

Approved _____
Date 6-7-89

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

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

6:45 ~~XX~~ n./p.m. on MARCH 30, 1989 in room 123-S of the Capitol.

All members were present except:
Senator Rock who was excused

Committee staff present:

Research Department: Diane Duffy, Kathy Porter, Scott Rothe
Revisor: Norman Furse
Committee Staff: Judy Bromich, Pam Parker

Conferees appearing before the committee:

SCR 1615 - Revoking a 1978 SCR requesting a United States Constitutional Convention

Senator Harder moved, Senator Salisbury seconded, to report SCR 1615 as not adopted. The motion carried on a roll call vote.

SB 180 - Use of restrictive drug formularies by state agencies prohibited

Senator Gaines moved, Senator Hayden seconded, to report SB 180 favorably for passage. The motion carried on a roll call vote.

SB 323 - Transfers of money from state gaming revenues fund to county reappraisal fund for costs incurred by counties in maintaining property valuations

Information was distributed concerning the Economic Development Initiative Fund, FY 1990 Demand and the State Gaming Revenues Fund Distribution. (Attachments 1, 2 and 3)

Concern was expressed regarding the underfunding of the state's economic development effort as well as the frustration of not knowing the amount necessary at this point for ongoing reappraisal costs. It was suggested that rather than dedicated funds which does not provide controls, a transfer should be made from the State General Fund.

Senator Hayden moved, Senator Allen seconded, to report SB 323 favorably for passage. Following discussion, the motion failed on a roll call vote.

SB 207 - Economic impact study for state capital improvement programs

Senator Feleciano moved, Senator Doyen seconded, to amend SB 207 to exempt the SRS campuses. The motion carried. Senator Felecian moved, Senator Doyen seconded, the report SB 207 favorably as amended. The motion carried on a roll call vote.

SB 349 - State agencies authorized to enter into contracts with individuals attending schools of nursing

Following discussion, no action was taken on this bill.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,
room 123-S, Statehouse, at 6:45 ~~am~~/p.m. on MARCH 30, 1989

HB 2036 - Multiyear appropriations for FY 1990 and FY 1991, for state industrial reformatory and Kansas state penitentiary

Senator Harder moved, Senator Feleciano seconded, to report HB 2036 favorably for passage. The motion carried on a roll call vote.

HB 2099 - Enacting handicapped and elderly public transportation assistance act

Information was distributed concernng HB 2099. (Attachment 4) By consensus, HB 2099 was held in Committee.

HB 2279 - Establishing nursing student scholarship program

Senator Gaines moved, Senator Harder seconded, to report HB 2279 favorably for passage. The motion carried on a roll call vote.

HB 2333 - Establishing the self-sufficiency trust fund

Senator Winter moved, Senator Parrish seconded, to report HB 2333 favorably for passage. The motion carried on a roll call vote.

HB 2493 - All-sports hall of fame, operations and financing

Senator Winter offered a technical amendment, Senator Gaines seconded, to add "K.S.A." in front of 75-4218 in line 156, page five, of HB 2493. The motion carried.

A motion was offered by Senator Winter and seconded by Senator Gaines to strike Douglas County from the bill and add language indicating relocation of the Hall of Fame could be relocated only upon approval of the Legislature. The motion carried.

Senator Gaines moved, Senator Winter seconded, to report HB 2493, as amended, favorably for passage.

HB 2513 - State construction projects, architectural services, claims procedures, defects recovery fund expenditures

Senator Doyen moved, Senator Hayden seconded, to delete Section 2 from HB 2513. The motion carried.

During discussion, it was suggested that arbitration be allowed and then any further action go to the Special Committee on Claims Against the State. It was further suggested to make sure the state does not waive its immunity to court. Concern was expressed regarding claims against 3rd parties. It was a consensus to delay further action on HB 2513.

The meeting was adjourned.

