

Approved 2-16-88  
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntin at  
Chairperson

1:30 ~~AM~~/p.m. on February 2, 1988 in room 514-S of the Capitol.

All members were present except: Representative Lowther (excused)

Committee staff present: Ellen Piekalkiewicz, Legislative Research  
Robin Hunn, Legislative Research  
Laura Howard, Legislative Research  
Jim Wilson, Revisor of Statutes  
Sharon Schwartz, Administrative Aide  
Sue Krische, Committee Secretary

Conferees appearing before the committee:  
John Campbell, Deputy Attorney General  
David E. Johnson, Director, Kansas Bureau of Investigation  
Eleanor Lowe, Chairman, Olathe SRS Advisory Council  
Linda Lagergren, Energy Division Supervisor, JoCo Human Resources and Aging  
Frances Jarchow, State Low Income Energy Advisory Board  
Sandy Duncan, Commissioner of Administrative Services, SRS  
Rev. Larry Fry, Pastor, Countryside United Methodist Church, Topeka  
Others attending: See attached list.

SB 483 - An Act making and concerning appropriations for the fiscal year ending June 30, 1988, for the attorney general, attorney general-Kansas bureau of investigation and state corporation commission; authorizing certain transfers, imposing certain restrictions and limitations, and directing or authorizing certain receipts and disbursements and acts incidental to the foregoing.

Sec. 2 - Tort Claim Settlement--Attorney General.  
Representative Heinemann moved that the Committee on Appropriations recess the open meeting for a period of fifteen minutes for the purpose of holding a closed meeting for consultation with John Campbell, counsel for the state from the Attorney General's office, regarding the tort claim settlement which would be authorized by section 2 of 1988 Senate Bill No. 483 (As Amended by Senate Committee). The closing of the meeting is desired due to the privileged nature of the information to be discussed between the members of the Committee on Appropriations and legal counsel. The general meeting will resume at 1:55 p.m. Motion seconded by Representative Chronister. Motion carried.

The open meeting of the Committee on Appropriations recessed at 1:35 p.m.

The open meeting of the Committee on Appropriations reconvened in Room 514-S of the Statehouse at 1:55 p.m. No action was taken by the Committee on Appropriations while in closed meeting.

Sec. 3 - Kansas Bureau of Investigation Request.  
David Johnson, Director, Kansas Bureau of Investigation, appeared in support of SB 483 and submitted written testimony (Attachment 1). The Bureau is requesting seven additional Special Agent I positions and one Office Assistant II position for the primary purpose of conducting background investigations relating to the lottery and parimutuel racing. In response to a question, Mr. Johnson stated that the need for the special unit of investigators will be ongoing with the turnover in personnel in the lottery and parimutuel. He anticipates background investigations will be conducted on jockeys, owners of horses and dogs, officers and directors of the non-profit

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.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,  
room 514-S Statehouse, at 1:30 ~~xx~~/p.m. on February 2, 1988

organizations and track managers, as requested by the racing commission.

Sec. 4 - Expenditure Authorization for LIEAP Program.

The Senate authorized the expenditure of \$2.1 million in oil overcharge funds for the LIEAP program. This \$2.1 million replaces some of the recent \$2.5 million cutback in federal funds to this program. The \$2.1 million figure is based on continuation of benefit levels at an average benefit of \$217.00 and includes an estimated 7 percent caseload growth in the LIEAP program. Representative Heinemann advised that, according to precedent in two court cases, the oil overcharge funds may not be kept by the State for perpetuity; they were deemed restitution and must be paid out within a reasonable time.

In response to a question, staff advised that approximately \$5 million of oil overcharge funds were appropriated for FY 1988 and an estimated \$2½ million of that is interest.

