

Approved

4-20-89

Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntен at  
Chairperson

1:30 ~~am~~ p.m. on March 22, 1989 in room 514-S of the Capitol.

All members were present except: Representatives Vancrum, Solbach, Wisdom and  
Lowther (all excused)

Committee staff present: Ellen Piekalkiewicz, Debra Duncan, Julian Efird,  
Paul West, Legislative Research  
Jim Wilson, Revisor of Statutes  
Sharon Schwartz, Administrative Aide  
Sue Krische, Committee Secretary

Conferees appearing before the committee:

Allen Bell, President, Kansas Development Finance Authority  
David Palmer, Community Program Consultant, Alcohol and Drug Abuse  
Services, SRS  
Eunice Ruttinger, Executive Director, Shawnee Community Mental  
Health Center  
Paul Klotz, Executive Director, Association of Community Mental  
Health Centers  
Ben Coates, Director of Policy, SRS  
Major General Philip B. Finley, Adjutant General

Others attending: See attached list.

**INTRODUCTION OF BILLS**

Representative Moomaw requested introduction of a bill authorizing  
community mental health centers to offer scholarships for licensed  
psychologists or social workers (Attachment 1). There would be  
no match on the state level. Representative Moomaw moved introduction  
of the bill. Representative Chronister seconded. Motion carried.

Chairman Buntен announced that the Committee will be meeting next  
Monday, March 27, and Tuesday, March 28, to finish the Senate appropriations  
bills in the Committee so they can be considered on the House floor.  
Conference Committees will begin Friday, March 31, if possible,  
or Monday, April 3.

SB 31 - Appropriations for FY90, state board of tax appeals, department  
of revenue, Kansas lottery, Kansas racing commission, department  
of commerce, Kansas, Inc. and Kansas technology enterprise  
corporation.

**DEPARTMENT OF COMMERCE**

Representative Fuller reviewed the subcommittee report for FY89  
and FY90 (Attachment 2). Representative Fuller stated she believes  
the \$125,000 in the Department of Commerce for the Eisenhower Centennial  
promotion is for printing and distribution of materials and the  
\$100,000 in the State Historical Society budget will fund both  
administrative costs and a brochure. Regarding items #9 and #10  
in the report, 1 FTE position is being transferred from the Rural  
Development Program to the Main Street program. Representative  
Shriver believes these programs are very different and he opposes  
the shift. Representative Shriver moved to delete items #9 and  
#10 from the FY90 subcommittee report. Representative Gatlin seconded.  
It was noted the Rural Development Program has five staff persons  
and the Main Street program has two; the Subcommittee's recommendation  
would change that to four and three. On Representative Shriver's  
motion to delete the staff shift, the motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,  
room 514-S, Statehouse, at 1:30 ~~am~~ p.m. on March 22, 1989

Representative Helgerson moved that the \$125,000 for the Eisenhower Centennial in item #1 be put in a separate line item and financed from the EDIF. Representative Hamm seconded. Motion carried.

Representative Fuller moved adoption of the subcommittee report for FY89 and FY90, as amended. Representative Francisco seconded. Motion carried.

**KANSAS, INC. (Attachment 3)**

Representative Fuller moved adoption of the subcommittee report on Kansas, Inc. for FY89 and FY90. Representative Francisco seconded. Motion carried.

**KANSAS TECHNOLOGY ENTERPRISE CORPORATION**

Representative Francisco reviewed the subcommittee report for FY89 and FY90 (Attachment 4). Staff advised in FY89 \$1,325,000 from the EDIF was authorized for grants from KTEC to the Centers of Excellence. Chairman Buntен noted the Senate has increased that amount by \$1.1 million for FY90 part of which will be State General Fund money. The Value Added Processing Center is located at Kansas State University. Chairman Buntен moved to delete item #10 in the Senate subcommittee recommendations adding \$575,000 State General Fund and \$525,000 from the EDIF for grants to the Centers of Excellence and to delete the Senate Committee of the Whole recommendation of \$175,000 from the EDIF and \$250,000 State General Fund for the Value Added Processing Center. Representative Gatlin seconded. Motion failed.

In response to a question, Representative Fuller stated the \$150,000 from the EDIF in item #2 of the subcommittee report would go for new centers of excellence subject to grant application. To avoid confusion, Representative Mead moved to delete the reference to Wichita State University in item #2 of the FY90 report. Representative Fuller seconded. Motion carried. Representative Fuller moved the adoption of the subcommittee report for FY89 and FY90 as amended. Representative Francisco seconded. Motion carried.

**STATE BOARD OF TAX APPEALS (Attachment 5)**

Representative Moomaw moved adoption of the subcommittee report for FY89 and FY90. Representative Brady seconded. Motion carried.

**DEPARTMENT OF REVENUE**

The Committee reviewed the subcommittee report for FY89 and FY90 (Attachment 6). Representative Chronister asked the status of various computer systems for tax collections. A system called Business Tax Information Management System focusing on sales tax revenue is scheduled to be implemented in June, 1990. The Department is currently reviewing bids for Automated Collections Systems (ACS) and will report to the Legislature a more precise cost estimate during Omnibus. An amount of \$350,000 was appropriated for FY89 for the acquisition of ACS hardware and software.

Representative Kline moved adoption of the subcommittee report for FY89 and FY90. Representative Fuller seconded. Motion carried.

Chairman Buntен announced the subcommittee reports on the Lottery and Racing Commission will be taken up on Monday, March 27, and at that time, work will be completed on SB 31.

SB 134 - Kansas development finance authority, loans to community mental health, mental retardation and drug and alcohol abuse services providers.

Allen Bell, President, Kansas Development Finance Authority (KDFA), explained that SB 134 would allow KDFA to implement a financing

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,  
room 514-S Statehouse, at 1:30 ~~a.m.~~/p.m. on March 22, 1989

program in which low interest building and equipment loans could be made to qualifying non-profit organizations that provide community mental health, mental retardation, and drug and alcohol abuse services and receive funding through the Department of SRS (Attachment 7). These loans would be limited to only capital projects. The purpose of this bill is to allow expansion of existing services by these community providers.

David Palmer, Community Program Consultant, Alcohol and Drug Abuse Services, SRS, appeared in support of SB 134 and provided written testimony (Attachment 8). Affordable funding is an important tool to allow alcohol and drug abuse programs in Kansas to expand facilities or refinance current high-interest loans.

Eunice Ruttinger, Executive Director, Shawnee Community Mental Health Center, testified in support of SB 134 (Attachment 9). She stated this program would provide low-interest long-term fixed-rate loans to finance such projects as the alcohol and drug facility Shawnee Community Mental Health Center hopes to build in the near future.

Paul Klotz, Executive Director, Association of Community Mental Health Centers, appeared in support of SB 134.

Representative Shriver moved that SB 134 be recommended favorably for passage. Representative Kline seconded. Motion carried.

SB 187 - Secretary of SRS, authorization to sell land located in Mitchell county to U.S.D. No. 273.

Senator Janis Lee provided written testimony explaining that SB 187 would allow the school district to purchase the six acres of land which is presently declared surplus by the Youth Center at Beloit from the State of Kansas at a price to be negotiated by Secretary Barton and the U.S.D. 273 Board of Education (Attachment 10).

Ben Coates, Director of Policy, SRS, testified in support of SB 187 and stated SRS does not need the land for the Youth Center at Beloit. Representative Teagarden moved that SB 187 be recommended favorably for passage. Representative Turnquist seconded. Motion carried. Representative Teagarden moved to reconsider the Committee action on SB 187. Representative Heinemann seconded. Motion carried. Representative Chronister moved to amend SB 187 by striking on line 96 "K.S.A. 75-3043" and inserting "K.S.A. 75-3043a." Representative Turnquist seconded. Motion carried. Representative Teagarden moved that SB 187, as amended, be recommended favorably for passage. Representative Turnquist seconded. Motion carried.

SB 218 - Transfer of property to the Shawnee community mental health center.

Eunice Ruttinger, Executive Director, Shawnee Community Mental Health Center, testified that SB 218 will allow the transfer of land on Topeka State Hospital grounds to Shawnee Community Mental Health Center for purposes of building a facility to house their alcohol and drug programs (Attachment 11). Ms. Ruttinger stated she would not be able to afford the expense of building a new facility without donated ground.

Al Nemec, Commissioner, Mental Health and Retardation Services, SRS, provided written testimony in support of this legislation (Attachment 12).

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations

room 514-S, Statehouse, at 1:30 ~~a.m.~~ p.m. on March 22, 1989

Representative Heinemann moved that SB 218 be recommended favorably for passage. Representative Teagarden seconded. Motion carried.

HB 2537 - Federal disaster relief and assistance to individuals and families, state share.

Major General Philip B. Finley, Adjutant General, testified that HB 2537 would amend state law dealing with state disaster assistance to conform with federal Disaster Relief and Emergency Assistance amendments of 1988 (Attachment 13). Congress increased the maximum federal award from \$5,000 to \$10,000. HB 2537 increases the maximum dollar amount of the state 25 percent portion of any federal grants awarded under these amendments from \$1,250 to \$2,500 for FY90.

Representative Hamm moved that HB 2537 be recommended favorably for passage. Representative Hoy seconded. Motion carried.

**INTRODUCTION OF BILLS**

Chairman Bunten requested introduction of a bill changing the COLA for classified state employees from 4 percent to 3 percent and including a longevity pay plan. Representative Bunten moved to introduce the bill. Representative Teagarden seconded. It was noted the fiscal note on this proposal is \$3.4 million above the Governor's recommendation. The motion carried.

Representative Teagarden moved that the minutes of March 6, 7, and 8, 1989 be approved as presented. Representative Hoy seconded. Motion carried.

The meeting was adjourned at 3:15 p.m.



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

By

AN ACT concerning community mental health centers; authorizing the expenditure of funds for loans or scholarships for certain persons who agree to become members of the staff of such center.

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

Section 1. The governing board of a community mental health center which is organized pursuant to K.S.A. 19-4001 et seq., and amendments thereto, and which is licensed under K.S.A. 75-3307b and amendments thereto is hereby authorized to expend funds of the community mental health center to provide loans or scholarships to aid in financing the education of persons studying to become licensed psychologists or licensed in one of the social work specialties and who agree, upon completion of their education and attainment of such licensure, to become members of the staff of the community mental health center.

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

HA  
3-22-89  
Attachment 1

**SUBCOMMITTEE REPORT**

Agency: Department of Commerce      Bill No. 80      Bill Sec. 10  
 Analyst: West      Analysis Pg. No. 244      Budget Pg. No. 112

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 7,866,253	\$ 8,838,528	\$ --
Local Aid	19,282,502	18,273,232	700,000
Other Assistance	750,000	700,000	--
<b>TOTAL</b>	<u><u>\$ 27,898,755</u></u>	<u><u>\$ 27,811,760</u></u>	<u><u>\$ 700,000</u></u>
<b>State General Fund:</b>			
State Operations	\$ 5,255,830	\$ 6,154,891	\$ --
Local Aid	--	1,700,000	700,000
Other Assistance	500,000	500,000	--
<b>TOTAL</b>	<u><u>\$ 5,755,830</u></u>	<u><u>\$ 8,354,891</u></u>	<u><u>\$ 700,000</u></u>
<b>Economic Development Initiatives Fund:</b>			
State Operations	\$ 1,571,327	\$ 1,636,215	\$ --
Local Aid	4,551,000	1,793,121	--
Other Assistance	250,000	200,000	--
<b>TOTAL</b>	<u><u>\$ 6,372,327</u></u>	<u><u>\$ 3,629,336</u></u>	<u><u>\$ --</u></u>
<b>FTE Positions</b>	100.5	100.5	--

Agency Request/Governor's Recommendation

**State Operations.** The Department of Commerce proposes an FY 1989 state operations budget for 100.5 FTE positions of \$7,866,253, including \$5,255,830 from the State General Fund, \$1,571,327 from the Economic Development Initiatives Fund (EDIF), and \$1,039,096 from other funding sources. The current year estimate reflects a decrease of \$2,287 in State General Fund expenditures associated with lower than anticipated reappropriated balances, a net decrease of \$5,026 in expenditures from the Publications and Other Sales Fund; a net increase of \$4,539 from federal funds associated with the Community Development Block Grant (CDBG) and Rental Rehabilitation programs, and a requested increase of \$2,285 for expenditures for capital outlay from the Conversion of Materials and Equipment Fund, resulting in a net decrease in state operations expenditures of \$489. The agency requests an expenditure limitation increase to \$2,285 on the Conversion of Materials and Equipment Fund.

