

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntin
Chairperson

1:30 ~~a.m.~~/p.m. on February 14, 1990 in room 514-S of the Capitol.

All members were present except: All present.

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

Conferees appearing before the committee:

Michael O'Keefe, Director, Division of Budget
Gary Stotts, Executive Manager, Department of Corrections
Clantha McCurdy, Director of Student Financial Aid, Kansas Board of Regents
Terri Roberts, Kansas State Nurse's Association
Elizabeth Taylor, Kansas Federation of Licensed Practical Nurses

Others attending: See attached list.

HB 2793 - Tax levy for state correctional institutions.

Michael O'Keefe, Budget Director, explained that the intent of HB 2793 is to share half the funds generated from the property tax mill levy with the Correctional Institutions Building Fund (CIBF). In 1991 the gaming revenues that fund the CIBF will drop due to the payback to the State General Fund from the Racing Fund. In 1992 the revenues due the CIBF should go back up. Mr. O'Keefe stated this transfer is necessary on a one-year basis in order to clear existing projects and to provide \$1 million for repair and rehabilitation projects within the DOC. The bill also includes a rollback of the mill levy rates to pre-reappraisal budget levels.

Gary Stotts, Executive Manager, DOC, appeared in support of HB 2793 stating the additional funds are essential for carrying out capital improvement projects already approved and for minimal repair and rehabilitation.

Chairman Buntin proposed to amend HB 2793 to reflect the level of the current mill levy for the State Institutions Building Fund (SIBF) (Attachment 1). The bill included a reduction as proposed by the Governor. Representative Chronister moved adoption of the amendment to leave the property tax mill levy for the SIBF at current level (.5 mills). Representative Kline seconded. Representative Moomaw stated he opposes the amendment because he does not feel the funds to be gained from the mill levy due to reappraisal should be kept by the state. On a show of hands on Representative Chronister's motion, the motion carried.

Representative Shriver stated he strongly believes the state institutions need all the available funds for maintenance of their facilities. Representative Shriver moved to amend HB 2793 to provide a tax levy for the CIBF by reducing the Educational Building Fund (EBF) levy by one-eighth mill and the SIBF levy by one-eighth mill to be dedicated to the CIBF on a one time basis for tax year 1990. Representative Wisdom seconded. Motion carried.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,

room 514-S, Statehouse, at 1:30 ~~am~~/p.m. on February 14, 1990

Representative Shriver moved that HB 2793, as amended, be recommended favorably for passage. Representative Wisdom seconded. Motion carried.

HB 2773 - Nursing student scholarship program, annual limit on new scholarships.

Clantha McCurdy, Director of Student Financial Aid, Kansas Board of Regents, testified in support of HB 2773 (Attachment 2). The bill changes the language of the Nursing Student Scholarship Program to allow for 250 nursing student scholarships each year. Representative Vancrum asked if state institutions are sponsoring any scholarship recipients. Ms. McCurdy stated KUMC sponsored 10 students and is the only sponsoring state institution.

Terri Roberts, Kansas State Nurse's Association, testified in support of HB 2773 (Attachment 3).

Written testimony in support of HB 2773 was distributed from Patsy Johnson, Kansas State Board of Nursing (Attachment 4).

Elizabeth Taylor, Kansas Federation of Licensed Practical Nurses, appeared in support of HB 2773.

Representative Chronister moved that HB 2773 be recommended favorably for passage. Representative Teagarden seconded. Several members expressed concern that the effect of HB 2773 is to double the funding for this program and this funding could be used in many other areas of state government. The motion carried.

HB 2614 - Appropriations for FY91, department of transportation.

The Committee reviewed the Department of Transportation subcommittee report for FY90 and FY91 (Attachment 5). In response to a question, Representative Helgerson stated in approving the \$1,231,632 increase in agency operations for FY90, temporary positions can be filled to accelerate preconstruction activities. A quicker start on the construction program should result in a lowering of the peak costs in the third or fourth year of the program.

Representative Brady noted that all of the agency's capital improvements requests for remodeling and building repair for FY91 were approved and he asked if the subcommittee evaluated that decision in light of other requests of road construction projects. Representative Brady feels road construction projects should be the priority. Representative Kline stated the capital improvement request of the agency this year is approximately at the same level it has been in past years. Representative Brady moved that \$2 million be transferred from KDOT Capital Improvements Buildings to Capital Improvements-Other Construction Subprograms. Representative Teagarden seconded. Motion failed.

