expenditure of funds, with Senator Gaines suggesting this be part of the Community Development Block Grant. Senator Hess agreed, and added that there were private dollars spent for this purpose in the City of Wichita.

Motion was made by Senator Gaines and seconded by Senator Werts to omit appropriations for purposes set forth in HB 2652. The motion carried by voice vote.

Kansas Public Employees Retirement System

A. Senate Substitute for House Bill No. 2903. Following a brief discussion, motion was made by Senator Gaines and seconded by Senator Warren to approve all requests by the agency except the \$5,400 for printing and mailing the special issue of "KPERs Papers." The motion carried by voice vote.

Kansas State Penitentiary

A. House Bill 2992 - Mr. Schultz was questioned about this claim, with committee members indicating such claims are usually taken from agency funds. Mr. Schultz said that deductions in funding for FY 1984 make it difficult for the department to pay such claims. The committee did not approve the request.

B. Senate Bill No. 879 and House Bill No. 3124 (Pending). It was the concensus of the committee that the decision in this matter should be delayed until one of the bills is passed.

SB 882 - Omnibus Appropriations Bill (Continued)

State Industrial Reformatory

A. Senate Bill No. 879 and House Bill No. 3124 (Pending) - In accordance with the decision made for the Kansas State Penitentiary in this matter, no action was taken.

Department of Corrections

A. Senate Bill No. 879 and House Bill No. 3124 (Pending) - No action was taken on this item (See Kansas State Penitentiary and State Industrial Reformatory).

B. Senate Bill 654 - Approval was given for funds requested in this item.

Budget Amendment No. 4, Page 5 - Kansas Correctional Institution at Lansing
It was the consensus of the committee to approve this item of the Governor's budget amendment.

Mental Health and Retardation Services

A. Senate Bill No. 879 and House Bill No. 3124 (Pending) - Consistent with decisions made above regarding these two measures, no action was taken.

Board of Tax Appeals

A. Clerical Assistance - Staff distributed a letter from the Chairman of the Board of Tax Appeals in connection with this request. (Attachment D)
Motion was made by Senator Talkington and seconded by Senator Gaines to approve \$7,000 of the \$7,913 request. The motion carried by voice vote.

Governor's Budget Amendment No. 4, page 6 - The committee approved this item.

Department of Human Resources

A. Technical Adjustment - The technical adjustment suggested in the Research Department memorandum was approved.

B. House Bill 2629 - The adjustment in funding described in this item was approved.

C. House Bill 2797 (Pending) - No decision was made on this item, pending action on the bill.

Governor's Budget Amendment No. 4, page 6 - The committee approved this item. Staff was also given approval to move the proviso allowing "Reed Act" expenditures from the Employment Security Fund to the Employment Security Administration Fund.

Letter from Department of Human Resources dated April 23, 1984 - This letter is marked Attachment D-1 and made part of these minutes. There was discussion among committee members and questions asked of the Department of Human Resources concerning this item.

Motion was made by Senator Steineger and seconded by Senator Gaines to approve funding of \$24,175 and addition of an Administrative Officer II in the Department of Human Resources. The motion carried by voice vote.

SB 882 - Omnibus Appropriations Bill (Continued)

Department of Revenue

A. Various Bills Enacted

1. SB 401 - There was extended discussion concerning this item. The committee approved the expenditures requested. It was also agreed that this should be a "no-limit" item.
2. SB 516 - The amount requested in connection with this legislation was approved.
3. SB 618 - Following a brief explanation by Secretary Duncan, the committee approved this item.
4. SB 633 - The committee approved the request in connection with this bill.
5. HB 2827 - Funds requested in connection with HB 2827 were approved.
6. HB 2860 - There were questions from committee members regarding this item. Senator Hess asked if Mr. Duncan was convinced the addition of employees would pay for itself. Secretary Duncan said he felt there may be a return of 5 or 6 to 1. He added that it takes some time for the actual money to come in. It was the concensus of the committee to approve the requested funding and positions.
7. HB 3031 - Following a brief discussion, the committee disapproved this request.
8. HB 3076 - (See Attachment E). Following a period of questions and discussion, it was agreed to appropriate an additional \$7,150 for FY 1984 for informing taxpayers of the amnesty period; and a total of \$32,000 for FY 1985 for part-time staffing and publicity for the three-month amnesty period.
9. Data Processing - There was discussion concerning this item, after which it was decided to approve a total of \$2,688 Annual OOE and \$4,325 One-Time OOE for FY 1985. The other requests in this item were not approved.