Representative Vancrum questioned whether the \$2.1 million authorized in SB 483 constitutes more than may be necessary to fund benefit levels at an average of \$217.00. He proposed a balloon amendment to SB 483 providing that benefit levels for FY 1988 under the LIEAP program shall not be greater than levels projected by SRS prior to the reduction of federal funds (Attachment 2). Representative Vancrum moved the adoption of the amendment. Seconded by Representative Chronister. Motion carried.

Eleanor Lowe, Chairman, Olathe SRS Advisory Council, testified in support of SB 483 and provided written testimony (Attachment 3). She noted that in Johnson County, the county and cities, as well as private citizens, contribute to utility assistance and she supports the use of oil overcharge funds to help in this effort. Representative Heinemann asked Mrs. Lowe whether her group feels weatherization or paying utility bills should have priority in the event of limited funds. She stated both areas are necessary.

Linda Lagergren, Energy Division Supervisor, Johnson County Human Resources and Aging, appeared in support of SB 483 and submitted written testimony (Attachment 4). This agency operates a utility assistance program that supplements the funds that are available from LIEAP and Ms. Lagergren stated the need for LIEAP has not decreased, as fewer than half of the families eligible for LIEAP receive assistance.

Frances Jarchow, Chairman, The Public Advisory Committee on Energy Assistance and Conservation, appeared in support of SB 483 and provided written testimony (Attachment 5). Ms. Jarchow strongly supports the use of oil overcharge funds for the LIEAP program, as she believes Congress cut the appropriation for LIEAP in FY 1988 because the states have oil overcharge funds available.

Sandy Duncan, Commissioner of Administrative Services, SRS, stated it appears that funds for LIEAP may continue to be reduced in future years. Because oil overcharge funds eventually will be depleted, SRS suggests weatherization might be pursued as a more permanent solution.

Rev. Larry Fry, Pastor, Countryside United Methodist Church, Topeka, testified in support of SB 483. Rev. Fry is president of the Board of Doorstep, Inc., a private agency supported by thirty Topeka churches. Doorstep provides utility funds and Rev. Fry stated any restored

CONTINUATION SHEET

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LIEAP funds will be appreciated in a cooperative effort to help the needy.

Representative Fuller moved that SB 483, as amended, be recommended favorably for passage. Seconded by Representative Heinemann. Motion carried.

Chairman Bunten announced that he will be appointing a subcommittee to review Phase III of the job study and he asked members interested in serving on that subcommittee to contact him.

Sandy Duncan, Commissioner of Administrative Services, SRS, requested the Committee to introduce a draft bill authorizing the Secretary of SRS to fix and collect a fee for home care service clients (Attachment 6). Under the Home and Community Based Services (HCBS) Program, clients are obligated by federal law to pay for a portion of the services they receive. Prior to the state assuming the home care worker program on July 1, 1987, clients paid for their own non-medical attendant services in lieu of a fee. Representative Chronister moved introduction of the bill. Seconded by Representative Heinemann. Motion carried.

The meeting was adjourned at 2:40 p.m.





TESTIMONY OF DAVID E. JOHNSON, DIRECTOR  
KANSAS BUREAU OF INVESTIGATION  
BEFORE THE  
HOUSE APPROPRIATIONS  
TUESDAY, FEBRUARY 2, 1988  
ROOM 514-S  
STATE CAPITOL

INTRODUCTION:

Chairman Buntin, Vice-Chairwoman Chronister, members of the House Appropriations Committee, I am David E. Johnson, Director of the Kansas Bureau of Investigation.

BACKGROUND:

The State of Kansas has marked a historic change by embarking on a new state lottery and a state parimutuel wagering act. The nature of wagering requires extensive oversight by the legislative and executive branches of government, as well as a strong, effective investigative agency to ensure the mandates of the legislature are executed with honesty and integrity.

REQUEST:

We request seven (7) additional Special Agent I positions and one (1) Office Assistant II to assist in meeting the challenges of assisting both the Kansas Racing Commission and Kansas Lottery Commission and to ensure that adequate law enforcement oversight is in place to investigate and help protect the state from those in the criminal element who may attempt to illegally influence lottery and/or parimutuel activities.