Representative Vancrum stated he would like to see a Governor's budget amendment on speeding up implementation of the Construction Management System addressed in item 8 of the FY91 subcommittee report before it is approved by the Committee. Representative Vancrum moved to delete item 8 from the subcommittee report for FY91. Representative Moomaw seconded. The Subcommittee feels it is necessary to implement this program for efficient use of state highway funds over the next seven years. The motion failed.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,

room 514-S, Statehouse, at 1:30 ~~xx~~ p.m. on February 14, 1990

Representative Helgerson submitted a minority report. Representative Hoy moved adoption of the majority subcommittee report for FY90 and FY91. Representative Hensley seconded. Representative Helgerson offered a substitute motion to adopt the minority subcommittee report. Representative Shriver seconded. Substitute motion failed. On the original motion, the motion carried.

Representative Teagarden moved that HB 2614, as amended, be recommended favorably for passage. Representative Chronister seconded. Motion carried. The meeting was adjourned at 3:35 p.m.

HOUSE BILL No. 2793

By Joint Committee on State Building Construction

2-2

9 AN ACT relating to state tax levies for institutions; concerning the
10 imposition and disposition thereof; amending K.S.A. 76-6b04, 76-
11 6b09 and 79-5109 and repealing the existing sections.

12
13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 76-6b04 is hereby amended to read as follows:
15 76-6b04. (a) There is hereby levied an annual permanent state tax
16 upon all tangible property in this state which is subject to ad valorem
17 taxation. The tax levy shall be ~~.25~~ [.2125] mill in the year ~~1987~~ 1990
18 and ~~.5~~ [.425] mill in the year ~~1988~~ 1991 and each year thereafter
19 until changed by statute. The tax levy shall be in addition to all
20 other state tax levies authorized by law. The tax levy shall be for
21 the use and benefit of state institutions caring for persons who are
22 mentally ill, retarded, visually handicapped, with a handicapping
23 hearing loss or tubercular or state institutions caring for children
24 who are deprived, wayward, miscreant, delinquent, children in need
25 of care or juvenile offenders and who are in need of residential care
26 or treatment, or institutions designed primarily to provide vocational
27 rehabilitation for handicapped persons. The proceeds of such tax levy
28 shall be apportioned in accordance with this act.

29 (b) The county treasurer of each county shall make the proceeds
30 of the tax levy provided for in this section available to the state
31 treasurer immediately upon collection. When available, the state
32 treasurer shall withdraw from each county the proceeds of the taxes
33 raised by such tax levy. Upon such withdrawal the state treasurer
34 shall deposit the same in the state treasury and shall credit the same
35 as provided in K.S.A. 76-6b05 and amendments thereto.

36 Sec. 2. K.S.A. 76-6b09 is hereby amended to read as follows:
37 76-6b09. (a) There is hereby levied in the year ~~1987~~ 1990, a state
38 tax of ~~.25~~ [.2125] mill upon all taxable tangible property in the state.
39 Such tax levy shall be in addition to all other state tax levies au-
40 thorized by law. Such tax levy shall be for the use and benefit of
41 state correctional institutions.

42 (b) The county treasurer of each county shall make the proceeds
43 of the tax levy provided for in this section available to the state

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2-14-90
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Attachment 1



HOUSE BILL 2773
KANSAS NURSING STUDENT SCHOLARSHIP

TESTIMONY BEFORE THE
COMMITTEE ON APPROPRIATIONS

February 14, 1990

Good afternoon Mr. Chairman and members of the Committee. I am Clantha Carrigan McCurdy, Director of Student Financial Aid for the Kansas Board of Regents office. I appear before you this afternoon to speak favorably for House Bill 2773 which seeks minor amendments to existing legislation for the Kansas Nursing Student Scholarship Program.

The Nursing Scholarship Program is in its first year of operation. Current legislation limits the awarding of scholarships to a maximum of 250 each year. Language in the existing statute is restrictive to the attempt by Kansas to reduce its nursing shortage in a relatively short number of years. For example, under the current legislation, if all 250 scholarships are awarded to students who are eligible to receive continued funding for a second year, new applications can not be entertained. This also limits our ability to provide medical institutions with a pool of qualified personnel to help alleviate their nursing shortage.