B. Bills Pending

It was the concensus of the committee to withhold action on the nine items under this heading.

Budget Amendment No. 4, page 8 and Attachment F - Veto of SB 467

Senator Hess asked what would happen if the Governor's veto is sustained and the money is not re-inserted. Secretary Duncan indicated he would try to carry out the directive of the Governor with existing staff. No action was taken.

Governor's Budget Amendment No 4, page 7, Department of Health and Environment

There was extended discussion concerning this item, with Senator Hein indicating he was not certain it would be necessary to do a \$167,000 study when the Certificate of Need is extended for only one year. Senator Hess suggested that if this were included it should be made subject to State Finance Council approval and tailored to the decisions of a proposed interim study.

No action was taken on this item. The meeting was adjourned.

HOUSE BILL No. 3093

AN ACT making and concerning appropriations for the fiscal year ending June 30, 1985, for the department of human resources; authorizing certain transfers, imposing certain restrictions and limitations, and directing or authorizing certain receipts and disbursements and acts incidental to the foregoing.

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

Section 1. For the fiscal year ending June 30, 1985, appropriations are hereby made, restrictions and limitations are hereby imposed, and transfers, receipts, disbursements and acts incidental to the foregoing are hereby directed or authorized as provided in this act.

Sec. 2.

DEPARTMENT OF HUMAN RESOURCES **4185**

(a) There is appropriated for the above agency from the state general fund the following:

Administration and staff services	\$120,370 ✓
Industrial safety	215,372 ✓
Special services	237,441 ✓
Veterans' services	1,030,494 ✓
<i>Provided, That expenditures may be made from this account for payment of claims under K.S.A. 73-1217 and 73-1218 and amendments thereto: Provided, however, That expenditures from this account for such claims shall not exceed \$17,000: Provided further, That expenditures may be made from this account for such claims regardless of when the enrollments were provided for persons under such statutes.</i>	
Labor relations and employment standards	554,136 ✓
<i>Provided, That expenditures may be made from this account for the costs incurred for mediation and for fact-finding under K.S.A. 75-4332 and amendments thereto: Provided, however, That such expenditures for mediation and fact-finding shall not exceed \$1,036 and such amount shall not be used for any other purpose.</i>	
Total	\$2,157,813 ✓

(b) There is appropriated for the above agency from the following special revenue funds all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Workmen's compensation fee fund	\$1,290,270 ✓
Kansas veterans' commission fund	129,252 ✓
Publication and sale of labor laws fund	0
Conversion of materials and equipment fund	0
Occupational health and safety—federal fund	301,434 ✓
Boiler inspection fee fund	159,003 ✓
Special employment security fund	0
<i>Provided, That any expenditures for purposes specified in K.S.A. 44-716a and amendments thereto shall be in addition to any expenditure limitation imposed on this fund.</i>	
Employment security administration fund	No limit
<i>Provided, That expenditures from this fund for the operating expenditures of the work incentive program shall not exceed \$1,172,931: Provided, however, That any transfers of any work incentive program moneys from this fund to state agencies shall be in addition to any expenditure limitation imposed on this fund: Provided further, That expenditures from this fund for equipment shall not exceed \$235,000: And provided further, That no expenditures may be made from this fund for acquiring land or additional buildings, for constructing additions to existing buildings or for paving or landscaping except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto.</i>	
Work incentive program fund	150,000 ✓
Employment security computer systems institute fund	No limit
Job training partnership act—title III—dislocated workers fund ..	924,805 ✓
Job training partnership act—title II-A—disadvantaged training fund	11,784,850 ✓
Job training partnership act—title II-B—summer youth training fund	4,465,938 ✓
Occupational information system—federal fund	120,949 ✓
<i>Provided, That any transfers of moneys from this fund to state agencies or to any other special revenue fund of the above agency shall be in addition to any expenditure limitation imposed on this fund.</i>	
Human resources special projects fund	No limit
Advisory committee on Mexican American affairs—donations fund	No limit