The Governor recommends an FY 1989 state operations budget of \$8,838,528, including \$6,154,891 from the State General Fund, \$1,636,215 from the EDIF, and \$1,047,422 from other funding sources. The FY 1989 recommendation reflects an increase from the agency's estimate of State General Fund expenditures of \$899,061, including increased funding for the KIT program (\$800,000), increased salaries (\$60,650), and increased other operating expenditures (\$38,411). The Governor recommends State General Fund supplemental appropriations for state operations of \$915,182 and State General Fund lapses of \$24,187. Financing from the EDIF is recommended to increase by \$64,888 associated with administration of the Kansas Partnership Fund (\$57,879) and

HA  
 3-22-89  
 Attachment 2

other salary revisions (\$7,009). Other funding sources are recommended to increase from the agency's estimate by \$8,326, reflecting a decrease in salaries of \$7,167 and an increase in other operating expenses of \$15,493. The Governor recommends expenditure limitation increases on the EDIF state operations account (by \$64,888 to \$436,215), the Conversion of Materials and Equipment Fund (by \$2,285 to \$2,285), and the Low Income Housing Tax Credit Fund (by \$609 to \$48,536). The Governor's recommendation also reflects increased expenditures of \$22,500 from the Linger Longer Fund and conversion of the fund's expenditure limitation to "no limit."

**Local Aid.** The Department of Commerce estimates payments to local units of government will total \$19,282,502 in FY 1989, a slight decrease from the amount approved by the 1988 Legislature. Grants provided under the CDBG program are estimated at \$14,031,502, an increase of \$31,502, while grants under the Rental Rehabilitation program are estimated at \$700,000, a decrease of \$33,000. The changes are reportedly associated with a change in federal regulations governing the allocation of administrative expenses for the two programs. EDIF expenditures of \$4,551,000 are anticipated for loans to local units of government from the Kansas Partnership Fund (\$4,500,000) and for grants under the Main Street program (\$51,000), amounts unchanged from the budget approved by the 1988 Legislature.

The Governor estimates payments to local units of government in FY 1989 will total \$18,273,232, a decrease of \$1,009,270 from the agency's estimate. The Governor's recommendation includes \$14,031,502 of CDBG grants, \$748,609 for Rental Rehabilitation grants (an increase of \$48,609), \$51,000 for Main Street grants, and \$3,442,121 for loans from the Kansas Partnership Fund (a decrease of \$1,057,879). The Governor recommends a decrease of \$2,757,879 in EDIF funding for the partnership fund and a State General Fund supplemental appropriation of \$1,700,000 for the fund.

**Other Assistance.** The Department estimates other assistance payments of \$750,000 in FY 1989 for grants to Certified Development Companies (\$425,000) and Small Business Development Centers (\$275,000) and awards under the Education Awards program (\$50,000), amounts unchanged from the budget approved by the 1988 Legislature. The current year estimate is financed by \$500,000 from the State General Fund and \$250,000 from the EDIF.

The Governor recommends \$700,000 for other assistance payments in FY 1989, a decrease of \$50,000 from the agency's estimate. The Governor recommends elimination of the \$50,000 from the EDIF for the Education Awards program.

#### Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's FY 1989 recommendation, with the following adjustments:

1. Increase the expenditure limitation on the Conversion of Materials and Equipment Fund to \$2,285 for a technical adjustment to the bill.
2. Decrease the State General Fund supplemental in S.B. 80 for the KIT program by \$200,000 to reflect the Senate's prior action on S.B. 30.
3. Restore the \$700,000 deleted from the \$1,700,000 State General Fund supplemental appropriation for the Partnership program which was in S.B. 30. This recommendation restores the funding for the Partnership program to the level recommended by the Governor.



Senate Committee Recommendation

The Senate Committee concurs with the FY 1989 budget as recommended by the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Sub. Adjustments</u>
All Funds:			
State Operations	\$ --	\$ 8,838,528	\$ --
Local Aid	700,000	18,273,232	--
Other Assistance	--	700,000	--
TOTAL	<u>\$ 700,000</u>	<u>\$ 27,811,760</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ --	\$ 6,154,891	\$ --
Local Aid	700,000	1,700,000	--
Other Assistance	--	500,000	--
TOTAL	<u>\$ 700,000</u>	<u>\$ 8,354,891</u>	<u>\$ --</u>
Economic Development Initiatives Fund:			
State Operations	\$ --	\$ 1,636,215	\$ --
Local Aid	--	1,793,121	--
Other Assistance	--	200,000	--
TOTAL	<u>\$ --</u>	<u>\$ 3,629,336</u>	<u>\$ --</u>
FTE Positions	--	100.5	--

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendation of the Senate, with the following observation:

1. The Subcommittee notes that the Senate's action on S.B. 80 restores funding for the Department of Commerce to the level recommended by the Governor.

*Wanda Fuller*

---

Representative Wanda Fuller  
Subcommittee Chairperson

*Phil Kline*

---

Representative Phil Kline

*Ken Francisco*

---

Representative Ken Francisco

## SUBCOMMITTEE REPORT

Agency: Department of Commerce      Bill No. 31      Bill Sec. 6  
 Analyst: West      Analysis Pg. No. 244      Budget Pg. No. 112

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 13,191,692	\$ 10,151,011	\$ 372,025
Local Aid	24,685,336	18,261,185	--
Other Assistance	1,025,000	700,000	--
TOTAL	<u>\$ 38,902,028</u>	<u>\$ 29,112,196</u>	<u>\$ 372,025</u>
<b>State General Fund:</b>			
State Operations	\$ 8,578,320	\$ 7,304,958	\$ 372,025
Local Aid	--	--	--
Other Assistance	500,000	500,000	--
TOTAL	<u>\$ 9,078,320</u>	<u>\$ 7,804,958</u>	<u>\$ 372,025</u>
<b>Economic Development Initiatives Fund:</b>			
State Operations	\$ 3,409,568	\$ 1,795,160	\$ --
Local Aid	9,942,854	3,468,703	--
Other Assistance	525,000	200,000	--
TOTAL	<u>\$ 13,877,422</u>	<u>\$ 5,463,863</u>	<u>\$ --</u>
FTE Positions	137.0	108.5	--

### Agency Request/Governor's Recommendation

**State Operations.** The Department requests \$13,191,692, including \$8,578,320 from the State General Fund, \$3,409,568 from the EDIF, and \$1,203,804 from other funding sources, for state operations in FY 1990. The request represents an increase from the current year estimate of \$5,325,439 including \$3,322,490 from the State General Fund, \$1,838,241 from the EDIF, and reflects the addition of 36.5 FTE positions. Major increases reflected in the Department's request include \$834,574 for tourism studies and promotions, an additional \$1,800,000 for the Kansas Industrial Training (KIT) program, an increase of \$140,000 for the tourism matching grant program, and \$1,084,436 for the requested new positions.

The Governor recommends \$10,151,011, including \$7,304,958 from the State General Fund, \$1,795,160 from the EDIF, and \$1,014,893 from other funding sources, for FY 1990 state operations. The FY 1990 recommendation reflects increases from the current year recommendation of \$1,150,067 from the State General Fund, \$158,945 from the EDIF, \$3,471 from other funding sources, and 7.5 FTE positions. Major increases reflected in the Governor's recommendation include \$237,573 for the new positions, \$149,400 for salary increases, \$450,000 for the KIT program, and \$246,703 for tourism promotions. Effective in FY 1990, the Governor recommends that the State General Fund appropriation for state operations be a single line item.

**Local Aid.** The Department requests \$24,685,336 for payments to local units of government in FY 1990. The request includes \$14,042,482 for grants under the Small

Cities CDBG program and \$700,000 for grants under the Rental Rehabilitation program, a slight increase from the current year estimate. The request also includes \$9,891,854 from the EDIF for the Kansas Partnership Fund, which provides loans to local units of government for infrastructure improvements and \$51,000 from the EDIF to provide assistance to smaller cities enrolled in the Main Street program.

The Governor recommends \$18,261,185 for payments to local units of government in FY 1990. The recommendation includes \$14,042,482 for CDBG grants, \$750,000 for Rental Rehabilitation grants, \$3,417,703 from the EDIF for loans through the Kansas Partnership Fund, and \$51,000 from the EDIF for Main Street Grants.

**Other Assistance.** The Department requests \$1,025,000 in FY 1990 to continue grants to the Certified Development Companies (\$425,000) and the Small Business Development Centers (\$450,000). Funding is also requested to continue the Education Awards program (\$50,000) and to establish a program to assist smaller firms in attending trade shows (\$100,000). The FY 1990 request would be financed by \$500,000 from the State General Fund and \$525,000 from the EDIF.

The Governor recommends \$700,000 to continue grants to the Certified Development Companies (\$425,000) and the Small Business Development Centers (\$275,000). The recommendation is financed by \$500,000 from the State General Fund and \$200,000 from the EDIF.

#### Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendation, with the following adjustments:

1. Add \$5,525 from the State General Fund for a technical adjustment for salaries and wages.
2. Add \$6,000 from the State General Fund for a pilot program of placing FAX machines in the Department's field offices. The Subcommittee recommends that the agency report to the 1990 Legislature on any cost savings or service improvements which result from the use of the machines.
3. Add \$300,000 from the State General Fund to provide a total of \$2,750,000 for the KIT and KIR programs.
4. Add \$10,500 from the State General Fund for other operating expenses of the Film Commission program.
5. The Subcommittee note the potential importance of a tourism marketing study. The Subcommittee adds \$50,000 from the State General Fund to assist in financing the Tourism program and recommends that the Department finance a tourism marketing study from recommended agency resources.
6. The Subcommittee notes that additional resources may be required to permit the Department to properly promote the Eisenhower Centennial and recommends that additional funding be considered by the House Subcommittee or in the Omnibus Appropriations Bill when the agency has developed a funding request.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's FY 1990 recommendations with the following adjustments:

1. Add \$1,000,000 from the EDIF for the export loan guarantee program created by S.B. 21.
2. The Committee directs that the quality of the tourism study be at least as good as Oklahoma's study.
3. Change the format of the State General Fund appropriation to reflect separate line items for salaries and wages and other operating expenditures.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendations of the Committee, with the following adjustment:

1. Add \$150,000 from the State General Fund for promotion of the Eisenhower Centennial.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Sub. Adjustments</u>
All Funds:			
State Operations	\$ 522,025	\$ 10,673,036	\$ (66,764)
Local Aid	--	18,261,185	--
Other Assistance	1,000,000	700,000	(1,000,000)
TOTAL	<u>\$ 1,522,025</u>	<u>\$ 29,634,221</u>	<u>\$ (1,066,764)</u>
State General Fund:			
State Operations	\$ 522,025	\$ 7,826,983	\$ (66,764)
Local Aid	--	--	--
Other Assistance	--	500,000	--
TOTAL	<u>\$ 522,025</u>	<u>\$ 8,326,983</u>	<u>\$ (66,764)</u>
Economic Development Initiatives Fund:			
State Operations	\$ --	\$ 1,795,160	\$ --
Local Aid	--	3,468,703	--
Other Assistance	1,000,000	1,200,000	(1,000,000)
TOTAL	<u>\$ 1,000,000</u>	<u>\$ 6,463,863</u>	<u>\$ (1,000,000)</u>
FTE Positions	--	108.5	--