ECONOMIC DEVELOPMENT INITIATIVES FUND
FY 1990 Demand

Bill No.	Agency/Project	Agency Request		Governor's Recommendation		Senate Recommendation		House Recommendation		Final Status	
		EDIF	All Funds	EDIF	All Funds	EDIF	All Funds	EDIF	All Funds	EDIF	All Funds
S.B. 31	Kansas, Inc.:										
	Special Studies	\$ 75,000	\$ 257,553	\$ --	\$ 171,323	\$ --	\$ 166,343	\$ c	\$ c	\$	\$
S.B. 31	KTEC:										
	Salaries and Wages	\$ --	\$ 312,346	\$ 61,346	\$ 286,037	\$ 180,380	\$ 305,071	\$	\$	\$	\$
	OOE	--	309,515	215,432	215,432	153,929	253,929				
	Research Matching Grants	2,000,000	2,000,000	1,250,000	1,250,000	850,000	850,000				
	Business Innovation Matching Grants	450,000	450,000	300,000	300,000	150,000	150,000				
	Centers of Excellence	--	2,000,000	1,200,000	1,200,000	1,725,000	2,300,000				
	Value-Added Center	--	628,825	175,000	175,000	175,000 ^d	425,000 ^d				
	Seed Capital	1,500,000	1,500,000	1,000,000	1,000,000	440,000	440,000				
	Research Equipment Grants	1,000,000	1,000,000	700,000	700,000	650,000	650,000				
	Training Equipment Grants	250,000	250,000	250,000	250,000	--	--				
	Special Projects	500,000	500,000	125,000	125,000	150,000	150,000				
	Data Base Development	72,000	72,000	--	--	72,000	72,000				
	Industry Liaison	150,000	150,000	150,000	150,000	478,000	478,000				
	Subtotal -- KTEC	\$ 5,922,000	\$ 9,172,686	\$ 5,426,778	\$ 5,651,469	\$ 5,024,309	\$ 6,074,000	\$ c	\$ c	\$	\$
S.B. 31	Department of Commerce:										
	Salaries and Wages	\$ 88,761	\$ 742,921	\$ 110,775	\$ 658,228	\$ 110,775	\$ 658,228	\$	\$	\$	\$
	Training Programs	3,000,000	3,000,000	1,425,000	2,450,000	1,425,000	2,750,000				
	OOE	320,807	1,758,808	259,385	946,944	259,385	996,944				
	Partnership Fund	9,891,854	9,891,854	3,417,703	3,417,703	3,417,703	3,417,703				
	Main Street Grants	51,000	51,000	51,000	51,000	51,000	51,000				
	CDC Grants	100,000	425,000	100,000	425,000	100,000	425,000				
	SBDC Grants	275,000	450,000	100,000	275,000	100,000	275,000				
	Education Awards	50,000	50,000	--	--	--	--				
	Trade Show Assistance	100,000	100,000	--	--	--	--				
	Export Loan Guarantee Program	--	--	--	--	1,000,000	1,000,000				
	Subtotal -- Commerce	\$ 13,877,422	\$ 16,469,583	\$ 5,463,863	\$ 8,223,875	\$ 6,463,863	\$ 9,573,875	\$ c	\$ c	\$	\$
S.B. 29	Department of Wildlife and Parks:										
	Salaries and Wages	\$ --	\$ --	\$ 102,290	\$ 160,180	\$ --	\$ --	\$	\$	\$	\$
	Resort Study	30,000	30,000	--	--	--	--				
	OOE	--	--	137,710	254,280	--	--				
	Hillsdale Park Development	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000				
	Wetlands Acquisition	27,173	27,173	--	27,173	--	27,173				
	Cheyenne Bottoms Renovation	1,500,000	1,500,000	--	1,500,000	--	1,500,000				
	Land Acquisition	215,000	485,000	--	485,000	--	485,000				
	Education Center Displays	200,000	200,000	--	-- ^a	--	-- ^a				
	Improvement Districts	1,000,000	1,000,000	--	825,540	--	--				
	Recreation Access Program	1,500,000	1,500,000	960,000	960,000	--	--				
	Campground Development	156,260	156,260	--	156,260	--	156,260				
	Wichita Education Center	175,000	175,000	--	--	--	--				
	Subtotal - Wildlife	\$ 5,803,433	\$ 6,073,433	\$ 2,200,000	\$ 5,368,433	\$ 1,000,000	\$ 3,168,433	\$ c	\$ c	\$	\$