HOUSE BILL No. 3093—page 2

Committee on employment of the handicapped—gifts, grants and donations fund No limit
Dispute resolution fund No limit

Provided, That all moneys received by the secretary of human resources for reimbursement of expenditures for the costs incurred for mediation under K.S.A. 72-5427 and amendments thereto and for fact-finding under K.S.A. 72-5428 and amendments thereto shall be deposited in the state treasury and credited to this fund: *Provided further*, That expenditures may be made from this fund to pay the costs incurred for mediation under K.S.A. 72-5427 and amendments thereto and for fact-finding under K.S.A. 72-5428 and amendments thereto, subject to full reimbursement therefor by the board of education and the professional employees' organization involved in such mediation and fact-finding procedures: *Provided further*, That expenditures may be made from this fund to pay the costs incurred for mediation and for fact-finding under K.S.A. 75-4332 and amendments thereto except that such expenditures shall not exceed \$5,874. ✓

Employment security fund No limit

Provided, That expenditures may be made from this fund from moneys made available to the state under section 903 of the social security act, as amended: *Provided, however*, That expenditures from this fund of moneys made available to the state under section 903 of the social security act, as amended, shall be made only for the following purposes: (1) For major maintenance of existing buildings used by the department of human resources for employment security purposes; (2) for paving, landscaping and acquiring fixed equipment as may be required for the use and operation of such buildings; or (3) for any combination of these purposes: *Provided further*, That expenditures from this fund of moneys made available to the state under section 903 of the social security act, as amended, shall not exceed \$204,000. ✓

Sec. 3. *Position limitations*. The number of full-time and regular part-time positions equated to full-time, excluding seasonal and temporary positions, paid from appropriations made in this act for the department of human resources shall not exceed 1,051.5, except upon approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto.

Sec. 4. *Appeals to exceed limitations*. Upon written application to the governor and approval of the state finance council acting on this matter which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in subsection (c) of K.S.A. 75-3711c and amendments thereto, expenditures from special revenue funds may exceed the amounts specified in this act for the fiscal year ending June 30, 1985.

Sec. 5. *Savings*. Any unencumbered balance in any special revenue fund, or account thereof, which is not otherwise specifically appropriated or limited by this or other appropriation act of the 1984 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 1985, for the same use and purpose as the same was heretofore appropriated.

Sec. 6. *Federal grants*. Each federal grant or other federal receipt which is received by a state agency named in this act and which is not otherwise appropriated to that state agency by this or other appropriation act of the 1984 regular session of the legislature, is hereby appropriated for the fiscal year ending June 30, 1985, for that state agency for the purpose set forth in such federal grant or receipt.

Sec. 7. Any transfers of money during the fiscal year ending June 30, 1985, from any special revenue fund of any state agency named in this act to the federal audit services fund of the division of post audit under K.S.A. 46-1121 shall be in addition to any expenditure limitation imposed on any such fund for the fiscal year ending June 30, 1985.



KANSAS BUREAU OF INVESTIGATION

DIVISION OF THE OFFICE OF ATTORNEY GENERAL

STATE OF KANSAS

3420 VAN BUREN

TOPEKA, KANSAS 66611

(913) 267-5000



ROBERT T. STEPHAN
ATTORNEY GENERAL

THOMAS E. KELLY
DIRECTOR

April 23, 1984

The Honorable Paul Hess, Chairman
Senate Ways and Means Committee
State Capitol Building
Topeka, Kansas

Dear Senator Hess:

Approved

In addition to the items the Budget Division and Legislative Research will suggest for the omnibus bill if SB595, SB803 and HB3047 pass, the Bureau respectfully requests the following items be included in the omnibus bill:

Additional expenses associated with move to new headquarters:

