

Approved 2-23-88
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Bunten at
Chairperson

1:30 ~~am~~/p.m. on February 15, 1988 in room 514-S of the Capitol.

All members were present except: Representative Lowther (excused)

Committee staff present: Diane Duffy, Legislative Research
Ellen Piekalkiewicz, Legislative Research
Paul West, Ed Ahrens, Legislative Research
Jim Wilson, Revisor of Statutes
Sharon Schwartz, Administrative Aide
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Dr. Anthony Tilmans, President, Kansas Technical Institute

Others attending: See attached list.

HB 2814 - An Act authorizing the state board of regents to sell or exchange certain real property in Saline county, Kansas; imposing conditions thereon; authorizing disposition of proceeds.

This bill authorizes the Board of Regents and Kansas Technical Institute to sell property in Salina belonging to the school.

Dr. Anthony Tilmans, President, Kansas Technical Institute, provided written testimony (Attachment 1) and a map designating the property addressed in the bill (Attachment 2). President Tilmans stated the purposes of selling the property are to condense the campus and to use the proceeds to help construct a dormitory, cafeteria, and student union. He noted Kansas Tech has 150 acres of property--100 acres to the north and 50 acres to the south on the site of the former Air Force Base. Currently, there is approximately a mile distance between the main academic area of the campus and the location of the residence hall and cafeteria.

In response to questions, President Tilmans stated the money generated from the sale of this property would be used for preliminary and final planning of the construction. The bill authorizes either sale or exchange of property because President Tilmans indicated an exchange of land may be possible with the Salina Airport Authority. He noted all actions regarding this property would be subject to approval of the Board of Regents and estimates the property in question is valued at \$10,000-\$12,000 per acre.

HB 2676 - An Act making and concerning appropriations for the fiscal year ending June 30, 1989, for the Kansas commission on interstate cooperation, legislative coordinating council, legislature and division of post audit; authorizing certain transfers, imposing certain restrictions and limitations, and directing or authorizing certain receipts and disbursements and acts incidental to the foregoing.

Representative Chronister reviewed the subcommittee report on HB 2676 and noted the Subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989 with technical adjustments. (Attachment 3)

Representative Chronister moved to accept the legislative and related agencies budgets and to recommend HB 2676, as amended, favorably for passage. Seconded by Representative Williams. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,
room 514-S Statehouse, at 1:30 ~~am~~ p.m. on February 15, 1988

Representative Ott moved HB 2814 be recommended favorably for passage. Seconded by Representative Dyck. In response to a question, staff stated proceeds from sale of property would go into the Restricted Fees Fund and would be subject to appropriation. Chairman Bunten advised if the bill does not require the property sale to go through the normal appraisal and bid process, an amendment could be added on the House Floor. On a voice vote, motion carried.

Chairman Bunten announced the appointment of a special subcommittee to review Phase III of the job study. Members are Representative Chronister, Chairperson, and Representatives Brady, Heinemann, Lowther, Ott, Shriver, and Solbach.

The meeting was adjourned at 1:55 p.m.

Testimony Before the House of Representatives
Committee on Appropriations in Support of HB 2814

Submitted by: Kansas Technical Institute
February 15, 1988

During the 1987 session of the legislature, the Board of Regents and Kansas Technical Institute requested permission to sell a portion (H.B. #2602) of our property to further enhance the educational needs of Kansas Tech. We appreciated your support in the passage of this bill.

The purposes of selling the south campus property are:

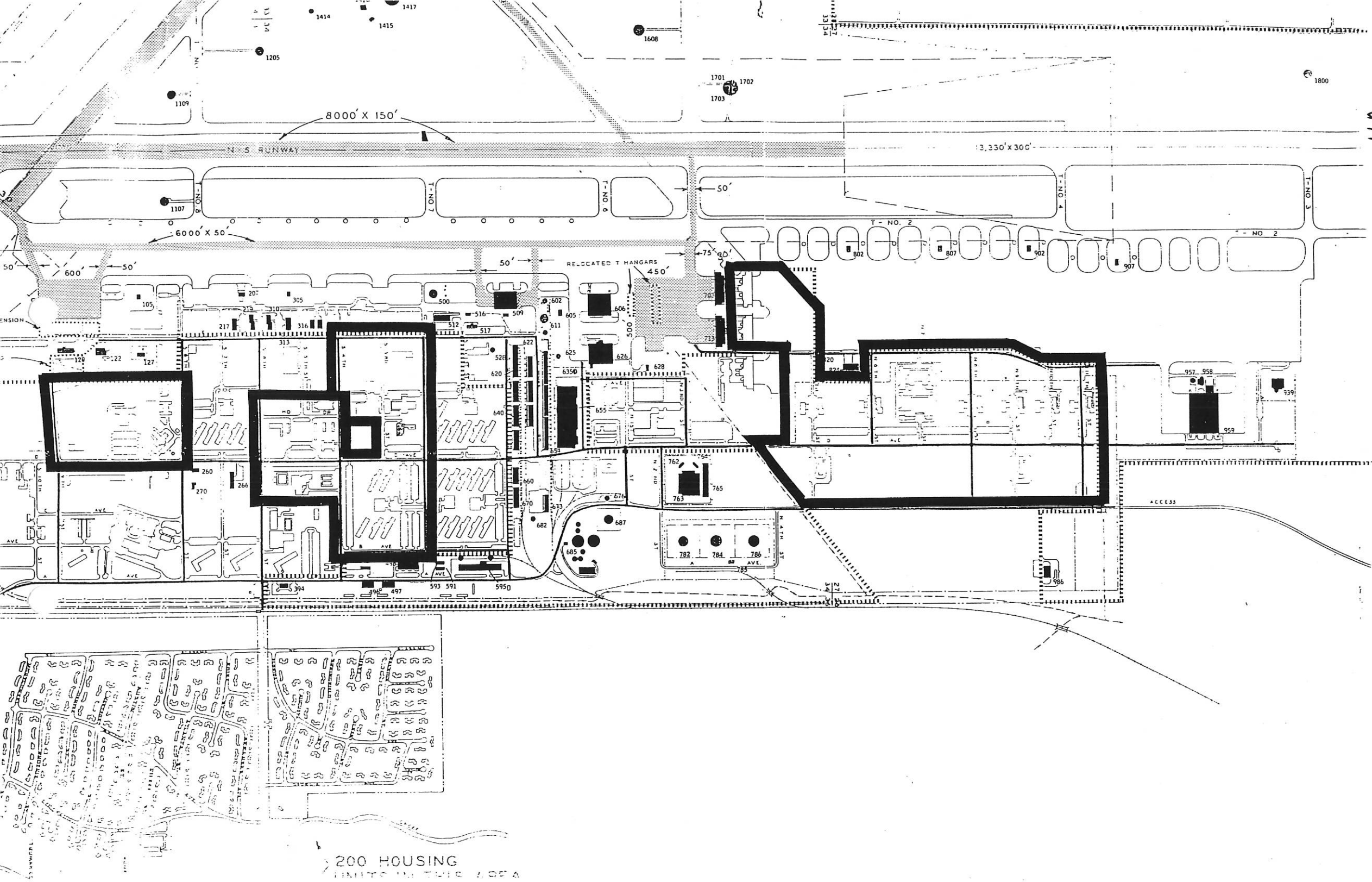
- * To condense the campus - Presently, it is approximately one mile from the north to the south campus. In between are old military barracks, warehouses, Beech Aircraft Corporation and the Salina Vocational school. This presents a safety problem during times of heavy road use and at night while traveling from the dormitory to attend night classes.
- * The money obtained from sale of the property in HB #2814 will be used to help construct a dormitory, cafeteria, conference center and student center on the north campus or to help enhance the north campus building needs.

It has become obvious that a great deal of time would be lost, and perhaps interested buyers, if we were to get permission for each portion of land to be sold. Therefore, the passage of H.B. #2814 will allow the Board of Regents and Kansas Technical Institute the opportunity to sell all or portions of the property in question without waiting for legislative action.

Thank you for your support.