From an administrative point of view, we believe the language in House Bill 2773 clarifies the nursing scholarship program. It is our understanding that House Bill 2773 also follows the original intent and purpose of the Legislature and the Governor.

In the first year of the program 358 applications were received. Considering the time and other factors involved in quickly getting a program of this complexity implemented, the initial interest is suggestive of the fact that the nursing scholarships can be awarded. Your support of House Bill 2773 is encouraged.

Thank you for allowing me to address you today. I will be happy to respond to your questions or comments.

Clantha Carrigan McCurdy
Director of Student Financial Aid

HA



FOR MORE INFORMATION CONTACT
Terri Roberts, J.D., R.N.
Executive Director
Kansas State Nurses's Association
(913) 233-8638
February 14, 1990



H.B. 2773 NURSING STUDENT SCHOLARSHIP AMENDMENTS

Chairman Bunten and members of the House Appropriation Committee, my name is Terri Roberts R.N. and I am a registered nurse representing the Kansas State Nurse's Association. Thank you for the opportunity to speak on H.B. 2773.

The Kansas State Nurses' Association was very supportive of the commitment that the 1989 legislature made to funding the Nursing Student Scholarship Program. H.B. 2479 which provided 250 scholarships to nursing students in both LPN and RN programs was well received by the private sector, with their accompanying responsibility for matching the funds for contracts to these students. The nursing shortage accompanied by the increase in media attention has led to an increase in nursing enrollments at all levels. Scholarships, is of course a very positive incentive, and is particularly needed by those individuals who would otherwise be unable to pursue a nursing education.

H.B. 2773 changes the language of the Nursing Student Scholarship program to allow for 250 nursing student scholarships each year. This would provide continuity to those already enrolled in a two year or four year college, while allowing for the awarding of scholarships to another year of nursing students. We support this language change and the funding recommendation by the Governor for FY 1991.

Although not all 250 scholarships were awarded in FY 1990, only 186 scholarships were awarded, the timing of the implementation and the process for application hindered last years awards. We do not anticipate these same obstacles this year, the Board of Regents Staff have been working with the organizations representing the sponsor groups, KHA, KAHA and KHCA, as well as the schools of nursing to facilitate the distribution of the scholarship program information and applications.

Thank you.

HB 2773

Kansas State Board of Nursing

Landon State Office Building
900 S.W. Jackson, Rm. 551
Topeka, Kansas 66612-1256
913-296-4929

Lois Rich Scibetta, Ph.D., R.N.
Executive Administrator

Janette Pucci, R.N., M.S.N.
Educational Specialist



Patsy L. Johnson, R.N., M.N.
Educational Specialist

Belva J. Chang, R.N., M.N., J.D.
Practice Specialist

TO: The Honorable Bill Bunten, Chairman, and Members
of the House Appropriations Committee

FROM: Patsy L. Johnson, R.N., M.N.
Acting Executive Administrator *P. Johnson*

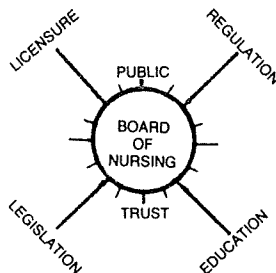
RE: HB 2773

DATE: February 13, 1990

The Board of Nursing supports the change in language on HB 2773 to clarify that the number of new scholarships awarded each year shall not exceed 250. We support this change in that the scholarships that have already been issued will continue in place with the issuance of additional new scholarships on a yearly basis.

Thank you for the opportunity to comment on HB 2773.

PLJ:bph



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Attachment 4

SUBCOMMITTEE REPORT

Agency: Kansas Department of
Transportation

Bill No. 2729

Bill Sec. 47

Analyst: Rothe

Analysis Pg. No. 61

Budget Pg. No. 558

<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	\$ 176,730,779	\$ 175,124,824	\$ 1,231,632
Aid to Local Units	103,214,949	102,331,949	--
Other Assistance	200,000	200,000	--
Operating Expenditures	\$ 280,145,728	\$ 277,656,773	\$ 1,231,632
Capital Improvements	362,683,272	362,239,187	--
TOTAL	<u>\$ 642,829,000</u>	<u>\$ 639,895,960^a</u>	<u>\$ 1,231,632</u>
State General Fund	\$ 74,294,000	\$ 73,246,000 ^b	\$ --
FTE Positions	3,276.0	3,276.0	--

a) As amended by Governor's Budget Amendment No. 1 to make a technical adjustment (reduction of \$554,391 from salaries and wages).

b) As amended by Governor's Budget Amendment No. 1 to restore the State General Fund demand transfer to the State Highway Fund to the amount which corresponds to the November consensus estimate (increase of \$17,921,000 from the State General Fund).