1. Replacements for seven "power files" (if not replaced, would require \$12,400 to repair & move) \$19,200
2. Replacements for built-in office equipment (files, bookcases, etc) 7,750
3. Replacements for built-in forensic laboratory equipment that cannot be removed from current leased building (benches, sinks, etc) 22,970
4. Office equipment for 12 new agents that would have had to share desks in current building 9,600
5. New laboratory equipment to make proper utilization of new space (benches, exhaust hoods, lockers, drying cabinets, etc) 47,164
6. New office equipment to make proper utilization of new space (work tables, sound partitions, etc) 7,736

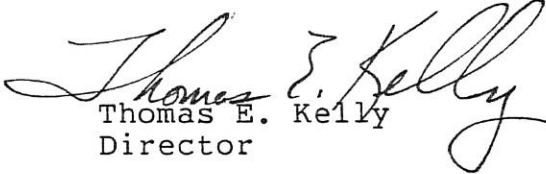
We would like to remind the committee of our memo of March 26, requesting \$98,389 (including four new positions) to properly train and audit local law enforcement agencies with ASTRA terminals under new federal requirements. We have reached an understanding with the Highway Patrol that this will be our responsibility. The attached letter from Col. Cantwell and the agreement will explain this in more detail. The Highway Patrol

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agreement will be signed as soon as DISC signs the "management control" agreement. At DISC's request, we have made numerous changes to the "management control" agreement that they signed with the Highway Patrol and a completed agreement has been submitted to them, but as of this date it has not been signed.

We will provide staff with more detailed information on these dollar figures, and will be available at any time to further justify these requests. Thank you for your kind attention.

Sincerely,


Thomas E. Kelly
Director

cc: Senator Joseph Harder

OFFICE OF THE SECURITIES COMMISSIONER
 BUDGET ESTIMATES FOR AN OFFICE IN WICHITA
 FY 1985

	<u>Additional Expenditures For Agency Operations</u>	<u>Total Expenditures For Wichita Operations</u>
<u>Salaries and Benefits</u>		
Additional personnel:		
Securities Investigator/Auditor I (2)	\$ 47,352	\$ 47,352
Secretary II	13,140	13,140
Reclassification of current personnel:		
Securities Investigator/Auditor II	5,604	30,840
Director of Enforcement	5,052	--
	<u>71,148</u>	<u>91,332</u>
KPERS	3,273	4,201
FICA	5,001	6,420
Worker's Compensation	285	365
Unemployment Insurance	498	639
	<u>80,205</u>	<u>102,957</u>
6% Salary Rate Revision	4,812	6,177
Health Insurance	3,600	4,800
Total	<u>88,617</u>	<u>113,934</u>
<u>Contractual Services</u>		
Communication	5,963	7,817
Rent	10,000	10,000
Repairing and Servicing	665	800
Travel and Subsistence	13,910	20,865
Fees -- Other Services	1,800	2,400
Other Contractual Services	660	880
Total	<u>32,998</u>	<u>42,762</u>
<u>Commodities</u>		
Professional Supplies	150	200
Office Supplies	938	1,250
Total	<u>1,088</u>	<u>1,450</u>
<u>Capital Outlay</u>		
Desks, Chairs and Consoles-Exec.	1,756	2,634
Desk and Chair -- Secretarial	450	450
Calculators	256	256
Filing Cabinets	984	984
Table and Chairs	1,110	1,110
Typewriter	933	933
Copier - Lease/Purchase	2,400	2,400
Mobile Radios and Installation	2,048	2,048
Other Equipment	500	500
Total	<u>10,437</u>	<u>11,315</u>
Total Expenditures	<u>\$133,140</u>	<u>\$169,461</u>

B
4-23-84

STATE GENERAL FUND ADJUSTMENTS AND REVISIONS TO FEE FUND PROJECTIONS

Mental Health Institutions

FY 1984

	Subcommittee Report Adjustments ^a	GBA #3 ^b	KLRD Projections April 2
Larned	\$ (242,548)	\$ (169,308)	\$ (202,458)
Osawatomie	—	216,059	218,588
Rainbow	(123,806)	(147,035)	(128,548)
Topeka State	—	132,194	169,564
TOTAL	<u>\$ (366,354)</u>	<u>\$ 31,910</u>	<u>\$ 57,146</u>