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Senate with the following adjustments:

1. Delete \$25,000 from the State General Fund appropriation added by the Senate for promotion of the Eisenhower Centennial. This recommendation provides \$125,000 for Centennial promotion, the amount requested by the agency.
2. Delete \$10,500 from the State General Fund added by the Senate for other operating expenses of the Film Commission.
3. Delete \$4,000 from the State General Fund associated with FAX machines. This recommendation provides funding for one machine for a pilot program of placing FAX machines in the Department's field offices.
4. Delete \$1,000,000 from the EDIF added by the Senate for the export loan guarantee program pending the passage of S.B. 21.
5. Reduce funding for official hospitality from \$35,000 to \$20,700, the amount originally requested by the agency.
6. Reduce funding for international trade service contracts by \$12,965. The recommended funding level of \$135,814 represents an increase of \$60,314 from the current year funding recommendation.
7. Shift the financing of \$110,775 for salaries from the EDIF to the State General Fund. Shift \$110,775 of State General Fund financing for other operating expenditures to the EDIF. This recommendation is in keeping with the recommendations contained in 1988 H.C.R. 5033 that the EDIF not be used for financing permanent positions.
8. While the Subcommittee does not concur with the Senate Committee recommendation which directs ". . . that the quality of the tourism study be at least as good as Oklahoma's study," the Subcommittee would strongly encourage the Secretary of Commerce to consider the need for a study of sufficient depth and quality to enable future policy makers to determine the proper scope and focus of the state's tourism marketing programs.
9. Delete \$38,753 (\$35,628 for salaries and wages and \$3,125 for capital outlay) and 1.0 FTE position from the new Rural Development Program.
10. Add \$38,753 (\$35,628 for salaries and wages and \$3,125 for capital outlay) and 1.0 FTE position for the Main Street program. In addition, change the expenditure limitation on the National Main Street Center Fund to no limit in order to permit urban cities to enter the Main Street program if any such cities provide for the additional costs associated with the program's expansion.

*Wanda Fuller*

Representative Wanda Fuller  
Subcommittee Chairperson

*Phil Kline*

Representative Phil Kline

*Ken Francisco*

Representative Ken Francisco

**SUBCOMMITTEE REPORT**

Agency: Kansas, Inc.

Bill No. --

Bill Sec. --

Analyst: West

Analysis Pg. No. 235

Budget Pg. No. 384

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds	\$ 512,655	\$ 490,858	\$ 21,758
State General Fund	276,620	277,239	14,505
Economic Development Initiatives Fund	75,000	75,000	--
FTE Positions	4.0	4.0	--

Agency Request/Governor's Recommendation

The FY 1989 budget estimate for Kansas, Inc., is \$512,655 including \$276,620 from the State General Fund and \$75,000 from the Economic Development Initiatives Fund (EDIF). The current year estimate reflects a decrease of \$15,150 from the State General Fund and an equal increase from donations from the budget approved by the 1988 Legislature. Subsequent to the submission of the agency's budget, revised records were filed with the Division of Accounts and Reports which restored \$15,188 of State General Fund reappropriations. Kansas, Inc., reports that revisions in the estimated expenditures for several items have been made in order to more accurately reflect anticipated expenses in the current year. Major revisions include increases in printing expenses (\$12,839) associated with printing research studies, travel (\$2,303), communication expenses (\$2,302), freight expenses (\$2,209), and a decrease in the estimated cost of contractual research (\$21,481). The Governor recommends an FY 1989 budget for Kansas, Inc. of \$490,858, including \$277,239 from the State General Fund and \$75,000 from the EDIF. Salaries are reduced from the agency's estimate by \$2,181 to reflect revised health insurance rates, revised turnover savings, and elimination of funding for temporary employment. Other major revisions from the agency's estimate include reductions in travel and subsistence (\$12,205), professional services (\$3,000), and printing (\$2,819). Other changes further reduce total expenditures by \$1,592. The Governor's recommendation is financed on a two to one match basis with the State General Fund (two-thirds) and private donations (one-third), excluding the EDIF funding.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's FY 1989 recommendation, with the following adjustment:

1. Restore \$21,758 (including \$14,505 from the State General Fund) for operating expenses based on a revised agency analysis of current year needs. The Subcommittee also recommends that any unencumbered State General Fund balance be lapsed at the end of FY 1989.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

HA  
3-22-89  
Attachment 3



Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendations of the Committee.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Subcommittee Adjustments</u>
All Funds	\$ 21,758	\$ 512,616	\$ --
State General Fund	14,505	291,744	--
Economic Development Initiatives Fund	--	75,000	--
FTE Positions	--	4.0	--

House Subcommittee Recommendation

The House Subcommittee concurs with recommendations of the Senate.

  
 Representative Wanda Fuller  
 Subcommittee Chairperson

  
 Representative Phil Kline

  
 Representative Ken Francisco

**SUBCOMMITTEE REPORT**

Agency: Kansas, Inc.

Bill No. 31

Bill Sec. 7

Analyst: West

Analysis Pg. No. 235

Budget Pg. No. 384

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds	\$ 542,118	\$ 436,171	\$ 10,737
State General Fund	311,150	290,781	7,158
Economic Development Initiatives Fund	75,000	--	--
FTE Positions	4.0	4.0	--

Agency Request/Governor's Recommendation

**FY 1990.** Kansas, Inc., requests an FY 1990 budget of \$542,118 including \$311,150 from the State General Fund and \$75,000 from the EDIF. Total expenditures are requested to increase by \$29,463; reflecting increases of \$15,100 for contractual research, \$12,326 for salaries and wages, and \$6,361 for printing expenses associated with contractual research; and decreases of \$3,000 for honorariums and \$2,709 for freight expenses. Net other changes increase total expenditures by \$1,385. The agency reports that the State General Fund request would be matched by \$155,968 from private sources. The Governor recommends an FY 1990 budget of \$436,171, including \$290,781 from the State General Fund. The Governor does not recommended EDIF financing for Kansas, Inc. in FY 1990. Major revisions from the agency's request include decreases in contractual research (\$86,230), travel and subsistence (\$10,408), and printing (\$8,500). Net other changes in the Governor's recommendation reduce the agency's request by \$809. The Governor's recommendation is financed on a two to one match basis with the State General Fund and private donations.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's FY 1990 recommendation, with the following adjustment:

1. Add \$10,737 (including \$7,158 from the State General Fund) for operating expenses based on a revised agency analysis of FY 1990 needs.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee, with the following adjustment:

1. Change the format of the State General Fund appropriation to reflect separate line items for salaries and wages and other operating expenditures.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendations of the Committee.


<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
All Funds	\$ 10,737	\$ 446,908	\$ --
State General Fund	7,158	297,939	--
Economic Development Initiatives Fund	--	--	--
FTE Positions	--	4.0	--

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Senate, with the following comment:

1. The Subcommittee recommends that if any special studies are mandated by the 1989 Legislature through Kansas, Inc. the funding for such studies should be exempted from the agency's private sector match requirements.

  
 Representative Wanda Fuller  
 Subcommittee Chairperson

  
 Representative Phil Kline

  
 Representative Ken Francisco

**SUBCOMMITTEE REPORT**

Agency: Kansas Technology  
Enterprise Corporation

Bill No. 80

Bill Sec. New

Analyst: West

Analysis Pg. No. 238

Budget Pg. No. 408

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 594,915	\$ 466,798	\$ 126,702
Other Assistance	<u>7,187,396</u>	<u>7,187,396</u>	--
Total	<u>\$ 7,782,311</u>	<u>\$ 7,654,194</u>	<u>\$ 126,702</u>
State General Fund:			
State Operations	\$ 226,106	\$ 224,691	\$ --
Other Assistance	<u>47,664</u>	<u>47,664</u>	--
Total	<u>\$ 273,770</u>	<u>\$ 272,355</u>	<u>\$ --</u>
Economic Development Initiatives Fund:			
State Operations	\$ 368,809	\$ 242,107	\$ 126,702
Other Assistance	<u>7,139,732</u>	<u>7,139,732</u>	--
Total	<u>\$ 7,508,541</u>	<u>\$ 7,381,839</u>	<u>\$ 126,702</u>
FTE Positions	6.0	6.0	--

Agency Request/Governor's Recommendation

The Kansas Technology Enterprise Corporation (KTEC) estimates FY 1989 expenditures to be \$7,782,311, including \$273,770 from the State General fund and \$7,508,541 from the Economic Development Initiatives Fund (EDIF). The Governor recommends FY 1989 expenditures of \$7,654,194, including \$272,355 from the State General Fund and \$7,381,839 from the EDIF.

1. State Operations. The FY 1989 estimate for state operations is \$594,915, and is financed by \$226,106 from the State General Fund and \$368,809 from the EDIF. The current year estimate reflects an increase of \$1,415 in State General Fund expenditures from the budget approved by the 1988 Legislature. KTEC requests an increase in the expenditure limitation on reappropriated balances in order to accommodate the expenditure increase. Internal shifts within state operations include a decrease of \$16,000 in salaries and wages associated with Board member compensation, increases in travel (\$11,600), professional services (\$8,000), rents (\$6,905), and conference expenditures (\$5,415) and decreases in repair fees (\$7,600), communications (\$3,000), printing and advertising (\$3,000), and capital outlay (\$905). The Governor recommends an FY 1989 state operations budget of \$466,798, reflecting decreases of \$1,415 from the State General Fund and \$126,702 from the EDIF from the agency's estimate. Salaries are decreased by \$119,362 to reflect revised health insurance rates, increased turnover savings, and a shift of expenses for the management of seed capital investments to other assistance. Other revisions from the agency's estimate include decreases in travel (\$7,032) and office supplies (\$1,723).

HA  
3-22-89  
Attachment #

2. Other Assistance. The FY 1989 estimate for other assistance totals \$7,187,396, the amount authorized by the 1988 Legislature, including reappropriations of \$1,694,732 from the EDIF and \$47,664 from the State General Fund. The Governor concurs with KTEC's current year estimate for other assistance. The Governor recommends that management fees for seed capital investments (\$110,000) be absorbed within the \$1,560,000 approved for seed capital investments.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's FY 1989 recommendation, with the following adjustment:

1. Restore \$126,702 in EDIF financed state operations based on a revised agency analysis of FY 1989 needs. Due to the changes in the timing of EDIF transfers to the Corporation contained in S.B. 30, the Subcommittee recommends that the \$126,702 be transferred to the Corporation on June 15, 1989, or as soon thereafter as the funds are available.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendations of the Committee, with the following adjustment:

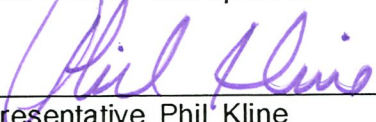
1. Reappropriate \$100,000 in EDIF support for the Value Added Processing Center from FY 1989 to FY 1990.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 89</u>	<u>Senate Rec. FY 89</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 126,702	\$ 466,798	\$ --
Other Assistance	(100,000)	7,187,396	--
Total	<u>\$ 26,702</u>	<u>\$ 7,654,194</u>	<u>\$ --</u>
State General Fund:			
State Operations	\$ --	\$ 224,691	\$ --
Other Assistance	--	47,664	--
Total	<u>\$ --</u>	<u>\$ 272,355</u>	<u>\$ --</u>
Economic Development Initiatives Fund:			
State Operations	\$ 126,702	\$ 242,107	\$ --
Other Assistance	(100,000)	7,139,732	--
Total	<u>\$ 26,702</u>	<u>\$ 7,381,839</u>	<u>\$ --</u>
FTE Positions	--	6.0	--

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Senate.