The Bureau would assign the Special Investigation Gaming Unit to the Special Services program for the primary purpose of conducting investigations relating to the lottery and parimutuel acts as they are implemented. Background investigations, forged tickets, financial investigations, gaming violations, and theft of tickets are just a portion of the potential investigative needs of these activities.

JUSTIFICATION:

Due to the tremendous increase in the Bureau caseload brought on by the lottery, parimutuel, and other background investigations, the urgent need has developed to immediately increase the number of Special Agent positions to address the current demands and requests of both the Kansas Racing Commission and Kansas Lottery. It is important to recognize the fact that due to the nature of both of

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those state agency's demands, it is unlikely their need for Bureau services will reduce.

Employment of these agents will allow for continuity of investigations for the gaming activities. The establishment of the Gaming Investigation Unit will also allow the Bureau adequate personnel to maintain the current level of investigative assistance available to local law enforcement agencies. Without additional positions, the Bureau would be forced to draw upon those Special Agents assigned primarily to assist local law enforcement agencies in their criminal investigation efforts to help investigate gaming activities, personnel backgrounds, and licensure backgrounds. The Bureau must fulfill its legislative mandate of assisting local law enforcement agencies as well as assume new roles of investigating and ensuring the integrity of Kansas' new lottery and parimutuel acts. The proposed Special Investigation/Gaming Unit will allow the Bureau to perform these functions in a responsive and capable manner.

During the last 6 months of 1987, a total of 3,444 hours of Special Agents' working time has been consumed by lottery background investigations. A total of 33 Special Agents have participated in this task. Fair Labor Standards Act (FLSA) rules limit Special Agents to working 1,114.5 hours in a 6-month period. The lottery backgrounds represent slightly more than 3 Special Agents' total working time in the 6-month period. The Director of the Bureau selectively assigned Special Agents to the background investigations in order to minimize any possible adverse impact upon pending criminal investigations.

Based upon the history of other states which have implemented lottery or parimutuel laws, and upon our 6-month experience, we believe the impact of parimutuel will be greater than lottery and we do not believe the impact of lottery and parimutuel investigations will decrease.

Based upon consultation with law enforcement counterparts in states in which parimutuel wagering and lottery activities are currently being conducted, our research has demonstrated those states which have a dedicated unit of personnel within their investigative agency perform the background investigations of both parimutuel and lottery and subsequent criminal investigations that occur in a more effective and efficient manner.

Such a dedicated unit can provide continuity of investigations, reduce the impact of assigning agents involved in pending criminal investigations, and assist in other criminal investigations at the state and local level as time allows.

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In order to avoid any delays in implementation of parimutuel, it is necessary to fund this unit now. The needs of the Racing Commission for extensive assistance in the background investigations of applicants for licensure and employment are immediate. The Bureau is scheduled to commence Special Agent training in February. We cannot delay any longer if we are to include this unit within this Special Agent class.

**CONCLUSION:**

Thank you for your consideration. Mr Chairman, I am pleased to answer any questions from the Committee.

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0049 Sec. 3.  
0050 4-5 ATTORNEY GENERAL—KANSAS BUREAU OF INVESTIGATION  
0052 (a) There is appropriated for the above agency from the state  
0053 general fund the following:

0054 Special services ..... \$213,647

0056 (b) The position limitation established by section 16(d) of  
0057 chapter 37 of the 1987 Session Laws of Kansas for the attorney  
0058 general — Kansas bureau of investigation, is hereby increased  
0059 from 159.0 to 162.0.

0060 Sec. 4.

STATE CORPORATION COMMISSION

0063 (a) The expenditure limitation established by section 6(a) of  
0064 chapter 25 of the 1987 Session Laws of Kansas on the energy  
0065 grants management fund is hereby increased from \$5,479,743 to  
0066 \$7,576,135.

