

Approved March 30, 1988
Date

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR AUGUST "GUS" BOGINA at
Chairperson

11:00 a.m. ~~xxx~~ on March 7, 1988 in room 123-S of the Capitol.

All members were present except:

Committee staff present:

Research Department: Scott Rothe, Russ Mills, Ed Ahrens, Laura Howard
Revisor's Office: Norman Furse
Committee Office: Judy Bromich, Pam Parker

Conferees appearing before the committee:

As determined during the previous meeting, the Committee held discussion of the Warner and non-Warner Oil Overcharge funds. Staff distributed and reviewed information pertaining to Oil Overcharge Funds Multiyear Expenditure Plan and Federal and Oil Overcharge Funds Expenditure Plan and the Governor's Recommendations as of January 12, 1988. (Attachment 1)

Emily Wellman, Kansas Corporation Commission (KCC), reviewed five programs eligible for expenditures of oil overcharge funds under the "Warner Amendment". The are:

1. State Energy Conservation Program
2. Energy Extension Service
3. Institutional Conservation Program
4. Weatherization Assistance Program
5. Low Income Energy Assistance Program

The first three programs are administered by KCC and the last two by SRS.

Ms. Wellman reviewed programs eligible for non-Warner funds. She explained that the proposed miscellaneous programs listed on Attachment 1 were selected from a broad list of categories. Rather than sending the list to the Department of Energy, it was sent to counsel retained by the Attorney General's Office who has advised that as long as a program can be tied to a legitimate energy conservation effort it will be eligible for non-Warner funds. The list is under review by counsel at this time.

In answer to questions, Ms. Wellman stated that procedurally the intent was to wait for the appropriation before submitting proposed programs, however she thought there might be a way to shortcut the procedure in order to acquire an informal opinion on the validity of the programs before appropriations are made. She reported that the AG's counsel feels the proposed programs are appropriate. They feel there is some more work which needs to be done on the Dakota Aquifer study to insure a stronger tie to energy conservation. Project by project approval is needed for highway projects.

Senator Winter asked for information regarding projects in other states, like the Dakota Aquifer in Kansas, which indicate that the Dakota project would qualify for funding. In regard to a question concerning the use of funds for energy conservation research and development, Ms. Wellman stated that the Department of Energy prefers demonstration projects whereby existing and available methods are demonstrated to a target population rather than pure research so applied research would be more likely to receive approval than pure research.

Following further discussion, the meeting was adjourned.

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.

OIL OVERCHARGE FUNDS MULTIYEAR EXPENDITURE PLAN

| EXPENDITURES BY AGENCY | FY 1988 | FY 1989 | FY 1990 | FY 1991 | FY 1992 | FY 1993 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Board of Agriculture .. | \$— | \$40,000 | \$40,000 | \$130,000 | \$90,000 | \$— |
| Corporation Commis- sion | 2,775,657 | 2,947,282 | 2,872,038 | 2,872,038 | 2,872,038 | 2,872,038 |
| Department of Transpor- tation | — | 1,500,000 | 1,500,000 | 2,500,000 | 3,500,000 | 3,460,000 |
| Social and Rehabilita- tion Services | 2,578,255 | 4,355,528 | 3,855,528 | 2,269,330 | 2,269,329 | 2,269,331 |
| University of Kansas Geological Survey .. | — | 170,000 | 200,000 | 200,000 | — | — |
| TOTAL | \$5,353,912 | \$9,012,810 | \$8,467,566 | \$7,971,368 | \$8,731,367 | \$8,601,369 |

| EXPENDITURES BY PROGRAM | FY 1988 | FY 1989 | FY 1990 | FY 1991 | FY 1992 | FY 1993 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Agricultural Energy Con- servation | \$— | \$— | \$— | \$90,000 | \$90,000 | \$— |
| Dakota Aquifer | — | 170,000 | 200,000 | 200,000 | — | — |
| Energy Extension Service (EES) | 10,832 | 76,357 | 76,357 | 76,357 | 76,357 | 76,357 |
| Highway and Bridge Maintenance Proj- ects | — | 1,500,000 | 1,500,000 | 2,500,000 | 3,500,000 | 3,460,000 |
| Institutional Conserva- tion Program (ICP) .. | 1,526,894 | 1,679,583 | 1,679,583 | 1,679,583 | 1,679,583 | 1,679,583 |
| Kansas Conservation Bank | 585,000 | 643,500 | 660,000 | 660,000 | 660,000 | 660,000 |
| Low Income Energy Con- sultation | 102,022 | 106,022 | 106,022 | 106,022 | 106,022 | 106,022 |
| Low Income Energy As- sistance (LIEAP) ... | 2,231,397 | 3,708,670 | 3,508,670 | 1,815,465 | 1,361,599 | 907,732 |
| Noxious Weed Control Rehabilitation Weatheri- zation Demo | 146,300 | 106,300 | — | — | — | — |
| Residential/Commercial Technical Assistance | 131,671 | 141,758 | 141,758 | 141,758 | 141,758 | 141,758 |
| Rideshare | 114,081 | 120,982 | 120,982 | 120,982 | 120,982 | 120,982 |
| State Energy Conserva- tion Program Manage- ment | 71,571 | 72,780 | 87,336 | 87,336 | 87,336 | 87,336 |
| Topeka Mass Transit .. | 87,286 | — | — | — | — | — |
| Weatherization | 346,858 | 646,858 | 346,858 | 453,865 | 907,730 | 1,361,599 |
| TOTAL | \$5,353,912 | \$9,012,810 | \$8,467,566 | \$7,971,368 | \$8,731,367 | \$8,601,369 |