  
\_\_\_\_\_  
Representative Wanda Fuller  
Subcommittee Chairperson

  
\_\_\_\_\_  
Representative Phil Kline

  
\_\_\_\_\_  
Representative Ken Francisco

**SUBCOMMITTEE REPORT**

Agency: Kansas Technology  
Enterprise Corporation

Bill No. 31

Bill Sec. 8

Analyst: West

Analysis Pg. No. 238

Budget Pg. No. 408

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 621,861	\$ 501,469	\$ 57,531
Other Assistance	8,550,825	5,150,000	(60,000)
Total	<u>\$ 9,172,686</u>	<u>\$ 5,651,469</u>	<u>\$ (2,469)</u>
State General Fund:			
State Operations	\$ 621,861	\$ 224,691	\$ --
Other Assistance	2,628,825	--	575,000
Total	<u>\$ 3,250,686</u>	<u>\$ 224,691</u>	<u>\$ 575,000</u>
Economic Development			
Initiatives Fund:			
State Operations	\$ --	\$ 276,778	\$ 57,531
Other Assistance	5,922,000	5,150,000	(635,000)
Total	<u>\$ 5,922,000</u>	<u>\$ 5,426,778</u>	<u>\$ (577,469)</u>
FTE Positions	7.0	6.0	--

Agency Request/Governor's Recommendation

The Corporation requests an FY 1990 budget of \$9,172,686, including \$3,250,686 from the State General Fund and \$5,922,000 from the EDIF. The Governor recommends an FY 1990 budget of \$5,651,469, including \$224,691 from the State General Fund and \$5,426,778 from the EDIF.

1. State Operations. The Corporation requests an FY 1990 state operations budget of \$621,861, an increase of \$29,946 from the current year estimate. Major revisions include increases for an additional position (\$23,828), professional fees (\$45,950), conference expenditures (\$31,685), and printing and advertising expenses (\$20,300) and decreases in other salary expenditures (\$82,482) and capital outlay (\$27,095). Net other changes increase total expenses by \$14,760. KTEC requests that the FY 1990 state operations budget be financed by the State General Fund, an increase of \$395,755 in State General Fund expenditures and a decrease of \$368,809 in EDIF expenditures from the current year estimate. The Governor recommends \$501,469 for state operations in FY 1990, an increase of \$34,671 from the current year recommendation. The FY 1990 recommendation would be financed by \$224,691 from the State General Fund and \$276,778 from the EDIF.

2. Other Assistance. The Corporation requests \$8,550,825 for several assistance programs in FY 1990, an increase of \$1,363,429 from the current year estimate. The request includes \$2,628,825 from the State General Fund to support the Centers of Excellence (\$2,000,000) and the Agriculture Value Added Center (\$628,825). EDIF funding totaling \$5,922,000 is requested for Research Matching Grants (\$2,000,000), seed capital investments (\$1,500,000), Research Equipment Grants (\$1,000,000), special projects (\$500,000), SBIR Matching Grants (\$450,000), Training Equipment Grants (\$250,000), the Industry Liaison program (\$150,000), and a Data Base Grant (\$72,000). The FY 1990

request reflects an increase in financing from the State General Fund of \$2,581,161 and a decrease in EDIF financing of \$1,217,732 from the current year estimate. The Governor recommends \$5,150,000 from the EDIF for other assistance payments in FY 1990. The recommendation includes funding for Research Matching Grants (\$1,250,000), SBIR Matching Grants (\$300,000), Centers of Excellence (\$1,200,000), the Agriculture Value Added Center (\$175,000), seed capital investments (\$1,000,000), Research Equipment Grants (\$700,000), Training Equipment Grants (\$250,000), the Industry Liaison Program (\$150,000), and special projects (\$125,000).

#### Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's FY 1990 recommendation, with the following adjustments:

1. Add \$57,531 from the EDIF for State Operations, as requested by the agency.
2. Delete \$250,000 for Training Equipment Grants and \$175,000 for the Value Added Center from the EDIF, at the request of the agency. The Subcommittee has been informed that a separate budget proposal is being developed by the Leadership Council for the Value Added Center and recommends that the House Subcommittee review this proposal when it becomes available.
3. Reduce expenditures for Research Matching Grants by \$400,000 to \$850,000, at the request of the agency.
4. Reduce expenditures for Small Business Innovation Research Grants by \$150,000 to \$150,000, at the request of the agency.
5. Reduce seed capital investments by \$560,000 to \$440,000, at the request of the agency.
6. Reduce Research Equipment Grants by \$50,000 to \$650,000, at the request of the agency.
7. Add \$25,000 from the EDIF for a special projects fund to provide \$150,000 for special projects, as requested by the agency.
8. Add \$72,000 from the EDIF for the second year of the data base development program, as requested by the agency.
9. Add \$328,000 from the EDIF to provide a total of \$478,000 for the Industrial Liaison program, as requested by the agency.
10. Add \$575,000 from the State General Fund and \$525,000 from the EDIF to provide a total of \$2,300,000 for grants from KTEC to the four existing Centers of Excellence. The Subcommittee was informed that the national average for funding for institutions similar to the Centers is \$2,200,000 per institution.
11. Add reappropriation language to permit the expenditure of any reappropriated EDIF balances for the Corporation's assistance programs.



12. Delete the proviso which requires outside income of the Corporation to be placed in the State Treasury. The Subcommittee was informed that this proviso is in conflict with the agency's general powers and could jeopardize the future of the Corporation's investments. The Subcommittee concurs with the proposed public-private partnerships contemplated by the Corporation and notes that sufficient auditing procedures are in place to safeguard any state funds.
13. The Subcommittee recommends that EDIF funding for KTEC in FY 1990 be transferred in ten equal monthly installments, beginning on September 15, 1989, or as soon thereafter as funds are available.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee, with the following adjustment:

1. Change the format of the State General Fund appropriation to reflect separate line items for salaries and wages and other operating expenditure.

Senate Committee of the Whole Recommendation

The Senate Committee of the Whole concurs with the recommendations of the Committee, with the following adjustment:

1. Add \$175,000 from the EDIF and \$250,000 from the State General Fund for the Value Added Processing Center. In addition, reappropriate \$100,000 in EDIF support for the Center from FY 1989 to FY 1990 to provide a total of \$525,000 for support of the Center in FY 1990.

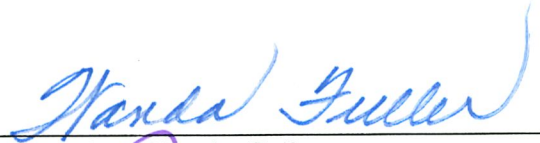
<u>Expenditure Summary</u>	<u>Senate Adj. FY 90</u>	<u>Senate Rec. FY 90</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 57,531	\$ 559,000	\$ --
Other Assistance	465,000	5,615,000	150,000
Total	<u>\$ 522,531</u>	<u>\$ 6,174,000</u>	<u>\$ 150,000</u>
State General Fund:			
State Operations	\$ --	\$ 224,691	\$ 180,380
Other Assistance	825,000	825,000	(180,380)
Total	<u>\$ 825,000</u>	<u>\$ 1,049,691</u>	<u>\$ --</u>
Economic Development Initiatives Fund:			
State Operations	\$ 57,531	\$ 334,309	\$ (180,380)
Other Assistance	(360,000)	4,709,000	330,380
Total	<u>\$ (302,469)</u>	<u>\$ 5,043,309</u>	<u>\$ 150,000</u>
FTE Positions	--	6.0	--

4-6

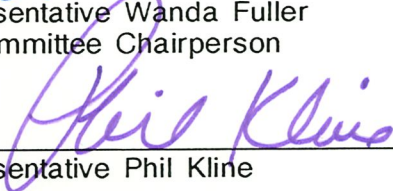
House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Senate, with the following adjustments:

1. Shift the financing of \$180,380 for salaries from the EDIF to the State General Fund. Shift \$180,380 of the State General Fund financing for the Centers of Excellence to the EDIF. This recommendation is in keeping with the recommendation contained in 1988 H.C.R. 5033 that the EDIF not be used for financing permanent positions.
2. Add \$150,000 from the EDIF to permit the conversion of the Energy Conservation program at Wichita State University to a new Center of Excellence.



\_\_\_\_\_  
Representative Wanda Fuller  
Subcommittee Chairperson



\_\_\_\_\_  
Representative Phil Kline



\_\_\_\_\_  
Representative Ken Francisco

**SUBCOMMITTEE REPORT**

Agency: State Board of Tax Appeals

Bill No. 80

Bill Sec. 11

Analyst: Efird

Analysis Pg. No. 232

Budget Pg. No. 574

<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	\$ 912,439	\$ 910,712	\$ --
State General Fund	907,959	906,232	--
FTE Positions	18.0	18.0	--

Agency Request/Governor's Recommendation

The Board requests an increase in its currently approved budget of \$798,774, to be finance by a supplemental appropriation of \$115,310 from the State General Fund. The supplemental would provide \$113,665 to help pay most of the cost for a new computer system. The Governor's recommendations include a supplemental appropriation of \$111,938 from the State General Fund to help finance a new computer system to be used in conjunction with the appeals hearings resulting from statewide reappraisal. The Governor's recommendations also include reductions in other approved expenditures to partially finance the computer costs estimated at \$116,335.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's FY 1989 recommendations, with the following comments and correction:

1. Note that S.B. 30 includes a \$111,938 State General Fund supplemental to pay for most of a new computer system. The Governor recommends increasing the Board's FY 1989 State General Fund expenditures from \$794,294 to \$906,232 (for a net increase of \$111,938 which is the amount of the S.B. 30 supplemental).
2. Delete \$114,667 from S.B. 80 which duplicates the correct funding amount included in S.B. 30. The recommended funding in S.B. 80 overstated the Governor's Budget Report recommendations which included a net increase in State General Fund expenditures of \$111,938 to pay part of the computer system cost while reducing other areas of expenditures.
3. Note that the Board has not hired a second Official Reporter as authorized by the 1988 Legislature. The Board indicates that it is having trouble meeting salary expectations of applicants. The Subcommittee also notes that the salary savings apparently are being used to pay for a second law clerk which was not budgeted in FY 1989 but was requested in FY 1990 and recommended by the Governor.

HA  
3-22-89  
Attachment 5

Senate Committee Recommendation

The Committee concurs with its Subcommittee.

House Subcommittee Recommendation

The Subcommittee concurs with the Senate for FY 1989 except for the following:

1. Reduce FY 1989 expenditures by \$10,900 based on savings identified in salaries and wages and in other operating expenses with net savings reappropriated.

<u>Expenditure Summary</u>	<u>Governor's Rec. 90</u>	<u>Senate Rec. FY 90</u>	<u>Sub. Adj. FY 90</u>	<u>House Rec. FY 90</u>
State Operations:				
All Funds	\$ 910,712	\$ 910,712	\$ (10,900)	\$ 899,812
State General Fund	906,232	906,232	(10,900)	895,332
FTE Positions	18.0	18.0	--	18.0

  
 Representative Max Moomow  
 Subcommittee Chairman

  
 Representative Fred Gatlin

  
 Representative Bill Brady

**SUBCOMMITTEE REPORT**

Agency: State Board of Tax Appeals

Bill No. 31

Bill Sec. 2

Analyst: Efird

Analysis Pg. No. 232

Budget Pg. No. 574

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
State Operations:			
All Funds	\$ 1,072,194	\$ 1,070,236	\$ --
State General Fund	1,067,194	1,065,236	--
FTE Positions	22.0	20.0	--

Agency Request/Governor's Recommendation

For FY 1990, the Board requests a net increase in expenditures of \$159,755 more than its revised FY 1989 estimate. Program enhancements are requested in preparing for statewide reappraisal and handling an increased caseload which the Board estimates will total 22,194 appeals in FY 1990, with 17,194 hearings estimated for changes in property valuations associated with reappraisal. New financing is requested for four limited term secretarial positions, salary upgrades for its attorneys, an additional law clerk, increased communications, travel and office supplies expenses, and portable computer equipment. The Governor's recommendations include a net increase of \$159,524 for the Board's expenditures in FY 1990. Increased funding includes \$178,962 for salaries and benefits and \$96,513 for contractual services and commodities to finance most of the Board's program enhancements, including two new limited term secretarial positions and two part-time secretarial positions.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations with the following comments and corrections:

1. Board members' salaries are statutorily linked to judicial salaries. For FY 1990, the Governor's recommendations include a 4.0 percent increase for judicial pay while funding is recommended for the Board of Tax Appeals to pay a 5.8 percent increase in Board compensation. The Subcommittee notes a variety of requests from the Board for additional funding of other operating expenses and suggests that the Board use its potential salary savings in FY 1990 to finance other costs such as personal computer equipment for its attorneys.
2. S.B. 31 provides a single line item for operating expenditures which would allow the Board to shift financing among areas of expenditures if necessary. If an Official Reporter is not hired, then the funds allotted for salaries and wages could be shifted to pay contractual services for a court reporter.
3. S.B. 31 also provides for reappropriation of any unexpended FY 1989 State General Fund balance in the other operating expenditures account

and allows any reappropriated funds to be spent in addition to the new FY 1990 funding appropriated. The correct title of the FY 1989 line item appropriation is "operating expenditures" rather than other operating expenditures and S.B. 31 should be amended.