0067 (b) The expenditure authorized by section 6(a) of chapter 25  
0068 of the 1987 Session Laws of Kansas from the energy grants  
0069 management fund for the low income energy assistance program  
0070 administered by the department of social and rehabilitation  
0071 services is hereby increased from \$2,231,397 to \$4,327,789.

0072 Sec. 4 5. Appeals to exceed position limitations. The limita-  
0073 tions imposed by this act on the number of full-time and regular  
0074 part-time positions equated to full-time, excluding seasonal and  
0075 temporary positions, paid from appropriations made in this act or  
0076 in any appropriations act of the 1987 regular session of the  
0077 legislature or in any other appropriations act of the 1988 regular  
0078 session of the legislature may be exceeded upon approval of the  
0079 state finance council.

0080 Sec. 5 6. Appeals to exceed limitations. Upon written appli-  
0081 cation to the governor and approval of the state finance council,  
0082 expenditures from special revenue funds may exceed the amount  
0083 specified in this act.

0084 Sec. 6 7. Effective date. This act shall take effect and be in  
0085 force from and after its publication in the Kansas register.

: Provided, That ~~no~~ expenditures from the energy grants management fund for energy grant payments under the low income energy assistance program administered by the department of social and rehabilitation services shall be made for energy grant payments at ~~benefit levels greater than~~ the benefit levels projected for such program by the department of social and rehabilitation services prior to any reductions in the amount of federal LIEAP block grant moneys available for such program during fiscal year 1988

having a projected average benefit level of \$217 as



Hearing on S.B. 483  
HOUSE APPROPRIATIONS COMMITTEE  
February 2, 1988

Submitted by: Eleanor Lowe, Chairman  
Advisory Council, Olathe Area SRS

My name is Eleanor Lowe, and I am here as Chairman and representative of the Advisory Council for the Olathe Area Office of SRS to urge your support of S.B. 483.

The Advisory Council in Johnson County is composed of about 20 citizens from the volunteer community, various community agencies representing children's interests, the aging, mental retardation, nursing homes, churches, community planning, community corrections, energy assistance and emergency assistance -- to name a few.

Our first and foremost focus is to address issues from the point of view of what works best for those needing services.

In this role, not only do we look at public policy and fiscal matters, we are very much concerned with the response of the private sector in our community.

Utility assistance for residents who are unable to pay their bills for one reason or another has been a longstanding priority of the Advisory Council. In preparing this testimony, my husband and I looked at our own household records and came up with the following average monthly comparison for our utility bills for the years 1975 and 1987:

	<u>1975</u>	<u>1987</u>
Water	\$14.04	\$ 30.53
Electricity	40.16	150.42
Gas	28.70	121.42

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Now, we live in an older home; however, it is weatherized and we also have taken various energy-saving steps.

I ask you to think for a moment of the people in your own district who may have difficulty from time to time paying their bills and to think of your proper response in representing these citizens.

The people in your district are probably not much different from the Johnson County profile:

39% of the households have at least one person over 65

15% have at least one person who is disabled

52% have one child under 18

As I mentioned earlier, we believe meeting human needs is not the sole responsibility of the federal and state governments. In Johnson County the county and cities contribute to utility assistance, and many private citizens have been responsive through donations to the Warmth and Light Fund and assistance funds maintained by the utilities.

However, with the cutbacks from the federal Low Income Energy Assistance Program, I ask you to think about the possible sacrifices these families may have to make.

We urge you to make up that difference from the oil overcharge money -- money that is intended for this human need. It is not a "budget buster", and on behalf of the Advisory Council we hope you will agree with us that it is good public policy and the right thing to do.

Thank you for your careful consideration.