ATTACHMENT 1
SWAM 3-30-89
(6:45 pm)

No.	Agency/Project	Agency Request		Governor's Recommendation		Senate Recommendation		House Recommendation		Final Status	
		EDIF	All Funds	EDIF	All Funds	EDIF	All Funds	EDIF	All Funds	EDIF	All Funds
S.B. 29	State Board of Agriculture: Water Use Program	\$ 75,000	\$ 200,000	\$ --	\$ --	\$ --	\$ --	\$	\$	\$	\$
	Marketing Program OOE	335,404	986,593	180,000	549,641	180,000	549,641				
	Subtotal - Agriculture	<u>\$ 410,404</u>	<u>\$ 1,186,593</u>	<u>\$ 180,000</u>	<u>\$ 549,641</u>	<u>\$ 180,000</u>	<u>\$ 549,641</u>	<u>\$ c</u>	<u>\$ c</u>	<u>\$</u>	<u>\$</u>
S.B. 29	State Conservation Commission: Jetmore Multipurpose Small Lake	\$ --	\$ 1,301,250	\$ 451,250	\$ 1,301,250	\$ 451,250	\$ 1,301,250	\$ c	\$ c	\$	\$
S.B. 67	Wichita State University: Rehabilitation Engineering Center	\$ --	\$ --	\$ --	\$ --	\$ 200,000	\$ 200,000	\$ c	\$ c	\$	\$
S.B. 68	Kansas Arts Commission: Programming Grants	\$ 804,000	\$ 2,042,300	\$ 100,000	\$ 827,155	\$ 443,500 ^b	\$ 1,170,655 ^b	\$ c	\$ c	\$	\$
H.B. 2028	Department of Social and Rehabilitation Services: KanWork Entrepreneur Program	\$ --	\$ --	\$ 50,000	\$ 50,000	\$ c	\$ c	\$ 50,000	\$ 50,000	\$	\$
H.B. 2029	Department on Aging: McMasters Program	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$	\$	\$ --	\$ --	\$	\$
	Economic Impact Study	15,000	15,000	--	--			--	--		
	Senior Citizen Foundation	20,000	20,000	--	--			--	--		
	Subtotal -- Aging	<u>\$ 55,000</u>	<u>\$ 55,000</u>	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ c</u>	<u>\$ c</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$</u>	<u>\$</u>
H.B. 2029	Department of Health and Environment: Contamination Remediation	\$ --	\$ 3,000,000	\$ 1,500,000	\$ 1,500,000	\$	\$	\$ 1,500,000	\$ 1,500,000	\$	\$
	Superfund Match	--	100,000	100,000	100,000			100,000	100,000		
	Subtotal -- H and E	<u>\$ --</u>	<u>\$ 3,100,000</u>	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>	<u>\$ c</u>	<u>\$ c</u>	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>	<u>\$</u>	<u>\$</u>
GRAND TOTAL		<u>\$ 26,947,259</u>	<u>\$ 39,658,398</u>	<u>\$ 15,491,891</u>	<u>\$ 23,763,146</u>	<u>\$ 13,562,922</u>	<u>\$ 22,204,197</u>	<u>\$ 1,650,000</u>	<u>\$ 1,650,000</u>	<u>\$</u>	<u>\$</u>

- a) Recommended in FY 1989 from the State General Fund.
- b) In addition, \$6,500 reappropriated from FY 1989 will be available for this program.
- c) No recommendations as of 3-14-89.
- d) In addition, \$100,000 reappropriated from FY 1989 will be available for this program.