Senate Committee Recommendation

The Committee concurs with its Subcommittee.

House Subcommittee Recommendation


The Subcommittee concurs with the Senate except for the following items:

1. Reduce FY 1990 salaries and wages by a 1.0 percent turnover rate which results in savings of \$8,462.
2. Reduce printing costs by \$2,453 based on FY 1989 adjustments.

	<u>Governor's Rec. 90</u>	<u>Senate Rec. FY 90</u>	<u>Sub. Adj. FY 90</u>	<u>House Rec. FY 90</u>
State Operations:				
All Funds	\$ 1,070,236	\$ 1,070,236	\$ (10,915)	\$ 1,059,321
State General Fund	1,065,236	1,065,236	(10,915)	1,054,321
FTE Positions	20.0	20.0	--	20.0

  
 Representative Max Moomow  
 Subcommittee Chairman

  
 Representative Fred Gatlin

  
 Representative Bill Brady

**SUBCOMMITTEE REPORT**

Agency: Department of Revenue      Bill No. 80      Bill Sec. 12  
 Analyst: Efird      Analysis Pg. No. 207      Budget Pg. No. 500

<u>Expenditure Summary</u>	<u>Agency Req. FY 89</u>	<u>Governor's Rec. FY 89</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 49,606,338	\$ 50,305,286	\$ (479,297)
State Aid	21,962,849	22,635,849	482,379
Other Assistance	<u>2,500,000</u>	<u>2,500,000</u>	--
TOTALS	<u>\$ 74,069,187</u>	<u>\$ 75,441,135</u>	<u>\$ 3,082</u>
State General Fund:			
Salaries and Benefits	\$ 19,911,041	\$ 19,976,149	\$ 155,855
Other Operating Costs	<u>6,523,813</u>	<u>6,481,926</u>	<u>(19,930)</u>
Subtotal -- Operations	\$ 26,434,854	\$ 26,458,075	\$ 135,925
State Aid	<u>7,000,000</u>	<u>7,000,000</u>	--
TOTALS	<u>\$ 33,434,854</u>	<u>\$ 33,458,075</u>	<u>\$ 135,925</u>
FTE Positions	1,334.5	1,333.5	--

Agency Request/Governor's Recommendation

The revised agency budget includes a net reduction of \$663,129 in state operations expenditures and an increase of 1.0 FTE position compared with the budget approved by the 1988 Legislature. Estimated expenditures for salaries and wages and capital outlay are increased. Estimated expenditures are reduced for data processing and other fees, repair and maintenance, rents, communications, and all other categories. No changes are made in the approved estimates for state aid and other assistance payments.

The Governor recommends a net increase of \$35,819 in expenditures above the amount approved by the 1988 Legislature is recommended by the Governor for state operations. Increased expenditures are recommended for fringe benefits in adjusting for current rates of health insurance and for reallocating the Tax Examiner classification to provide salary enhancements. An additional \$500,000 is recommended for data processing charges associated with VIPS in FY 1989. An increase of \$673,000 in state aid also is recommended based on the November 1988 estimates for additional mineral tax rebates to counties and school districts. No change is made in the estimate for other assistance.

A supplemental State General Fund appropriation of \$72,374 is recommended in FY 1989 for salaries and wages. Expenditure limitation increases are recommended for the Division of Vehicles (DOV) Operating Fund in the amounts of \$60,979 for state operations and \$212,640 in the salaries and wages account. Further adjustments are recommended for other revenue funds to provide financing for fringe benefits changes.

The Governor's recommendations include recalculated salary turnover savings which result in an average rate of 3.96 percent for both the State General Fund and DOV Operating Fund. The agency's estimates had been based on rates approved by the 1988 Legislature: 3.5 percent for the SGF and 4.5 percent for the DOV. The Governor's FY

HA  
 3-22-89  
 Attachment 6

1989 recommendations decrease net financing required from the SGF and increase net financing required from the DOV, thus requiring a smaller SGF supplemental and a larger DOV expenditure limitation increase than otherwise would be necessary had approved turnover savings rates been retained.

#### Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations, with the following exceptions:

1. Recalculate salary turnover savings for the State General Fund (SGF) and Division of Vehicles (DOV) Operating Fund in FY 1989 to reflect a 3.5 percent rate. The net change to the Governor's recommended financing would be an addition of \$155,855 SGF and an addition of \$69,085 DOV financing for salaries and wage expenditures.
2. Reduce estimated data processing and telecommunications expenditures by \$101,143 in FY 1989 due to a reduction in the Division of Information Systems and Communications (DISC) fees. The net change to the Governor's recommended financing would be reductions of \$19,930 SGF expenditures and of \$81,213 DOV expenditures.
3. Reduce expenditures for VIPS capital outlay by \$603,094 and increase estimated state aid to counties for VIPS by \$482,379 for total VIPS-related expenditures of \$2,612,641 in FY 1989, a net savings of \$120,715 in the approved VIPS financing of \$2,733,356.

#### Senate Committee Recommendation

The Committee concurs with its Subcommittee.

#### House Subcommittee Recommendation

The Subcommittee concurs with the Senate with the following exceptions:

1. Reduce \$147,051 in FY 1989 expenditures based on review of spending patterns to date. Of that amount, \$23,886 in the reappraisal account should be lapsed since the special account will not be appropriated in FY 1990 and all other savings should be reappropriated to reduce new financing required in FY 1990. Total State General Fund reductions are \$28,886, DOV Operating Fund reductions are \$36,165 and all other funds are \$50,000.



	<u>Governor's Rec. 90</u>	<u>Senate Rec. FY 90</u>	<u>Sub. Adj. FY 90</u>	<u>House Rec. FY 90</u>
All Funds:				
State Operations	\$ 50,305,286	\$ 49,825,989	\$ (147,051)	\$ 49,678,938
State Aid	22,635,849	23,118,228	--	23,118,228
Other Assistance	2,500,000	--	--	--
Totals	<u>\$ 75,441,135</u>	<u>\$ 72,944,217</u>	<u>\$ (147,051)</u>	<u>\$ 72,797,166</u>
State General Fund:				
Salaries and Benefits	\$ 19,976,149	\$ 20,132,004	\$ --	\$ 20,132,004
Other Operating Costs	6,481,926	6,461,996	(38,886)	6,423,110
Subtotal--State Operating	\$ 26,458,075	\$ 26,594,000	\$ (38,886)	\$ 26,555,114
State Aid	7,000,000	--	--	--
Totals	<u>\$ 33,458,075</u>	<u>\$ 26,594,000</u>	<u>\$ (38,886)</u>	<u>\$ 26,555,114</u>
FTE Positions	1,333.5	1,333.5	--	1,333.5

  
 Representative Wanda Fuller  
 Subcommittee Chairperson

  
 Representative Phil Kline

  
 Representative Ken Francisco

SUBCOMMITTEE REPORT

Agency: Department of Revenue      Bill No. 31      Bill Sec. 2  
 Analyst: Efird      Analysis Pg. No. 207      Budget Pg. No. 500

<u>Expenditure Summary</u>	<u>Agency Req. FY 90</u>	<u>Governor's Rec. FY 90</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 53,050,322	\$ 52,926,553	\$ 261,121
State Aid	5,131,500	11,545,500	--
Other Assistance	<u>2,500,000</u>	<u>2,500,000</u>	
TOTALS	<u>\$ 60,681,822</u>	<u>\$ 66,972,053</u>	<u>\$ 261,121</u>
State General Fund:			
Salaries and Benefits	\$ 20,728,948	\$ 22,357,418	\$ (627,663)
Other Operating Costs	<u>7,806,623</u>	<u>7,140,573</u>	<u>1,749</u>
Subtotal -- Operations	\$ 28,535,571	\$ 29,497,991	\$ (625,914)
State Aid	--	<u>5,500,000</u>	<u>(5,500,000)</u>
TOTALS	<u>\$ 28,597,293</u>	<u>\$ 34,997,991</u>	<u>\$ (6,125,914)</u>
FTE Positions	1,364.5	1,320.5	7.0

Agency Request/Governor's Recommendation

The agency's budget request includes a net increase of \$3,443,984 in state operations expenditures and a net increase of 30.0 FTE positions over the revised current fiscal year request. The agency's estimates for state aid reflect the conclusion of both the reappraisal aid to counties and VIPS payments to counties which will end in FY 1989. The agency requests an increase from 1,334.5 to 1,364.5 FTE positions in FY 1990, an increase in authorized FTE of 30.0. The agency also gains 11.0 other FTE positions as a result of shifting 11 employees to the State Board of Agriculture. The net increase in new FTE would be 41.0.

The Governor's expenditure recommendations provide increased spending of \$2,621,267 for state operations in FY 1989. Recommended financing will increase State General Fund expenditures by \$3,039,916 and decrease DOV Operating Fund expenditures by \$728,980 compared with recommended FY 1989 financing. The Governor's recommendations include a net reduction of 13.0 FTE positions in FY 1990: 11.0 FTE are deleted as employees are shifted to the State Board of Agriculture and 2.0 FTE are recommended to be abolished.

A major shift in financing activities of some organizational units also is recommended in FY 1990. Some units previously financed from the Division of Vehicles (DOV) Operating Fund are recommended to be financed by the State General Fund in FY 1990. The Governor's recommendations include an average salary turnover savings rate of 3.97 percent in FY 1990. The agency had estimated 3.5 percent for the State General Fund and 4.5 percent for the DOV Operating Fund when computing FY 1990 financing for salaries and benefits.

Funding of \$15.0 million in FY 1989 concludes three years of payments to counties for reappraisal costs. No FY 1990 funding was requested by the agency. The

Governor recommends continued funding of state aid in FY 1990 with payments of \$5.5 million from the SGF to help counties maintain the uniformity of appraised property values.

#### Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendations, with the following exceptions:

1. Shift FY 1990 financing of personnel to the FY 1989 pattern of funding positions and recalculate salary turnover savings for the State General Fund (SGF) and Division of Vehicles (DOV) Operating Fund in FY 1990 to reflect a 3.5 percent rate applied to the current fiscal year's funding pattern. The net change to the Governor's recommended financing would be a reduction of \$806,915 for SGF expenditures and an increase of \$1,066,986 for DOV expenditures.
2. Shift FY 1990 financing of other operating expenditures to the FY 1989 pattern of funding for the SGF and DOV related activities. The net change to the Governor's recommended financing would be a reduction of \$398,106 for SGF expenditures and an increase of \$398,106 for DOV expenditures.
3. Reduce estimated data processing and telecommunications expenditures by \$461,344 in FY 1990 due to a reduction in the Division of Information Systems and Communications (DISC) fees. The net change to the Governor's recommended financing would be reductions of \$29,792 SGF expenditures and of \$431,552 DOV expenditures.
4. Appropriate \$358,548 from the State General Fund for the first installment payment to acquire an Automated Collections System (ACS) and recommend that the Governor send a budget amendment to address this item. Appropriate the ACS Fund with a \$0 limitation since financing is appropriated from the General Fund.
5. Reduce \$48,556 from travel and subsistence expenditures in the Property Valuation Division's Reappraisal Bureau to reflect transfer of 11.0 FTE positions to other bureaus where travel and subsistence funding is provided. The FY 1990 amount is based on the same average reimbursement per individual recommended by the Governor for FY 1989 expenditures to fund the bureau when it has 45.0 FTE positions.
6. Add \$212,043 from the DOV Operating Fund for replacement of personalized tags beginning in FY 1990 pending passage of legislation which would not require reissuance of all tags.
7. Add \$55,000 and 1.0 FTE position to continue processing the Intangibles Tax pending passage of legislation which would amend K.S.A. 12-1,104 to allow the agency to stop processing.
8. Add \$144,252 for salaries and benefits for 6.0 FTE positions and \$99,655 for other operating costs of the Petroleum Measurement Enforcement unit pending passage of legislation which would transfer the duties and personnel to the State Board of Agriculture. The Subcommittee agrees with the proposed transfer after the bill passes, but reduces the Governor's recommendation by this action.

9. Appropriate the County Reappraisal Fund and authorize expenditures of \$5.5 million in FY 1990 for aid to counties for maintenance of valuations after reappraisal. A reduction of \$5.5 from the State General Fund offsets this addition.
10. Appropriate line items for salaries and wages and other operating expenditures.
11. Add a no limit line item authorizing expenditures from the Ignition Interlock Expenses Fund.

In addition, the Subcommittee notes the following items:

1. Some 54 counties may have a problem involving both software and computer disk storage capacity relative to producing a new statistical abstract which tracks decisions affecting assessed valuations generated by the reappraisal process. Apparently the counties must depend upon one vendor to provide an update in software which will be able to generate a much more detailed abstract than has been needed in the past. The state needs data about how decisions to change valuations came about and at what level changes occurred in order to judge the uniform and equal application of valuation procedures in all 105 counties. The statistical abstract will provide that necessary detail and therefor is deemed necessary by the state.
2. The Subcommittee is aware of the Secretary's new tuition reimbursement plan to reimburse employees according to the grade received in an academic course of study. The Subcommittee believes that the only criterion for reimbursing employees should be a passing grade, not a payment based on 75 percent of cost paid for an "A" grade, 50 percent of a "B" grade and 25 percent for a "C" grade.
3. The Subcommittee encourages the agency to stop making employees use personal vehicles and to place all employees who must drive between different work locations into state motor pool cars.

#### Senate Committee Recommendation

The Committee concurs with its Subcommittee.

#### House Subcommittee Recommendation

The Subcommittee concurs with the Senate recommendations except for the following items:

1. Restore \$28,151 of the Senate's \$48,556 reduction of travel and subsistence funding for the Reappraisal Bureau, leaving a net reduction of \$20,405 in FY 1990.
2. Reduce \$144,252 for salaries and benefits and \$99,655 for other operating expenses financed from the State General Fund, and delete 6.0 FTE positions added by the Senate for the Petroleum Measurement

Enforcement unit. The Subcommittee recommends that this item be addressed by the Board of Agriculture Subcommittee during Omnibus review if S.B. 272 passes both houses.

3. Reduce \$194,235 of other operating expenses in FY 1990 and reallocate the savings to finance 6.0 FTE positions: 2.0 FTE for Personnel Services and 4.0 FTE for a Criminal Audit unit. The Subcommittee feels that absorbing the costs of these six positions is possible within the Governor's FY 1990 recommendation for other operating expenses, but that new FTE positions are needed since the 1988 Legislature deleted 26.5 FTE positions from the agency for this fiscal year.

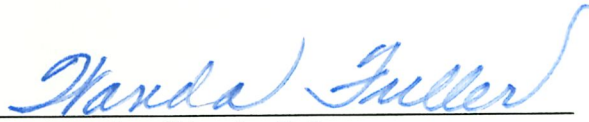
Two positions in Personnel Services were deleted by the Governor in reducing all DOV Operating Fund expenditures from that bureau. The Subcommittee believes that the two positions funded by DOV are needed to handle the personnel matters of 558.5 FTE positions funded by the DOV Operating Fund. Reallocated DOV funds would total \$50,880.

The Governor's Message recommends a new Criminal Audit unit, but the Governor's Budget Report adds no new funding or positions for this activity. The Subcommittee's recommendations would add 4.0 FTE positions and reallocates financing from other operating expenses to provide funding of \$143,355 from the State General Fund.

Other Items. The Subcommittee plans the following activities as additional information becomes available:

1. Review during Omnibus possible retirements costing the agency as much as \$115,285.
2. Review during Omnibus the estimated costs for the Automated Collections System (ACS) after the agency studies various options and bids from vendors.
3. Review during Omnibus the VIPS payments to counties and state purchase of VIPS equipment.
4. Consider during Omnibus deleting all funding for the Dealer Review Board in FY 1990 if pending legislation passes both houses. The Board's costs include \$2,240 for per diem compensation, \$1,890 for private car mileage, and \$1,904 for subsistence for total reductions of \$6,034 from the DOV Operating Fund. The Subcommittee notes that the Board's previous statutory duties as an appellate entity were transferred to the Director and Secretary several years ago.

	<u>Governor's Rec. 90</u>	<u>Senate Rec. FY 90</u>	<u>Sub. Adj. FY 90</u>	<u>House Rec. FY 90</u>
All Funds:				
State Operations	\$ 52,926,553	\$ 53,187,674	\$ (215,756)	\$ 52,971,918
State Aid	11,545,500	11,545,500	--	11,545,500
Other Assistance	2,500,000	2,500,000	--	2,500,000
Totals	<u>\$ 66,972,053</u>	<u>\$ 67,233,174</u>	<u>\$ (215,756)</u>	<u>\$ 67,017,418</u>
State General Fund:				
Salaries and Benefits	\$ 22,357,418	\$ 21,729,755	\$ (897)	\$ 21,728,858
Other Operating Costs	<u>7,140,573</u>	<u>7,142,322</u>	<u>(214,859)</u>	<u>6,927,463</u>
Subtotal--State Operating	\$ 29,497,991	\$ 28,872,077	\$ (215,756)	\$ 28,656,321
State Aid	5,500,000	--	--	--
Totals	<u>\$ 34,997,991</u>	<u>\$ 28,872,077</u>	<u>\$ (215,756)</u>	<u>\$ 28,656,321</u>
FTE Positions	1,320.5	1,327.5	--	1,327.5



Representative Wanda Fuller  
Subcommittee Chairperson



Representative Phil Kline



Representative Ken Francisco

BOARD OF DIRECTORS  
H. EDWARD FLENTJE, CHAIRMAN  
HARLAND E. PRIDDLE  
CHRISTOPHER MCKENZIE  
DENNIS MCKINNEY  
HARRY WIGNER

ALLEN BELL, PRESIDENT



Suite 100  
Capitol Tower  
400 S.W. 8th  
Topeka, KS 66603

(913) 296-6747  
KANS-A-N 561-6747  
FAX (913) 296-6810

MARTY BLOOMQUIST, ASSISTANT

March 22, 1989

M E M O R A N D U M

TO: House Appropriations Committee  
FROM: Allen Bell, President *Allen Bell*  
SUBJECT: Senate Bill No. 134: K DFA Community Providers Pooled Loan Program

Senate Bill 134, if enacted, will allow K DFA to implement an innovative financing program in which low interest building and equipment loans can be made to qualifying non-profit organizations that provide community mental health, mental retardation and drug and alcohol abuse services and receive funding through the Department of Social and Rehabilitation Services. The legislation is needed to correct a technical problem with respect K DFA's statutory authority to issue bonds on behalf of certain provider organizations which happen to be quasi-county agencies.

For the last year, K DFA has been working with SRS, underwriters, bond counsel and community provider organizations to adapt this financing program for Kansas. The same basic program has been successfully implemented in Colorado, Oklahoma, Missouri, Illinois, Ohio and Wyoming. Tax-exempt 501(c)(3) revenue bonds are issued on a pooled basis and the proceeds are lent to qualifying community providers. The 15 or 20 year loans can be used by the providers to refinance existing mortgages, construct new facilities, remodel existing facilities, purchase currently leased facilities, or purchase equipment, including vehicles. The bonds will be insured by a municipal bond insurance policy and rated AAA, so the interest rate on provider loans is expected to be around 8% per annum. The financing mechanism that makes this approach possible is a state intercept of provider loan payments from state aid owed to the providers. Instead of sending out one monthly or quarterly check, SRS will send two checks, one to the provider and one to a trustee bank for payment of principal and interest to the bondholders.

House Appropriations Committee  
March 22, 1989  
Page two

In developing this program, KDFA discovered that community provider organizations in Kansas fall into two categories with respect to legal status. Some are clearly private not-for-profit entities which contract with state and local government; and some are county agencies, or quasi-county agencies whose facilities can be financed by county G.O. bonds. KDFA's enabling statutes include a general prohibition against using KDFA tax-exempt bonds to finance projects which could otherwise be financed by local G.O. or utility revenue bonds. This provision was amended into the KDFA legislation in 1987 at the request of local municipal bond dealers in order to keep KDFA from becoming a municipal bond bank. It was not intended to preclude the type of program being proposed here.

In 1988, the Legislature passed the Kansas Water Pollution Control Revolving Fund Act (1988 Senate Bill No. 472) which authorized KDFA to issue bonds for the 20% state match requirement. In order to accomplish this, the bill also included an amendment of KDFA's statutes to provide for exceptions to the anti-bond banking provisions, on a case-by-case basis, as provided by acts of the legislature. In 1988, two such exceptions were enacted, one for the Water Pollution Control Fund and one for the Kansas Partnership Fund. Today I am asking for a third exception for the Kansas Community Providers Pooled Loan Program. Senate Bill 134 will provide this exception.



DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES  
Winston Barton, Secretary

SENATE BILL No. 134

AN ACT CONCERNING THE KANSAS DEVELOPMENT FINANCE AUTHORITY; RELATING TO THE ISSUANCE OF BONDS FOR LOANS TO CERTAIN COMMUNITY MENTAL HEALTH, MENTAL RETARDATION AND DRUG AND ALCOHOL ABUSE SERVICES PROVIDERS. EXEMPTING SUCH ISSUANCE OF BONDS FROM K.S.A. 1988 Supp. 74-8905 AND AMENDMENTS THERETO.

I am David Palmer, Community Program Consultant with SRS Alcohol and Drug Abuse Services. I am speaking in favor of the passage of Senate Bill 134. This proposal will allow some of our community based alcohol and drug abuse programs to purchase new facilities and/or refinance current high interest loans on new or expanded facilities. Currently, if our funded programs are able to obtain loans it is usually at a high interest rate. As an example, one of our funded programs currently carries a ten year mortgage on their present facility. The interest rate is ten percent, but is renegotiated on a regular basis. This program will probably be eligible for 8% money on a fixed basis for fifteen years under the Kansas Development Finance Authorities pooled loan program. Not only will the interest rate be substantially different, in this case the program would save at least \$2730 per year and probably substantially more since their interest rate will increase this year on their current loan. The other advantage of the financing made available by S.B. 134 is the program's ability to budget constant payments over the entire life of the loan. Currently the program can only guess at their new rate of interest.

This is only one example where our funded programs may benefit from this pooled loan program. In 1986 a Facility Task Force was formed from the Kansas Citizens' Committee on Alcohol and Other Drug Abuse. That task force toured 22 facilities across the state and found 12 programs operating in inadequate facilities. There were a total of 343 beds located in these facilities. Total cost for purchase and/or rehabilitation of those facilities was estimated at \$4,936,000. Since that time, 5 of the programs have raised and/or borrowed funds for new and/or rehabilitated facilities at costly interest rates. Even with these new facilities, increased construction costs and increased bed demand would put estimated costs for the remaining programs at about \$6,000,000.