FY 1985

Larned	\$ (77,141)	\$ 16,306	\$ (40,644)
Osawatomie	508,917	594,534	568,650
Rainbow	(64,586)	(58,617)	(62,134)
Topeka State	567,247	495,179	560,328
TOTAL	<u>\$ 934,437</u>	<u>\$1,047,402</u>	<u>\$ 1,026,200</u>

Institutions for the Mentally Retarded

FY 1984

	Subcommittee Report Adjustments ^a	GBA #3 ^b	KLRD Projections April 2
KNI	\$ — ^c	\$ (29,795)	\$ — ^c
Parsons	— ^c	(6,754)	— ^c
Norton	(30,104)	(24,205)	(29,181)
Winfield	116,492	144,168	109,663
TOTAL	<u>\$ 86,388</u>	<u>\$ 83,414</u>	<u>\$ 80,482</u>

FY 1985

KNI	\$ (16,293)	\$ (4,865)	\$ —
Parsons	95,223	151,103	75,223
Norton	(24,987)	(22,577)	(23,916)
Winfield	54,307	54,307	41,300
TOTAL	<u>\$ 108,250</u>	<u>\$ 177,968</u>	<u>\$ 92,607</u>

- a) The Subcommittee recommendations were based on projections made on February 24, 1984.
- b) Governor's Budget Amendment No. 3 was issued on March 29, 1984 and reflects projections made on March 9, 1984.
- c) FY 1984 savings are recommended to be carried forward to reduce FY 1985 State General Fund appropriations.

C
4-23-84

Column A indicates the State General Fund adjustments which will be necessary if Governor's Budget Amendment No. 3 is adopted by the Committee.

Column B indicates the State General Fund adjustments which will be necessary if the projections made by the Kansas Legislative Research Department on April 2 are adopted by the Committee.

Mental Health Institutions

	<u>FY 1984</u>	
	<u>A</u>	<u>B</u>
Larned	\$ 73,240	\$ 40,090
Osawatomie	216,059	218,588
Rainbow	(23,229)	(4,742)
Topeka State	132,194	169,564
TOTAL	<u>\$ 398,264</u>	<u>\$ 423,500</u>

	<u>FY 1985</u>	
Larned	\$ 93,447	\$ 36,497
Osawatomie	85,617	59,733
Rainbow	5,969	2,452
Topeka State	(72,068)	(6,919)
TOTAL	<u>\$ 112,965</u>	<u>\$ 91,763</u>

Institutions for the Mentally Retarded

	<u>FY 1984</u>	
	<u>A</u>	<u>B</u>
KNI	\$ (29,795)	\$ —*
Parsons	(6,754)	—*
Norton	5,899	923
Winfield	27,676	6,829
TOTAL	<u>\$ (2,974)</u>	<u>\$ 7,752</u>

	<u>FY 1985</u>	
KNI	\$ 11,428	\$ 16,293
Parsons	55,880	(20,000)
Norton	2,410	1,071
Winfield	—	(13,007)
TOTAL	<u>\$ 69,718</u>	<u>\$ (16,643)</u>

* FY 1984 savings are recommended to be carried forward to reduce FY 1985 State General Fund appropriations.

Julian

THE STATE OF KANSAS



BOARD OF TAX APPEALS
1030-S, STATE OFFICE BUILDING
Telephone 296-2388 AC-913
TOPEKA, KANSAS 66612

Fred L. Weaver, *Chairman*
Rex R. Borgen, *Member*
Dallas E. Crable, *Member*
John P. Bennett, *Member*
Robert C. Henry, *Member*

March 23, 1984

Ed Ahrens
Legislative Research
Room 545 North
State Capitol Bldg.

Re: Industrial Revenue Bond
Informational Filings

Dear Ed:

I am writing to follow-up on our discussion last week in Senator's Steineger's office regarding the need to update the industrial revenue bond informational filings and our staff requirements to complete that task.