| EXPENDITURES BY CATEGORY | FY 1988 | FY 1989 | FY 1990 | FY 1991 | FY 1992 | FY 1993 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| State Operations | \$316,383 | \$268,188 | \$298,188 | \$388,188 | \$188,188 | \$98,188 |
| Aid to Local Units of Government | — | 40,000 | 40,000 | 40,000 | — | — |
| Other Assistance, Grants, and Benefits | 5,037,529 | 7,204,622 | 6,629,378 | 5,043,180 | 5,043,179 | 5,043,181 |
| Capital Improvements . | — | 1,500,000 | 1,500,000 | 2,500,000 | 3,500,000 | 3,460,000 |
| TOTAL | \$5,353,912 | \$9,012,810 | \$8,467,566 | \$7,971,368 | \$8,731,367 | \$8,601,369 |

FEDERAL AND OIL OVERCHARGE FUNDS EXPENDITURE PLAN - FISCAL YEARS 1988 (ACTUAL) THROUGH 1993 (PLANNED)
GOVERNOR'S RECOMMENDATION -- JANUARY 12, 1988

| PROGRAMS | FISCAL YEAR 1988 (ACTUAL) | | | FISCAL YEAR 1989 | | | FISCAL YEAR 1990 | | | FISCAL YEAR 1991 | | | FISCAL YEAR 1992 | | | FISCAL YEAR 1993 | | | TOTAL OOC FUNDS EXPENDE | |
|-----------------------------------|---------------------------|-----------------------|--------------------------|-------------------------|-----------------------|--------------------------|-------------------------|-----------------------|--------------------------|-------------------------|-----------------------|--------------------------|-------------------------|-----------------------|--------------------------|-------------------------|-----------------------|--------------------------|-------------------------|--------------------------|
| | DOE FUNDS INCL. CF | "WARNER" OOC FUNDS | "NONWARNER" OOC FUNDS | DOE FUNDS (estimate) | "WARNER" OOC FUNDS | "NONWARNER" OOC FUNDS | DOE FUNDS (estimate) | "WARNER" OOC FUNDS | "NONWARNER" OOC FUNDS | DOE FUNDS (estimate) | "WARNER" OOC FUNDS | "NONWARNER" OOC FUNDS | DOE FUNDS (estimate) | "WARNER" OOC FUNDS | "NONWARNER" OOC FUNDS | DOE FUNDS (estimate) | "WARNER" OOC FUNDS | "NONWARNER" OOC FUNDS | "WARNER" OOC FUNDS | "NONWARNER" OOC FUNDS |
| 1 Energy Extension Service (EES) | \$130,725 | \$10,832 | \$0 | \$65,200 | \$56,357 | \$20,000 | \$65,200 | \$56,357 | \$20,000 | \$65,200 | \$56,357 | \$20,000 | \$65,200 | \$56,357 | \$20,000 | \$65,200 | \$56,357 | \$20,000 | \$292,617 | \$100,000 |
| 2 Institutional Cons.Prog. (ICP) | \$88,486 | \$1,526,894 | \$0 | \$88,486 | \$1,609,583 | \$70,000 | \$88,486 | \$1,609,583 | \$70,000 | \$88,486 | \$1,609,583 | \$70,000 | \$88,486 | \$1,609,583 | \$70,000 | \$88,486 | \$1,609,583 | \$70,000 | \$9,574,809 | \$350,000 |
| 3 Low-Inc. Energy Assist. (LIEAP) | \$12,974,110 | \$2,231,397 | \$0 | \$11,696,837 | \$3,031,397 | \$677,273 | \$11,696,837 | \$2,395,757 | \$1,112,913 | \$11,696,837 | \$1,386,606 | \$428,859 | \$11,696,837 | \$1,044,955 | \$316,644 | \$11,696,837 | \$643,213 | \$264,519 | \$10,733,325 | \$2,600,208 |
| 4 St. Energy Cons. Prog. (SECP) | | | | | | | | | | | | | | | | | | | | |
| -SECP Management | \$74,157 | \$71,571 | \$0 | \$100,504 | \$37,780 | \$35,000 | \$100,504 | \$47,336 | \$40,000 | \$100,504 | \$47,336 | \$40,000 | \$100,504 | \$47,336 | \$40,000 | \$100,504 | \$47,336 | \$40,000 | \$298,695 | \$195,000 |
| -Low-Inc. Energy Consil. Prog. | \$20,017 | \$102,022 | \$0 | \$16,017 | \$0 | \$106,022 | \$16,017 | \$0 | \$106,022 | \$16,017 | \$0 | \$106,022 | \$16,017 | \$0 | \$106,022 | \$16,017 | \$0 | \$106,022 | \$102,022 | \$530,110 |