Agency Request/Governor's Recommendation

KDOT's revised FY 1990 state operations budget estimate is \$176,730,779, an increase of \$3,340,029 to the approved budget of \$173,390,750. The revised estimate includes an increase in contracted substantial maintenance of \$2,159,000 and an additional \$1,181,029 for computer system development, rent of additional office space and other state operating expenditures. The Governor recommends \$175,124,824 in FY 1990 for state operations (as amended by Governor's Budget Amendment No. 1), a reduction of \$1,605,955 from the agency's revised estimate. The recommendation includes a reduction of \$888,401 in repairs, \$66,422 in vehicle supplies, and \$651,132 for salary benefit and shrinkage rate adjustments.

The local aid estimate of \$103,214,949 is \$1,795,415 below the approved amount due to a reduction in available federal urban mass transit funds (\$395,352), railroad assistance (\$452,000), Metropolitan Planning Aid funds (\$36,845), and federal highway safety funds (\$911,218). The FY 1990 estimate of \$200,000 for other assistance is the same as the amount approved. The Governor's recommendation for local aid of \$102,331,949 is a reduction of \$883,000 from the agency's revised estimate and reflects November consensus estimates on the demand transfer from the State General Fund to the Special City and County Highway Fund.

The agency's revised estimate of \$362,683,272 for capital improvements is an increase of \$50,270,981 above the amount approved due to the advancement of some projects as well as the carryover of projects from FY 1989. The Governor recommends

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2-14-90
Attachment 5

\$362,239,187 for capital improvements (as amended by Governor's Budget Amendment No. 1), a reduction of \$444,085 from the agency's revised estimate. The recommendation includes a reduction of \$78,017 to reflect salary benefit and shrinkage rate adjustments, and a reduction of \$186,000 from the State General Fund (reflecting the November consensus estimate on the sales tax transfer).

House Subcommittee Recommendations

FY 1990. The House Subcommittee concurs with the Governor's recommendation with the following adjustments:

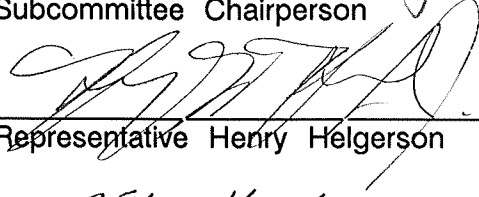
1. Concur with Governor's Budget Amendment No. 1 which restores the State General Fund demand transfer to the State Highway Fund to the amount recommended in the November consensus estimate (increase of \$17,921,000 from the State General Fund).
2. Make a technical adjustment in the FY 1990 supplemental bill (H.B. 2729) to add transfer language permitting KDOT to contract with other state agencies for services. The recommendation will permit the "pass-through" of federal money to local governments and other state agencies (for the purchase of breath testing equipment, for example).
3. Provide a "no limit" expenditure limitation on the Elderly and Handicapped Coordinated Public Transportation Assistance Fund with a proviso that expenditures made from this fund may be from funds received from local units of government participating in the program, and that an amount not to exceed \$390,000 will be transferred from the State Highway Fund to this fund. The recommendation will permit local matching funds received for the purchase of buses to be utilized in addition to the \$390,000 to be expended from the State Highway Fund.
4. Restore FY 1990 agency operations expenditures to \$151,242,605 as approved by the 1989 Legislature and subsequent Finance Council action. The resulting increase of \$1,231,632 above the Governor's recommendation for FY 1990 would provide the agency with the flexibility to hire additional temporary positions, and to provide additional overtime pay and travel and subsistence when the construction season resumes on approximately March 15. The increase would enable the agency to accelerate preconstruction activities and maximize the availability of new highway program revenues. The agency estimates necessary new expenditures will range from a minimum of \$550,000 to as much as \$1,500,000 and has submitted a request for a Governor's Budget Amendment to address the increase. The Division of the Budget is reviewing the request and has stated that this item will be addressed in a Governor's Budget Amendment in April. To accomplish this recommendation, the Subcommittee recommends the deletion of subsections (a) through (e) of section 47 in the FY 1990 supplemental bill (H.B. 2729).
5. The Subcommittee reviewed Governor's Budget Amendment No. 1 which reduces salaries and wages by \$554,391 as a technical adjustment. The Subcommittee concurs with the reduction in the capital improve-