After thoroughly reviewing the status of the IRB Informational filings, I have determined that it will require at least one-full-time law clerk for approximately six months, or, in the alternative, one part-time law clerk for one year to adequately update the filings. As I indicated, the Kansas Securities Commissioner transferred some 500 informational statements to this office in July of 1981 when the Board began receiving these filings. It will be necessary to review each of these files individually and enter the appropriate information into the cumulative summary. The additional staff is necessary to complete this update because of the additional workload due to the following:

- a. Review each individual file received from the Kansas Securities Commissioner. There are approximately 500 informational statements which were filed with the Kansas Securities Commissioner between 1976 and 1981 when the filing requirements were transferred to the Board.
- b. Contact bond counsel and/or the issuing governmental entity to obtain the additional information not contained in the Kansas Securities Commission's files. Since receiving responsibility for maintaining these records, the

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legislature has requested the Board compile specific cumulative (i.e. in a summary report) information pertaining to appraised valuations of properties effected by the issuance of industrial revenue bonds. Since it was evidently considered unnecessary to keep this information in the form of a cumulative summary at the time the Kansas Securities Commission was maintaining the filings, no such information was requested; therefore, in order to adequately update the summary report, it will be necessary to secure additional information on filings dating back to 1976. This will be time consuming at best, as each individual filing must be reviewed and the relevant information obtained by correspondence or phone conference.

- c. Once all relevant data is obtained, it must be entered into a computer (which the Board has requested in its FY'85 budget) so that the appropriate summaries or tables can be compiled. At this time the Board is limited in the information which can be disseminated because any summary must be tabulated by hand.
- d. In addition to the 500 Kansas Securities Commission files which must be reviewed, the Board has received 488 informational statements since assuming responsibility for the filings in July of 1981. These filings must also be entered on the computer so that an adequate summary report can be generated.
- e. In order to adequately review these documents, it would be most advantageous if the additional staff member were a law clerk (a senior law student) as it will be necessary to review legal documents contained within the filings. In some informational statements, the relevant information is contained within legal documents, which must therefore be reviewed in detail, and a law clerk would require less supervision by the responsible attorney than would a secretary.

In reviewing this entire matter, I also considered the possibility of having the current staff update these files; however, as you may be aware, the Board's staff has been continually cut, and thus, this option is not feasible. The Board currently has three secretaries and two clerks whose time is fully consumed in processing the 6,000 or so applications received in a year. There are also substantial clerical duties in maintaining support records for each application and thus the volume of work currently

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March 23, 1984
Ed Ahrens

required precludes adding any additional responsibilities to the existing staff.

To establish a law clerk position, it would require approximately \$17,591.00 per year. A law clerk would start on Range 16, Step A, and the cost is broken down as follows:

\$14,640	per year salary
1,098	FICA
1,020	Health Ins.
673.	KPERS
58.	Workmen's Comp.
102.	Unemployment Ins.
<u>\$17,591</u>	

A part-time law clerk would thus require one-half of the above salary for a total of \$7,949.00 per year.

Once the data base is complete, i.e. all of the files have been reviewed and entered on a computer, the existing staff will be able to maintain the current workload of filings. In FY'82, the Board received 195 informational statements; in FY'83 the Board received 175 filings; and FY'84, to date, the Board has received 118 filings.

I believe this thoroughly outlines our present position and requirements to adequately provide the information the legislature has requested. If you have any questions or comments, please feel free to contact me at your convenience.

Very truly yours,



Fred L. Weaver
Chairman
BOARD OF TAX APPEALS

FLW/ks

cc: Senator Burke
Representative Braden

John Carlin , Governor

Jerry Shelor , Secretary

DEPARTMENT OF HUMAN RESOURCES



OFFICE OF THE SECRETARY
401 Topeka Ave.
Topeka, Kansas 66603
(913) 296-7474

April 23, 1984

The Honorable Paul Hess
Senator
Chairman Senate Ways & Means Committee
State Capitol, Room 123-S
Topeka, Kansas 66612

Dear Senator Hess;

I wish to express our concern about the future of the Apprenticeship Training Program in Kansas. This program is responsible for proper maintenance of over 300 registered programs. This involves verification of registration pertaining to Davis-Bacon projects and also requires completion of federally mandated compliance reviews on registered programs.