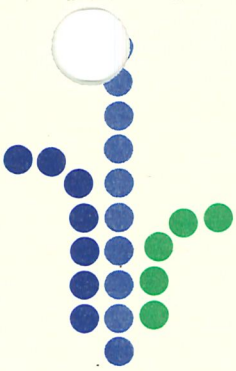
The urgency for affordable funding, such as S.B. 134 makes available, becomes even more apparent when you consider the following: Admissions to Kansas alcohol and drug abuse programs increased by 4% to approach 30,890 in 1988. This is a 50% increase (10,000 clients) since FY 84. Community based alcohol and drug treatment facilities admitted 75% of all admissions (approximately 23,200 in 1988). Of that number, our funded programs admitted approximately 15,000 or 50% of total admissions.

Affordable funding is needed now, before facilities deteriorate more and before waiting lines become longer. Senate Bill 134 is not the solution, but it is an important tool that can allow some alcohol and drug abuse programs to better meet the growing needs of Kansans. Thank you for allowing me the opportunity to speak in favor of this important legislation.

Submitted by

David Palmer  
Community Program Consultant  
Alcohol and Drug Abuse Services  
296-3925

HA  
3-22-89  
Attachment 8



## Shawnee Community Mental Health Center

2401 West Sixth Topeka, Kansas 66606 (913) 233-1730

March 22, 1989

House Appropriations Committee  
%Represent Bill Bunten, Chairman  
Statehouse  
Topeka, Kansas 66612

Re: Senate Bill 134

I am speaking in support of Senate Bill 134. This bill, upon passage by the legislature, will expand the ability of the Kansas Development Finance Authority to issue tax exempt bonds for loans to community mental health facilities such as Shawnee Community Mental Health Center. Funds obtained under this program would be utilized to assist in financing the alcohol and drug facility we hope to build in the near future. This program would provide low-interest long-term fixed-rate loans which will finance such projects.

I would appreciate your support for this bill.

Sincerely,

Eunice Ruttinger, MSW  
Executive Director

/nw

TO: House Appropriations Committee

FROM: Senator Janis K. Lee

RE: Senate Bill 187

DATE: March 22, 1989

Chairman Bunten, fellow Legislators, S.B. 187 was requested by the U.S.D. 273 Board of Education. This bill would allow the school district to purchase the six acres of land which is presently declared surplus by the Youth Center at Beloit from the State of Kansas at a price to be negotiated by Secretary Barton and the U.S.D. 273 Board of Education. The land is immediately adjacent to the existing Beloit Jr.-Sr. High School and across the street from the Beloit Youth Center Campus. (The accompanying map indicates the approximately six acre tract with the numbers 1 and 2). U.S.D. 273 is interested in the land to even-up their boundaries so that they will be able to plant a continuous protective shelterbelt on the north side of their school site. They would also like to be assured that an appropriate structure will be built on the property adjoining their land.

A local non-profit group in Beloit has offered to purchase some of the remaining land from the U.S.D. in order to build a permanent meeting place for the Ala-Teen groups. This would be an excellent place in order to reach the youth at the school. It would also be ideally located for the youth at the Beloit Youth Center who also take part in the AA activities. As was pointed out in the letter and accompanying packet given to us by Governor Hayden just recently, "Alcohol and other drug abuse is a major concern throughout our state...As we continue to improve and expand our anti-drug activities, I welcome your concern, commitment, and efforts Toward A Drug-Free Kansas". This proposal would support that goal.

The parcel of land was offered for sale twice in the last several years and was not purchased by anyone. We have checked with the adjacent landowners to the east and they have advised us that they are not interested in the property. In addition we have checked with local realtors and the local economic development group and cannot find any evidence that there is any person or groups in the private sector who are interested in this tract. I have discussed this transaction with Secretary Barton of the Department of SRS and he has indicated he is also agreeable.

As John Bottom, Superintendent of Schools for U.S.D. 273 stated in the accompanying letter, "The acquisition of this site by Unified School District #273 will be highly beneficial to the school district and Group 86, and I respectfully recommend its passage".

Thank you for this opportunity to appear before you on behalf of U.S.D. #273 and the people of Mitchell County.

HA

3-22-89

Attachment 10

EDUCATION  
ROBERT LAMPERT, Pres.  
R. E. (LINDY) LINDBLAD, Vice Pres.  
VERNON ADAMS  
BARBARA COX  
WILLIAM G. FOREMAN  
DARRELL FULHAGE  
RODNEY WILSON

MARY ANN ROBER,  
LINDA REMUS, Treasurer  
HARRY GANTENBEIN, Attorney

# Unified School District No. 273 Mitchell County

P. O. BOX 547      BELOIT, KANSAS 67420

JOHN R. BOTTOM, SUPERINTENDENT

March 2, 1989

Honorable Janis Lee  
State Capitol Building  
Room 402 South  
Topeka, KS 66612

Dear Senator Lee:

I am writing this letter in support of Senate Bill No. 187. We have requested this bill in order for Unified School District No. 273, Beloit, to acquire some six acres of land which is presently declared surplus by the Youth Center at Beloit. This land is immediately adjacent to the existing Beloit Jr.-Sr. High School. If this bill is passed and we are authorized to acquire this land from SRS, we will utilize this property in the following manner:

Approximately one acre of this tract projects into the boundaries of Unified School District No. 273 school site. The Unified School District will retain possession of this one acre which will even up our boundaries and allow us to plant a continuous protective shelterbelt on the North side of our school site.

A non-profit group in Beloit known as Group 86, desire to purchase the balance of this tract from Unified School District No. 273, if we acquire it, for purposes of building a permanent meeting place for Alcoholics Anonymous, Ala-Teen and Ala-Non. If the Unified School District No. 273 acquires this land, we will sell or long term lease the balance to Group 86 for a building site.

We have checked with the adjacent landowner to the East which is the Guaranty State Bank and Trust Company, and they have advised us that they have no desire to acquire any part of this site and have no objections to our plans for this land. In addition, I have checked with local realtors and can find no evidence that there is any person or groups in the private sector who are or have been interested in this tract.

The acquisition of this site by Unified School District No. 273 will be highly beneficial to the school district and Group 86, and I respectfully recommend its passage.

Sincerely,



John R. Bottom  
Superintendent

JRB/1kr

city of Beloit  
easement for  
transformer  
station

N<sup>1</sup>/<sub>4</sub> Corner  
Sec 4-7-7

Rest Park Easement  
City of Beloit

Trans  
Sta.

2

REST.

MOTEL

HOUSE

1

3

BELOIT YOUTH  
CENTER

U:D 273  
BELOIT, KANSAS

LEGAL DESCRIPTION:

A tract of land in the N<sup>1</sup>/<sub>2</sub> of Section 4, T-7-S, R-7-W of the 6<sup>th</sup> described as follows:

Beginning at a point on the center section line 9, i 3  
Section 4, thence Easterly along the Highway Right of Way 1  
South of the North line of said Section 4, thence South pa  
NE<sup>1</sup>/<sub>4</sub> of said Section 4, 451.4 feet, thence West 260.0 feet, th  
West 217.7 feet to a point on the West line of the NE<sup>1</sup>/<sub>4</sub>, (th  
of the point of beginning), thence South along the Center  
517.7 feet to the NW Corner on the West side of the NE<sup>1</sup>/<sub>4</sub> of 3

NW 1/4 SEC. 4-7-7

NE 1/4 SEC. 4-7-7

10-3

(1319.55)  
1270.15

522.0

(1755.7)

740.0

260.0

327.0

470.0

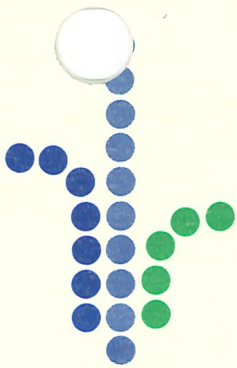
392.0

517.7

451.4

(312.0)

NE  
Sec.



# Shawnee Community Mental Health Center

2401 West Sixth Topeka, Kansas 66606 (913) 233-1730

## PRESENTATION TO HOUSE APPROPRIATIONS COMMITTEE

March 22, 1989

### Introduction

I am Eunice Ruttinger, the Executive Director of Shawnee Community Mental Health Center in Topeka. Shawnee Community Mental Health Center is a not-for-profit organization which provides comprehensive mental health and alcohol and drug services to Shawnee County citizens. The Mental Health Center has 87 full time equivalent positions and serves over 3,500 clients annually with a budget of over \$3 million. The programs provided are:

1. 24-hour emergency services;
2. Community support services for the long-term mentally ill;
3. Outpatient services for adults;
4. Services for Alcohol Related Problems (SARP).

The Mental Health Center is requesting your support of SB 218 which will transfer land on Topeka State Hospital grounds at Third and Oakley to Shawnee Community Mental Health Center for purposes of building a facility to house our alcohol and drug programs, SARP. This type of legislation was initiated in 1979. At that time, TARC (Topeka Association for Retarded Citizens) had land transferred to them that was located on the campus of Kansas Neurological Institute. This land was used to build residential facilities for the mentally retarded. In our formal contacts with Winston Barton, Secretary of SRS, with the Commissioner of Mental Health, Mr. Al Nemece, and with the Commissioner of Alcohol and Drug Abuse Services, Mr. Andrew O'Donovan, they have express enthusiastic support of this bill.

SARP programs have been provided to the community for over 18 years. During this time, SARP has provided services from ten different locations. Most of the facilities have been older residences, rented and in poor condition. Because of lack of funding, SARP, like most public-funded alcohol/drug programs in the State of Kansas, has been unable to lease or purchase appropriate facilities. Through a recent grant from ADAS, we have been able to lease renovated facilities for some of our programs. However, the facilities were cheaply built over twenty years ago and have been poorly maintained over the years. They will be costly to keep in good repair for any length of time. Also, these facilities are located in East Topeka, isolated from most other social services in the community and several miles from other SARP programs.

Board Officers  
Mayre Hoffman  
President

Rita Wolf  
Vice-president

W. Patrick Russell  
Secretary/Treasurer

HA Executive Director  
Eunice Ruttinger

3-22-89

Attachment 11

SARP is the only licensed alcohol and drug program in the community that provides a complete range of alcohol/drug treatment services to the general public of Topeka and regional area regardless of their ability to pay. The SARP programs receive funding from the Shawnee Community Mental Health Center funds, SRS-Alcohol and Drug Abuse Services, City of Topeka and Shawnee County. Some fees are also collected from insurance and individual clients. In 1988, 1,488 clients were served in the SARP program.

At the point land would be transferred from Topeka State Hospital to Shawnee Community Mental Health Center, we would propose to build a facility that would house all SARP programs except the halfway house. The facility would be new construction funded with existing resources. We will explore taking advantage of the Pooled Loan Program through the Kansas Development Finance Authority. We would not be able to afford the expense of building a new facility without donated ground. The SARP programs need to be located in fairly close proximity to medical facilities, law enforcement agencies, social services, mental health and other alcohol and drug agencies. The location will accommodate the building, parking for 80 vehicles and adequate outdoor space for therapeutic recreational activities.

**The space needs for the various program components are as follows:**

A. Detoxification, Intake, Evaluation and Referral Services.

This component will need space to accommodate the existing 19 beds plus an additional 6 expansion beds. Total = 25 beds, 6 staff offices, drug screening area, 1 group room, living area, snack area/kitchenette, and one storage area = 5,100 sq. ft.

B. Intermediate Care, Evening Care, Outpatient.

This component will need space to accommodate the existing 30 beds, plus an additional 8 expansion beds. Total = 38 beds, 11 staff offices, 3 group rooms, 1 large living area, 3 study/TV areas, snack area/kitchenette and one storage area = 8,500 sq. ft.

C. Reintegration Services (This program would be added at a later date as either an expansion on the current facility or as a separate facility).