PRESENTATION TO THE HOUSE APPROPRIATIONS COMMITTEE  
KANSAS STATE LEGISLATURE  
FEBRUARY 2, 1988

PRESENTED BY  
LINDA LAGERGREN  
ENERGY DIVISION SUPERVISOR  
JOHNSON COUNTY HUMAN RESOURCES AND AGING  
4850 ROSEWOOD, ROELAND PARK, KS 66205  
913-722-0039

THANK YOU FOR THE OPPORTUNITY TO MAKE THIS PRESENTATION IN  
SUPPORT OF SB 483 TO INCREASE FUNDING FOR THE LOW INCOME ENERGY  
ASSISTANCE PROGRAM.

OUR AGENCY WORKS WITH FAMILIES WHO ARE LOW-INCOME, HANDICAPPED,  
OR ELDERLY TO HELP THEM TO MEET BASIC NEEDS. OUR SERVICES  
INCLUDE A UTILITY ASSISTANCE PROGRAM THAT SUPPLEMENTS THE FUNDS  
THAT ARE AVAILABLE FROM LIEAP. THIS SUPPLEMENTARY ASSISTANCE IS  
NEEDED FOR SEVERAL REASONS: SOME FAMILIES HAVE SUCH LOW INCOMES  
THAT LIEAP PROVIDES INSUFFICIENT HELP; OTHER FAMILIES HAVE SHORT-  
TERM INCOME DISRUPTIONS AND DO NOT MEET THE LIEAP INCOME  
GUIDELINES. OTHER FAMILIES HAVE UTILITY EMERGENCIES AT TIMES OF  
THE YEAR WHEN LIEAP IS NOT AVAILABLE.

THIS UTILITY ASSISTANCE PROGRAM IS LIKE MANY OTHERS ACROSS THE  
STATE. THE FUNDING IS PROVIDED FROM LOCAL SOURCES. IN OUR CASE  
THE FUNDING COMES FROM THE COUNTY FUNDS, CITY FUNDS FROM 14  
MUNICIPALITIES, AND FROM PRIVATE DONATIONS. ALL OF THESE GROUPS  
HAVE JOINED TOGETHER TO PROVIDE A COMPREHENSIVE SERVICE.

FOR THE PAST THREE YEARS OUR AGENCY HAS SERVED OVER 1000  
HOUSEHOLDS WITH UTILITY ASSISTANCE. DURING THIS PAST YEAR WE

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HAVE KEPT STATISTICS ON VARIOUS FACTORS TO HELP US BETTER UNDERSTAND THE FAMILIES WE SERVE. THIS INFORMATION DISPELS MANY OF THE MYTHS ABOUT PEOPLE WHO RECEIVE ASSISTANCE.

#### SOURCES OF INCOME

OVER 50% OF THE HOUSEHOLDS OBTAIN THEIR PRIMARY INCOME FROM EMPLOYMENT. FEWER THAN 20% OF THE HOUSEHOLDS ARE WHOLLY DEPENDENT ON AID TO DEPENDENT CHILDREN. THE REMAINING 30% RECEIVE UNEMPLOYMENT, SOCIAL SECURITY, WORKER'S COMPENSATION, OR CHILD SUPPORT - ALL PROGRAMS BASED ON EARNINGS.

#### PREVIOUS ASSISTANCE

FOR OUR EMERGENCY PROGRAM, OVER 50% OF THE HOUSEHOLDS HAVE NOT RECEIVED ASSISTANCE IN THE PAST. FEWER THAN 10% MEET THE CRITERIA FOR THOSE RECEIVING CHRONIC ASSISTANCE. (THREE OR MORE TIMES IN THREE YEARS)

#### HOUSEHOLD SIZE AND INCOME

THE AVERAGE HOUSEHOLD SIZE IS 3.3. THE AVERAGE HOUSEHOLD INCOME IS \$750.00. IN A SAMPLE OF HOUSEHOLDS, THE UTILITY BILLS AVERAGED FROM 12 - 25% OF THE FAMILY'S MONTHLY BUDGET. THIS COMPARES WITH THE NATIONAL AVERAGE OF 16% FOR FAMILIES RECEIVING LIEAP, AND 4% FOR THE GENERAL POPULATION.