The Kansas Apprenticeship Council has been designated the official registration agency for federal apprenticeship programs and is, therefore, responsible for compliance reviews.

Two positions, an Administrative Officer II and a Clerk III, were initially funded for the program in FY 1983, however, because of the shortage of state general fund revenue and the resulting 4% reduction made in our budget, the Administrative Officer II position which was vacant at the time remained vacant most of FY 1983. No funds were appropriated for this position in FY 1984. As a result, the Apprenticeship Training Program has suffered. Without the Administrative Officer II position, the Apprenticeship Program will be in disarray and the Apprenticeship Council will be without adequate staff support.

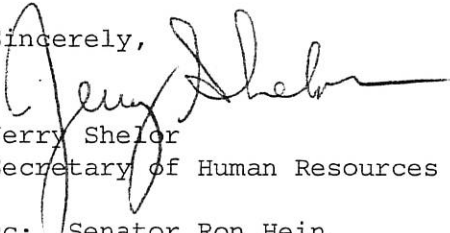
The Department of Human Resources FY 1985 budget requested state general funds for an Administrative Officer II, however, the FY 1985 appropriation bill (House Bill 3093) does not provide state general funds for this position. The Conference Committee agreed to accept the House Ways and Means Subcommittee recommendation of not deleting the F.T.E. position but suggests we seek federal funds to finance it.

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The federal government does not make any funding available to the states specifically for this purpose. The House Ways and Means Subcommittee suggested the use of funds from the Job Training Partnership Act (JTPA). However, the JTPA Program is designed to help the disadvantaged and the displaced worker and our Apprenticeship Program does not meet the requirements mandated by JTPA.

Because of unavailability of federal funds and the need to keep the Apprenticeship Program active, we request that consideration be given to funding an Administrative Officer II with state general funds.

Sincerely,


Jerry Shelor
Secretary of Human Resources

\$ 24,175 1st year

cc: Senator Ron Hein
Representative David Miller
Julian Efird
Pat Schafer



Kansas
DEPARTMENT OF REVENUE

State Office Building
Topeka, KS 66625

MEMORANDUM

April 17, 1984

TO: The Honorable William Bunten, Chairman
House Committee on Ways and Means

The Honorable Paul Hess, Chairman
Senate Committee on Ways and Means

FROM: Harley T. Duncan
Secretary of Revenue

SUBJECT: House Bill 3076

House Bill 3076 establishes a 90-day period (beginning July 1, 1984) within which certain individuals who have not paid or who have underpaid a tax liability arising prior to January 1, 1983 may pay that liability without additional penalty or criminal prosecution. Some other states that have operated similar "amnesty" programs have utilized active public information programs to promote participation in the program, and they feel such programs have been helpful in that regard.

When this bill was considered by the House and Senate Assessment and Taxation Committees, the concept of a public information program was discussed. Both Committees requested that the Department of Revenue prepare a public information program proposal to be considered for funding as part of the Omnibus Appropriations Bill.

Attached you will find a breakdown of costs for the program proposed by the Department. Briefly stated, the Department is proposing a program involving newspaper advertising, radio advertising and other public information to be made generally available through other means. Additionally, temporary personnel are requested to handle correspondence, phone calls and other amnesty-related inquiries, along with a toll-free incoming phone line. Total costs are estimated at \$72,600 -- \$7,150 in FY 1984 and \$65,450 in FY 1985.

In the event that no funding is provided, the Department will be limited to public service announcements provided by the media and the "in-house" preparation of limited distributional materials.

Please feel free to contact me should you have any questions.