This component will need space to accommodate the 30 existing beds, plus an additional 10 expansion beds. Total = 40 beds, 2 kitchenette partments for live-in resident managers, 6 offices, 1 large living area, 2 study areas, 1 TV area, 2 group rooms, snack area/kitchenette and 1 storage area = 9,100 sq. ft.

D. Outpatient and Aftercare.

This component will require space for 3 staff offices and 2 group rooms = 600 sq. ft.

11-2

E. Administration/Business Offices.

4 administrative offices, 1 computer room and 1 companion area to accommodate office staff, 1 copying machine room and 1 supply area = 2,000 sq. ft.

F. Common Areas (To be used by all components).

Kitchen	=	500 sq. ft.
Food Storage	=	200 sq. ft.
Dining/Meeting Room	=	2,000 sq. ft.
Recreation Area	=	1,000 sq. ft.
2 Conference Rooms	=	<u>1,000 sq. ft.</u>
		4,700 sq. ft.

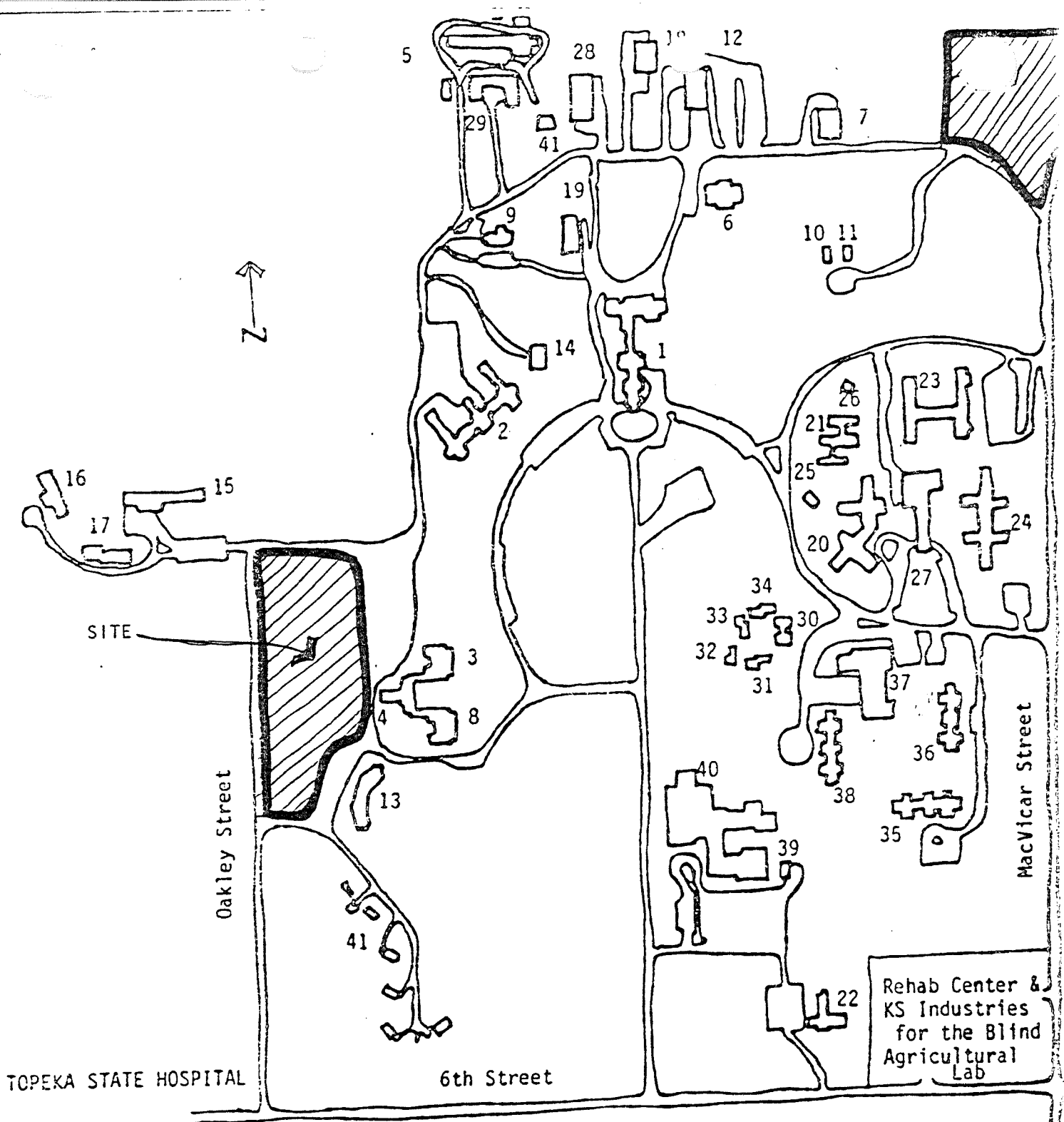
The total for the above components is 20,900 sq. ft. and does not include a maintenance/housekeeping area, hallways or restrooms. Also, a storm shelter would be required plus additional space to house the furnace and electrical equipment.

**Conclusion**

In conclusion, I ask your support of SB 218 to transfer land at Topeka State Hospital to Shawnee Community Mental Health Center.

Thank you.





1. Center Bldg.	1900	14. Therapeutic Work Center	1950	29. Mechanical Warehouse	1959
2. Biddle	1910	15. Aichhorn	1955	30. Erickson Lounge	1964
3. Perry	1912	16. Gerard	1955	31. Erickson #1	1964
4. Staff/Dave & Training	1913	17. Sullivan	1955	32. Erickson #2	1964
5. Engineering/ Grounds	1913	18. Power Plant	1956	33. Erickson #3	1964
6. Old School	1916	19. Old Auditorium	1956	34. Erickson #4	1964
7. Greenhouse	1916	20. Ray	1957	35. Jarrett	1964
8. Feldman	1929	21. Kirkbride	1957	36. Rapaport	1964
9. Smith-Wilson	1930	22. Adams Educ	1957	37. Southard	1964
10. Quonset	1950	23. Awl	1957	38. Boisen	1964
11. Quonset	1950	24. Brigham	1957	39. Slagle	1965
12. Commodity Warehouse	1950	25. Coffee Shop	1957	40. Karl Menninger Education & Activity Center	1982
13. Topeka Area	1950	26. Dental & Eye Clinic	1957	41. Staff Housing	1947-1954
		27. Eastman	1957		
		28. Laundry	1958		

KANSAS DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

Winston Barton - Secretary

Statement regarding: S.B. 218

Title: AN ACT relating to the transfer of certain state property located in Topeka, Kansas, to the Shawnee community mental health center.

Purpose: Transfer of certain state property located in Topeka, KS to the Shawnee Community Mental Health Center.

Background:

This legislation would transfer property at Topeka State Hospital to the Shawnee Community Mental Health Center. The property would be retained under control of the Shawnee Community Mental Health Center until such time as they do not use it for the purposes intended, whereupon title would revert back to the State of Kansas.

Fiscal Impact:

None. Any expenses incurred for the transfer shall be assumed by the Shawnee Community Mental Health Center.

SRS Recommendation:

SRS supports this legislation. Shawnee Community Mental Health Center intends to use the property to develop a facility for the treatment of those who have alcohol and drug abuse problems. The program has the active and full support of the Department. The Community Mental Health Center has had difficulty in acquiring low cost property in the Topeka area to develop this program. Furthermore, there is a past precedent when a similar transfer of land was made from KNI to the Topeka Association of Retarded Citizens (TARC). TARC is the major provider of services for the mentally retarded and developmentally disabled in the Topeka area. Shawnee Community Mental Health Center is a major provider for the mentally ill in the Topeka area.

Al Nemec, Commissioner  
Mental Health & Retardation Services  
913/296-3773

6A  
3-22-89  
Attachment 12

PRESENTATION TO APPROPRIATION COMMITTEE (HOUSE)

Mr. Chairman and members of the Committee

Recent amendments to public law 93-288, now known as the Robert T. Stafford Disaster Relief and Emergency Assistance Act revises eligibility for federal reimbursement of expenditures made by state and local governments during a major disaster. The maximum grant limit that can be awarded to Individual and Families has now been increased to \$10,000.

K.S.A. 48-938 limits a state grant to \$1,250, which is based on 25% share of the previously established limit of \$5,000.

In most disasters low costs loans are the major means of helping citizens recover from a disaster. If an individual or a family is not eligible for a loan, then the Individual Family Grant (IFG) becomes the other vehicle for recovery. When a major disaster is declared by the President, announcements are made by our Congressmen and federal and state governments as to the type of assistance available. Since this type of grant does not require repayment it becomes a highly visible part of the assistance announced by the news media.

The award of any grant is based on providing funds for specific items that are damaged because of a disaster. In some cases the maximum grant is awarded because of the complete destruction of eligible items. In most cases the amount awarded is less than the maximum amount. In the last 10 years, the average grant has risen from \$1,800 in 1979 to \$3,800 in 1986. Of this, the State paid 25%. The rise in the average grant is directly related to raises in the price of items and materials. It is for this reason Congress has raised the grant limit from \$5,000 to \$10,000 with a provision of annual adjustment to reflect changes in the Consumer Price Index.

This fiscal impact of this legislative change will depend on the severity of the disaster and the number of grants to be awarded. In fiscal years 1984 and 1986 presidential disasters were declared and we had 68 grants awarded for \$5,000, the maximum limit allowed by law. Total cost was \$340,000 of which our state's share was \$85,000. If the revised limit had been in effect the cost would have amounted to \$479,948, of which our states share would have been \$119,987.

I recommend passage of HB 2537 to insure citizens of Kansas receive IFG assistance in the amounts authorized by federal law.

HA  
3-22-89  
Attachment 13

In your hand-out I have enclosed excerpts of the Senate Congressional record pertaining to the IFG program.

EXCERPTS FROM CONGRESSIONAL RECORD --- SENATE

SEC. 102. AMENDMENT TO SHORT TITLE.

(a) AMENDMENT TO SHORT TITLE.—The first section is amended by striking out "Disaster Relief Act of 1974" and inserting in lieu thereof the "Robert T. Stafford Disaster Relief and Emergency Assistance Act".

(b) REFERENCES.—Whenever any reference is made in any law (other than this Act), regulation, document, rule, record, or other paper of the United States to a section or provision of the Disaster Relief Act of 1974, such reference shall be deemed to be a reference to such section or provision of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

SEC. 102. AMENDMENTS TO TITLE I.

"(a) IN GENERAL.—The President is authorized to make a grant to a State for the purpose of making grants to individuals or families adversely affected by a major disaster for meeting disaster-related necessary expenses or serious needs of such individuals or families in those cases where such individuals or families are unable to meet such expenses or needs through assistance under other provisions of this Act or through other means.

"(b) COST SHARING.—

"(1) FEDERAL SHARE.—The Federal share of a grant to an individual or a family under this section shall be equal to 75 percent of the actual cost incurred.

"(2) STATE CONTRIBUTION.—The Federal share of a grant under this section shall be paid only on condition that the remaining 25 percent of the cost is paid to an individual or family from funds made available by a State.

"(c) REGULATIONS.—The President shall promulgate regulations to carry out this section and such regulations shall include national criteria, standards, and procedures for the determination of eligibility for grants and the administration of grants under this section.

"(d) ADMINISTRATIVE EXPENSES.—A State may expend not to exceed 5 percent of any grant made by the President to it under subsection (a) for expenses of administering grants to individuals and families under this section.

"(e) ADMINISTRATION THROUGH GOVERNOR.—The Governor of a State shall administer the grant program authorized by this section in the State.

"(f) LIMIT ON GRANTS TO INDIVIDUALS.—No individual or family shall receive grants under this section aggregating more than \$10,000 with respect to any single major disaster. Such \$10,000 limit shall annually be adjusted to reflect changes in the Consumer Price Index for All Urban Consumers published by the Department of Labor."