HAS THE NEED FOR LIEAP DECREASED? NO, THE NEED HAS NOT DECREASED. IN FACT, WE HAVE NEVER MET THE NEED. FEWER THAN HALF OF THE FAMILIES ELIGIBLE FOR LIEAP RECEIVE ASSISTANCE. THE ASSISTANCE PROVIDED, PAYS LESS THAN 1/3 OF THE WINTER HEATING BILLS FOR MOST HOUSEHOLDS. YET, THIS BENEFIT IS VITAL, TO HELP FAMILIES TRYING TO HELP THEMSELVES. PLEASE VOTE YES IN SUPPORT OF THE SUPPLEMENTAL APPROPRIATION FOR LIEAP.



Feb. 2 1988

To: The House Appropriations Committee  
Representative Bill Buntten, Chairman

From: Frances Jarchow, 9300 Roe, Prairie Village, Kansas  
Chairman, The Public Advisory Committee on  
Energy Assistance and Conservation

Our committee has 18 members who represent various energy assistance or weatherization programs throughout the state. We urge your support of Senate Bill 483 which would restore the 2.1 million cut by Congress for this winter's LIEAP program.

The Kansas LIEAP program has been carefully designed to make the best use possible of LIEAP funds. I would like to highlight some of these features.

1. The recipient must have made payment on two of the past three bills to receive LIEAP funds. Kansas is the only state that has this unique requirement. We believe it helps the client assume responsibility for his own bills. It is estimated that the LIEAP payment amounts to only 14% of the recipient's annual energy costs.
2. Benefits are paid in the form of a 2-party check payable to the LIEAP recipient and the utility company. Many other states make payments directly to the low-income household or the utility company. Our way assures that the money is spent for utilities and the recipient knows what has been paid.
3. The program serves the most vulnerable households. Last year 46% of the families receiving help had a member 60 years old or older, 38% had a child under 12 years old, and 20% had a handicapped person.
4. The benefit matrix has four components to help divide the money fairly and to assure that the most needy receive the most help. The four factors include household income and family size, type of fuel used, type of housing, and the actual utility rate. In Kansas the cost of an MCF of gas varies from less than \$1 to over \$6. A Kilowatt Hour of electricity ranges from 4¢ to 14¢. Therefore we have a wide variance in the cost of energy throughout our state.

Congress cut the appropriation for LIEAP for FY 88 by a disproportionately large amount because they know that the states have oil overcharge funds available for LIEAP funding. The Federal Court requires that the states spend the majority of the oil overcharge funds on five specific federally funded energy programs. LIEAP is the largest of these five programs. The Judge also ruled that these funds should be spent in a timely manner.

It is our recommendation that you spend these funds to keep LIEAP at its previous benefit levels and to enhance the weatherization programs. If you do, you are sending a message back to Congress that you believe these programs are very important to the needy in Kansas.

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The amount that has been requested for LIEAP does not contain a cost increase to cover the increased cost of utilities. During the last fiscal year, gas rates went up 14.4% per MCF and electric rates went up 1.5%. The low income families of Kansas need your help.

BILL NO. \_\_\_\_\_

AN ACT concerning the department of social and rehabilitation services; authorizing certain fees for home care services; providing for the disposition thereof.

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

Section 1. (a) The secretary of social and rehabilitation services is hereby authorized to fix, charge and collect reasonable fees for providing home care services to recipients served under the medicaid home and community based services program.

(b) All moneys received for fees collected pursuant to subsection (a) shall be remitted to the state treasurer at least monthly. Upon receipt of each remittance, the state treasurer shall deposit the entire amount thereof in the state treasury and credit such amount to the SRS temporary deposit fund.

Sec. 2. This act shall take effect and be in force from and after its publication in the Kansas register.

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