Resource Estimate -- EDIF

	<u>Governor</u>	<u>Senate</u>	<u>House</u>	<u>Final</u>
Beginning Balance	\$ 687,276	\$	\$	\$
Lottery Transfers	12,600,000			
Racing Transfers	2,811,264			
Interest Earnings	41,914			
Total Available	<u>\$ 16,140,454</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Less: Expenditures and Transfers	15,491,891			
Ending Balance	<u>\$ 648,563</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

STATE GAMING REVENUES FUND DISTRIBUTION

	Law		SB 323	
	GOV. REC. FY 1990	W/5% Incr. FY 1991	GOV. REC. FY 1990	W/5% Incr. FY 1991
Receipts:				
Lottery Transfers	\$ 21,000,000	\$ 22,050,000	\$ 21,000,000	\$ 22,050,000
Parimutual Transfers	4,658,440	4,891,362	4,658,440	4,891,362
Total--Receipts	\$ <u>25,658,440</u>	\$ <u>26,941,362</u>	\$ <u>25,658,440</u>	\$ <u>26,941,362</u>
Total Funds Available:	\$ 25,658,440	\$ 26,941,362	\$ 25,658,440	\$ 26,941,362
Less Transfers:				
To Econ. Devp. Initiatives Fund	\$ 15,395,064	\$ 24,247,226	\$ 16,677,986	\$ 17,511,885
To <i>County Reappraisal Fund</i>	<i>7,697,532</i>	<i>0</i>	<i>6,414,610</i> **	<i>6,735,341</i>
To Correctional Insts. Bld. Fund	<u>2,565,844</u>	<u>2,694,136</u>	<u>2,565,844</u>	<u>2,694,136</u>
Total Transfers:	\$ 25,658,440	\$ 26,941,362	\$ 25,658,440	\$ 26,941,362

** Assuming \$5.5 million in FY 1990 expenditures, any balance above \$1.0 million would be transferred to the SGF.

ATTACHMENT 2
 SWAM 3830-89
 (6:45pm)

STATE GAMING REVENUES FUND DISTRIBUTION

	ESTIMATED FY 1991
Receipts:	
Transfers	\$ 21,735,000
Other Sources	0
Subtotal--Receipts	\$ 21,735,000
 Total Funds Available:	 \$ 21,735,000
 Less Transfers:	
65% Econ. Devp. Initiatives Fund	\$ 14,127,750
25% County Reappraisal Fund	5,433,750
10% Correctional Insts. Bld. Fund	2,173,500
 Total Transfers:	 \$ 21,735,000

ATTACHMENT 3
SWAM 3-30-89
(6:45 pm)

Public Transportation. This includes administration of the funds apportioned and allocated to the Kansas Department of Transportation through the Urban Mass Transportation Act (UMTA) of 1964, as amended. Each section of the UMTA stipulates specific objectives; all are generally directed toward capital, administrative and operating assistance to local entities for transportation of the elderly, handicapped, and general public. The principal sources of funding are through Sections 8, 9, 16(b)(2) and 18 of the Act. A summary of FY 1989 and FY 1990 funding is:

<u>Urban Mass Transit</u>	Public Transportation for areas under 50,000 population <u>Section 18</u>	Public Trans. Planning <u>Section 8</u>	Urban Mass Transit <u>Section 9</u>	Elderly & Handicapped <u>Section 16(b)(2)</u>	<u>Total</u>
Balance, July 1, 1988	\$ 0	\$ 0	\$1,668,788	\$ 0	\$1,668,788
FFY 1989 Apportionment	<u>1,177,497</u>	<u>46,800</u>	<u>395,947</u>	<u>446,565</u>	<u>2,066,809</u>
<u>Available FY 1989</u>	\$1,177,497	\$ 46,800	\$2,064,735	\$446,565	\$3,735,597
Reimburse Highway Fund	<176,617>	<46,800>	0	<5,066>	<228,483>
Transfers*	450,000	0	<1,254,038>	0	<804,038>
Projects:					
Capital	\$ <250,000>				
Operating	<1,200,880>				
	<u><1,450,880></u>	<u>0</u>	<u>0</u>	<u><441,499></u>	<u><1,892,379></u>
Balance, July 1, 1989	\$ 0	\$ 0	\$ 810,697	\$ 0	\$ 810,697
FFY 1990 Apportionment	<u>1,178,000</u>	<u>50,000</u>	<u>395,947</u>	<u>447,000</u>	<u>2,070,947</u>
<u>Available FY 1990</u>	\$1,178,000	\$ 50,000	\$1,206,644	\$447,000	\$2,881,644
Reimburse Highway Fund	<176,700>	<50,000>	0	<5,022>	<231,722>
Transfers**	350,000	0	<350,000>	0	0
Projects:					
Capital	\$ <250,000>				
Operating	<1,101,300>				
	<u><1,351,300></u>	<u>0</u>	<u>0</u>	<u><441,978></u>	<u><1,793,278></u>
Balance, July 1, 1990	\$ 0	\$ 0	\$ 856,644	\$ 0	\$ 856,644

*Transfer \$450,000 to Section 18, \$200,000 to MARC, and \$604,038 to Topeka

**Transfer \$350,000 to Section 18

ATTACHMENT 4
SWAM 3-30-89
(6:45 pm)

Section 8 funds were established in the Urban Mass Transportation Act for the planning, engineering, designing and evaluation of urban mass transportation projects and for other technical studies involving coordinated public transportation in urban areas. These are discretionary funds distributed by the Urban Mass Transportation Administration primarily on the basis of population. Additional expenditures of Section 8 funds are shown in the Local Aid Program Plan.

Section 8 provides federal transit planning funds that are utilized by KDOT for statewide public transportation planning. Wichita, Kansas City, Topeka, and Lawrence each apply directly to the Urban Mass Transportation for these planning funds.

Section 9, which was created by the Surface Transportation Assistance Act of 1982 to replace Section 5, began as a modified program in FFY 1983. It is also a formula block grant program for urbanized areas and provides funding assistance to public transit operators. The initial program in FFY 1983 provided only for planning and capital assistance, but operating assistance was also provided beginning in FFY 1984. Since neither Lawrence nor Elwood currently has a public transit operator, these previous years' funds have not been utilized for capital or operating assistance. Since these funds may also be used for planning, both the Lawrence metropolitan planning organization and KDOT could use some of these funds for planning. The Surface Transportation Assistance Act of 1982 also provided that Section 9 funds could be transferred to other Section 9 programs or to Section 18. Approval of a transfer of \$450,000 from Section 9 to Section 18 has been given.

Section 16(b)(2) provides capital assistance to private nonprofit organizations that provide transportation to the elderly and handicapped. The program involves numerous small operators who are typically the social service agencies of the community and who are only providing transportation as a means of access to their principal programs. A portion of Section 16(b)(2) funds are used for planning and administration in the Planning and Development Program. A portion (up to 10 percent)

of these funds may be used for administration of the program. The 80 percent federal share is used to reimburse the Highway Fund for salaries and other operating expenses.

Section 18 funds provide capital (Not to exceed 80-20 match) and operating (Not to exceed 50-50 match) assistance for public transportation in areas under 50,000 population. A more complete explanation of the Section 18 program can be found in the Local Aid program. Up to 15 percent of the state's annual apportionments can be used for planning and administration. Eligible expenses are reimbursed 100 percent.

Section 18 provides capital, administrative and operating assistance for public transportation in areas under 50,000 population. Eligible applicants include local units of government and private nonprofit organizations willing and able to make their transportation services available to the general public. Section 18 funds reimburse the Highway Fund for state operation expenditures in the Planning and Development Program for administration and planning associated with the program.