HTD:b/2/S459

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Senate Bill 3076 (Amnesty)
One-Time Expenses
As of April 13, 1984

	<u>FY 84</u>	<u>FY 85</u>
I. Operating Expenses		
Wages and Salaries		
(2) Tax Examiner II (6/18 - 10/17)	--	\$12,000
II. Other Operating Expenses		
1. Contractual Services and Commodities		
Newspaper Advertising		15,000
Radio Advertising		25,000
Toll free WATS Line		12,000
Printing of Posters, etc.	5,000	---
Mailings - 12 each \$100 per mailing		
FY 84 - 50%	600	
FY 85 - 50%		600
Misc. Postage for Posters, etc.		
FY 84 - 100%	500	--
Per Diem		
15 days @ \$40 per day or \$600		
FY 84 - 50%	300	
FY 85 - 50%		300
Mileage Expenses		
5,000 miles @ \$.22 per mile or \$1,100		
FY 84 - 50%	550	
FY 85 - 50%		550
Radio Advertising Production Costs - \$200		
FY 84 - 100%	<u>200</u>	<u>--</u>
Total Other Operating Expense	\$7,150	\$53,450
Total Salaries and Wages	<u>0</u>	<u>12,000</u>
Total Operating Expenses	\$7,150	\$65,450

STATE OF KANSAS



OFFICE OF THE GOVERNOR

State Capitol
Topeka 66612-1590

John Carlin Governor

Message to the Senate of the State of Kansas:

Pursuant to Article 2, Section 14 of the Constitution of the State of Kansas, I hereby return Senate Bill No. 467 to you unsigned.

The intent of SB 467, as introduced, was to prohibit the use of trended cost factors for valuing certain personal property for property tax purposes. In its final form, the bill now, in Section 2, goes beyond the issue of trending factors. It seeks to place limitations on trending factors and also to prohibit the use of "the business itself" in determining the fair market value of tangible personal property of a business.

I find the limitations on trending factors specified in the first part of the bill reasonable and acceptable and, therefore, direct the Secretary of Revenue to administratively enact the following:

1. Review the available inflation indices that can be used to measure price changes for the property affected and recommend the index or indices which are most appropriate to the task at hand;
2. Review the available evidence and data and recommend necessary changes in the economic life to which various categories of machinery and equipment are assigned; and
3. Utilize no trending factors which will produce a fair market value that is greater than original cost, unless it can be clearly documented that the property may generally be sold for more than its original cost.

Through these administrative actions, the purpose of SB 467 can be accomplished without the risk of litigation and, most importantly, without the risk of increasing the valuation of the property assessed in this manner. This is far more desirable than to write these proscriptions into law when they could, if strictly construed by judicial bodies, increase tax values.

The reason I veto SB 467 is because I find unacceptable, and question the constitutionality of, that part of Section 2 which does not address itself to the trending factor issue, but instead seeks to grant a special tax advantage to a few select industries by prohibiting the use of "the business itself" in determining certain valuations.

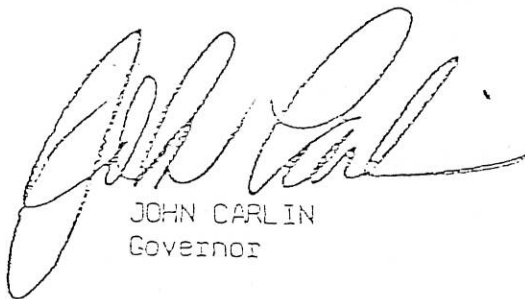
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Although the House of Representatives modified the language in the bill prohibiting the use of "the going concern value of a business" in determining the fair market value of property, the amended language which prohibits using "the fair market value of the business itself" would have the identical effect as the initial wording.

The integrated valuation approach is used because the property in some industries is so interwoven into a single process that it is not possible to value each piece separately. Additionally, the integrated approach equalizes valuations among counties.

We know from experience that this bill does not address the bulk of the concerns businesses have regarding increased property taxes, which were simply highlighted by the implementation of trending factors. The major concerns in this area can only be resolved through a comprehensive approach to classification and measures such as straight-line depreciation for valuing business equipment and machinery.

The provisions in the first part of this bill, however, do partially limit, in an acceptable way, the impact of trended cost factors on business property valuations. While I concur with these provisions and will administratively enforce them, I veto Senate Bill No. 467 because of that portion of the bill which does not address trending factors, but instead attempts to provide special treatment to a few businesses. Continuing legislative efforts to grant special tax benefits to certain types of industries in piecemeal fashion is unacceptable.



JOHN CARLIN
Governor

Dated: April 13, 1984