HA
2-15-88
Attachment 1

HA
2-15-88
Attachment 2



> 200 HOUSING
UNITS IN THIS AREA

SUBCOMMITTEE REPORT

Agency: Legislature and Related Agencies

Bill No. 2676

Bill Sec. All

Analyst: Ahrens

Analysis Pg. No. 171

Budget Pg. No. 1-35

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
State Operations -- All Funds			
Commission on Interstate Cooperation	\$ 177,019	\$ 177,416	\$ (56)
Legislative Coordinating Council:			
Council Expenses	259,241	268,192	1,553
Legislative Research Department	1,517,634	1,572,166	3,406
Revisor of Statutes	1,883,087	1,923,224	272
Educational Planning Committee	41,703	42,104	--
Legislature	7,527,342	7,938,291	(280,344)
Division of Post Audit	<u>1,386,600</u>	<u>1,418,426</u>	<u>(79,635)</u>
TOTAL	<u>\$ 12,792,626</u>	<u>\$ 13,339,819</u>	<u>\$ (354,804)</u>
State Operations:			
State General Fund	<u>\$ 12,682,512</u>	<u>\$ 13,229,705</u>	<u>\$ (338,938)</u>
FTE Positions	114.0	114.0	--

Agency Request/Governor's Recommendation

FY 1988. As approved by the Legislative Coordinating Council, FY 1988 revised budgets for legislative branch agencies were submitted which in total are \$240,619 below the amounts authorized by the 1987 Legislature, including reappropriations. The revised budget of the Legislature includes the estimated \$247,054 cost of the 1987 Special Session. The Governor's Budget Report reflects revisions which are a total of \$50,511 less than the agency revised estimates. The Legislature's budget is reduced by \$55,021 and its related agencies' budgets are increased by a net of \$4,510. Apparently, the Governor's revisions were intended to accomplish two general purposes: (1) to adjust agency budgets for the 6.8 percent increase to the FY 1988 state-paid health insurance premium; and (2) to adjust budgets for FICA payments to reflect a reduction in the FICA salary base resulting from the federal IRS ruling that the state "pickup" of the employee's KPERS contribution is to be deducted from that base beginning in calendar year 1987. In the process of computing the intended adjustments, errors were made in the application of fringe benefit rates to these budgets which understate some costs and overstate others. The major error occurred with respect to understatement by \$131,082 of the employer's retirement contributions in the Legislature's budget.

FY 1989. The combined FY 1989 budget requests for the Legislature and its related agencies total \$12,682,512. As directed by the LCC, the legislative agencies did not include any amounts for further changes to the basic salary

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Attachment 3

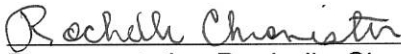
plan but did include the cost of step increases for those employees who are paid in accordance with the present pay plan. One additional position is requested for FY 1989, a senior performance auditor for the Division of Post Audit. The Governor concurs with the basic agency budget requests for FY 1989 with the following changes based on policy recommendations: (1) the addition of \$400,000 to the Legislature's budget which is attributed to a recommended statutory change in legislator retirement benefits; (2) the financing for a 4 percent general increase to staff salaries and legislators' per diem compensation; and (3) a further increase of 10.9 percent to state-paid health insurance premiums. In accomplishing the latter two recommendations, errors were made in the calculations of fringe benefits which understate some costs and overstate others, as in FY 1988. In all, the Governor's recommendation is \$547,193 above the requested budgets.

House Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations for FY 1988 and FY 1989, with the following adjustments:

1. Pending enactment of the necessary legislation, delete the \$400,000 added for FY 1989 which is attributed to increasing legislator retirement benefits.
2. Based upon the request of the Chairman of the Joint Committee on Post Audit, delete \$81,950 from the FY 1989 budget of the Division of Post Audit to reflect a revised estimate of the cost of contracted financial compliance audits (\$66,084 General Fund, \$15,866 Audit Services Fund).
3. Adjust recommendations for salaries and wages in FY 1988 and FY 1989 to correct various miscalculations, mainly in fringe benefits. Such miscellaneous adjustments affect the expenditure estimates for FY 1988 and FY 1989, as summarized below. No FY 1988 appropriation act is required.

	<u>FY 1988</u>	<u>FY 1989</u>
Legislature	\$ 46,787	\$ 119,656
Legislative Coordinating Council	--	1,553
Legislative Educational Planning Committee	--	--
Interstate Cooperation Commission	(31)	(56)
Legislative Research Department	(2,981)	3,406
Revisor of Statutes	(3,167)	272
Legislative Division of Post Audit	(1,571)	2,315
TOTAL MISCELLANEOUS	<u>\$ 39,037</u>	<u>\$ 127,146</u>




Representative Rochelle Chronister
Chairperson



Representative Bill Bunten



Representative David Heinemann



Representative Don Mainey



Representative Lee Hamm

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