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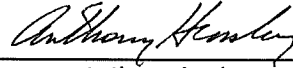
ments program of \$180,068. As part of Subcommittee Recommendation No. 4, above, the Subcommittee does not concur with the agency operations portion of GBA No. 1 which reduces salaries by \$374,323.



Representative Rex Hoy
Subcommittee Chairperson



Representative Henry Helgerson



Representative Anthony Hensley

SUBCOMMITTEE REPORT

Agency: Kansas Department of
Transportation

Bill No. 2614

Bill Sec. 2

Analyst: Rothe

Analysis Pg. No. 61

Budget Pg. No. 558

<u>Expenditure Summary</u>	<u>Agency Req. FY 91</u>	<u>Governor's Rec. FY 91</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 187,710,511	\$ 183,625,831	\$ 2,492,910
Aid to Local Units	113,798,003	113,668,003	--
Other Assistance	<u>200,000</u>	<u>200,000</u>	<u>--</u>
Operating Expend.	\$ 301,708,514	\$ 297,493,834	\$ 2,492,910
Capital Improvements	<u>391,773,861</u>	<u>354,261,972</u>	<u>(346,844)</u>
TOTAL	<u>\$ 693,482,375</u>	<u>\$ 651,755,806^a</u>	<u>\$ 2,146,066</u>
State General Fund	\$ 84,625,000	\$ 84,170,000 ^b	\$ --
FTE Positions	3,312.0	3,293.0	(11.0)

- a) As amended by Governor's Budget Amendment No. 1 to make a technical adjustment (increase salaries and wages by \$620,410).
- b) As amended by Governor's Budget Amendment No. 1 to restore the demand transfer from the State General Fund to the State Highway Fund to the amount which corresponds to the November consensus estimate (increase of \$800,000 from the State General Fund).

Agency Request/Governor's Recommendation

KDOT's operating budget request for FY 1991 totals \$187,710,511 from the State Highway Fund, an increase of \$10,979,732 above the revised FY 1990 estimate. The increase includes \$365,331 for the salaries of 10 FTE new positions to bring staffing up to a level of 2,209.7 FTE. The new positions include six computer personnel and four personnel to enhance condemnation and claims activities. The increase also includes \$2,341,032 for other salary adjustments, \$2,391,000 for additional substantial maintenance contracts, \$3,924,000 above the FY 1990 estimate of \$1,884,000 for computer system development, \$998,458 for maintenance materials, and \$959,911 for other operating budget increases. The Governor recommends \$183,625,831 (as amended by Governor's Budget Amendment No. 1) for state operations in FY 1991, a reduction of \$4,084,680 from the agency's request. The reduction includes \$88,710 from salaries, \$492,119 from rents, \$793,755 from repairs, \$2,320,000 from computer system development, and \$390,096 for various other reductions. The Governor recommends \$201,735 for the salaries of six FTE new computer positions, approximately \$885,600 to fund a 1.5 percent general salary increase, and \$3,232,132 for a computer Integrated Design System.

The agency requests \$505,771,864 for expenditures other than state operations, including \$113,798,003 for Aid to Local Units, \$200,000 for other assistance, and \$391,773,861 for capital improvements. The capital improvements request would finance 1,102.3 FTE positions, including 26 FTE new positions (\$766,902) in the Bureau

of Design to monitor highway plan preparation by private consultant engineer firms. The Governor recommends \$468,129,975 (as amended by Governor's Budget Amendment No. 1) for expenditures other than state operations, a reduction of \$37,641,889 from the agency's request. The Aid to Local Units recommendation of \$113,668,003 reflects a reduction of \$130,000 reflecting November consensus estimates. A total of \$354,261,972 is recommended for capital improvements, a reduction of \$37,511,889 from the request. The recommendation includes \$281,533 for 11 FTE new positions to assist with increased right-of-way activities. Approximately \$522,180 is recommended to fund a 1.5 percent salary increase. Major modification projects are reduced by \$36,033,718, but the Governor recommends an increase of \$1,200,000 for maintenance of state park roads.