| -Rideshare Prog. | \$15,961 | \$114,081 | \$0 | \$12,961 | \$110,982 | \$10,000 | \$12,961 | \$110,982 | \$10,000 | \$12,961 | \$110,982 | \$10,000 | \$12,961 | \$110,982 | \$10,000 | \$12,961 | \$110,982 | \$10,000 | \$668,991 | \$50,000 |
| -Res/Com. Tech. Assist. Prog. | \$78,020 | \$131,671 | \$0 | \$67,933 | \$131,758 | \$10,000 | \$67,933 | \$131,758 | \$10,000 | \$67,933 | \$131,758 | \$10,000 | \$67,933 | \$131,758 | \$10,000 | \$67,933 | \$131,758 | \$10,000 | \$790,461 | \$50,000 |
| -YS Cons. Bank | \$0 | \$255,000 | \$60,000 | \$0 | \$600,000 | \$43,500 | \$0 | \$600,000 | \$60,000 | \$0 | \$600,000 | \$60,000 | \$0 | \$600,000 | \$60,000 | \$0 | \$655,975 | \$4,025 | \$3,580,975 | \$287,525 |
| -Rehab/Weatherization Demo. | \$0 | \$146,300 | \$0 | \$0 | \$0 | \$106,300 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$146,300 | \$106,300 |
| 5 Weatherization Prog. (WAP) | \$4,110,784 | \$346,858 | \$0 | \$4,110,784 | \$266,858 | \$380,000 | \$4,110,784 | \$296,858 | \$50,000 | \$4,110,784 | \$393,865 | \$60,000 | \$4,110,784 | \$782,730 | \$125,000 | \$4,110,784 | \$1,104,599 | \$257,000 | \$3,191,768 | \$872,000 |
| 6 Misc. Projects: | | | | | | | | | | | | | | | | | | | | |
| -Topeka Mass Transit Proj. | \$0 | \$0 | \$87,286 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$87,286 |
| -Dakota Aquifer Study | \$0 | \$0 | \$0 | \$0 | \$0 | \$170,000 | \$0 | \$0 | \$200,000 | \$0 | \$0 | \$200,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$570,000 |
| -Noxious Weed Control Prog. | \$0 | \$0 | \$0 | \$0 | \$0 | \$40,000 | \$0 | \$0 | \$40,000 | \$0 | \$0 | \$40,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$120,000 |
| -Aori. Energy Consv. Prog. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$90,000 | \$0 | \$0 | \$90,000 | \$0 | \$0 | \$0 | \$0 | \$180,000 |
| -Highway/Bridge Maint. Projs. | \$0 | \$0 | \$0 | \$0 | \$0 | \$1,500,000 | \$0 | \$0 | \$1,500,000 | \$0 | \$0 | \$2,500,000 | \$0 | \$0 | \$3,500,000 | \$0 | \$0 | \$3,460,000 | \$0 | \$12,460,000 |
| TOTAL OOC FUNDS EXPENDE (BY YEAR) | | | | | | | | | | | | | | | | | | | | |
| Warn. Funds Expd. | \$5,206,626 | \$5,844,715 | \$5,248,631 | \$4,336,407 | \$4,383,701 | \$4,359,803 | \$29,379,963 | | | | | | | | | | | | | |
| NonWarn. Expd. | \$147,286 | \$3,168,095 | \$3,218,935 | \$3,634,881 | \$4,347,666 | \$4,241,566 | \$18,758,429 | | | | | | | | | | | | | |
| Year/End Balances | \$20,994,667 | \$12,563,186 | \$16,308,025 | \$11,936,246 | \$10,652,071 | \$8,225,693 | \$8,099,334 | \$4,228,640 | \$4,131,374 | \$121 | \$18,646 | \$121 | \$18,646 | | | | | | | |

FOOTNOTES:
(1) DOE funds and carry-forward monies are estimated on basis of Department of Energy sources and historical experience.
(2) "Warner" funds include Exxon and other Section 155 monies.
(3) "Nonwarner" funds include Stripper Well, Diamond Shamrock, OGC, and \$5 mil. of expected Stripper Well disbursements (\$1.5 mil. in FY88, \$2 mil. in FY89, \$1 mil. in FY90, and \$1.5 mil. in FY91).
(4) Ending balances are calculated with 6.50% interest on average annual balances before additional receipts (see footnote 3 above) are added.
(5) Any expenditure of these monies requires DOE/OHA approval.