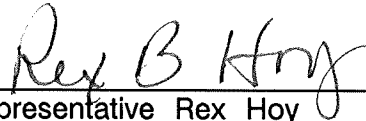
House Subcommittee Recommendations

FY 1991. The House Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Adjust the agency's appropriation bill (H.B. 2614) to include expenditure limitations by divisions rather than one line item listed as "Agency Operations."
2. Concur with the Governor's recommendation to provide \$4,304,033 from State Highway Fund expenditures for capital improvements -- buildings. The Joint Committee on State Building Construction concurred with the Governor's recommendation.
3. Concur with Governor's Budget Amendment No. 1 which increases salaries and wages by \$620,410 to conform with the Governor's intent, and which restores the State General Fund demand transfer to the State Highway Fund to the amount recommended in the November consensus estimate (increase of \$800,000 from the State General Fund).
4. Provide a "no-limit" expenditure limitation on the Elderly and Handicapped Coordinated Public Transportation Assistance Fund with a proviso that expenditures made from this fund may be from funds received from local units of government participating in the program, and that an amount not to exceed \$390,000 will be transferred from the State Highway Fund to this fund.
5. Delete the Mid-States Port Authority proviso under the federal local aid programs. The proviso was inserted several years ago to enable the Mid-States Port Authority to borrow money. The loan was repaid between May 15, 1984 and March, 1988, and the proviso is no longer needed.
6. The Subcommittee notes that several local units of governments have pledged their share of city connecting link aid as local match for various system enhancement construction projects. Depending on which system enhancement projects are chosen, the 1991 Legislature can probably expect to see a reduction in state payments for city connecting links for FY 1992.
7. Delete \$357,849 and 11.0 FTE new positions recommended by the Governor for the State Construction Program. The requested positions

were added to perform right-of-way activities associated with the new highway improvement program. The Subcommittee believes additional positions may be needed from FY 1990 through FY 1997. However, personnel vacancies at KDOT totaled 252 FTE on July 1, 1989 and 164 FTE on January 29, 1990. Additional information has been requested on the proposed construction time table, staffing ratios, staff increases, and cash flow analysis. The Subcommittee will review this information and make recommendations for the Omnibus Bill.

8. Add \$2,503,915 for design and equipment costs associated with a Construction Management Computer System. The recommendation includes \$2,492,910 for state operations and \$11,005 for capital improvements. The Subcommittee does not recommend 4.0 FTE new positions requested with the design and equipment costs. The Governor recommends \$3,232,132 in FY 1991 for the design of an Integrated Design/Right-of-Way System, but delayed the Construction Management System until at least FY 1992. Because the Construction Management System will take one and one-half years to design and implement, the Subcommittee believes the implementation should begin in FY 1991.
9. The Department has requested 64,305 additional square feet to locate all of its operations into one location. The Subcommittee reviewed the cramped surroundings in the Docking State Office Building. However, the Subcommittee is not recommending any additional space and would ask the Department of Administration, Division of Space Management, to review the KDOT request and forward its analysis to the Subcommittee.



Representative Rex Hoy
Subcommittee Chairperson

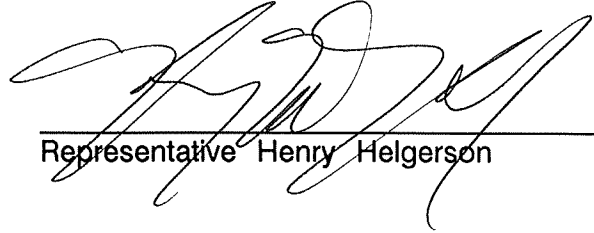
Representative Henry Helgerson



Representative Anthony Hensley

MINORITY REPORT

1. I do not concur with Item No. 1 which adjusts the agency's appropriation bill to include expenditure limitations by divisions. I concur with the Governor's recommendation to include one line item listed as "Agency Operations" to provide flexibility to the agency.



Representative Henry Helgerson