

Approved March 4, 1992

**MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.**

The meeting was called to order by Senator August "Gus" Bogina, Chairperson, at 11:12 a.m. on February 19, 1992 in Room 123-S of the Capitol.

All members were present except:

Senator Feleciano, who was excused

Conferees appearing before the committee:

None

**SB 506 - Appropriations for FY93, state library, arts commission, school for the visually handicapped, school for the deaf, historical society, council on vocational education, public broadcasting commission.**

**STATE LIBRARY**

Senator Moran reviewed the subcommittee report for FY93 (Attachment 1). In answer to a question, staff noted that the operations portion of the adult literacy organization grant program constitutes a position in the State Library budget which is financed through the state general fund and federal dollars. The Chairman expressed his belief that funding of this program might be accomplished through EDIF monies.

The Chairman reminded the Committee that all future subcommittee reports would be amended by the elimination of the salary increases as voted upon in the February 18, 1992 meeting.

Senator Moran moved, Senator Kerr seconded, the adoption of the subcommittee report as amended. The motion carried on a voice vote.

**SCHOOL FOR THE VISUALLY HANDICAPPED**

The FY93 subcommittee report for the School for the Visually Handicapped (Attachment 2) was reviewed by Senator Harder. In answer to a question, he stated that the cost of the special education instructors is slightly lower than average. Senator Harder explained that the subcommittee's recommendation for KSSVH and KSD to supply a list of all services to the subcommittee was made in case the subcommittee wished to establish a fee structure for services provided by the schools.

It was moved by Senator Harder and seconded by Senator Brady that the subcommittee report as amended be adopted. The motion carried on a voice vote.

**SCHOOL FOR THE DEAF**

Attachment 3, the FY93 subcommittee report on the School for the Deaf, was reviewed by Senator Brady. There being no questions, Senator Brady moved and Senator Harder seconded the adoption of the subcommittee report as amended. The motion carried on voice vote.

(The subcommittee report is amended by previous action to delete the salary increases.)

**HISTORICAL SOCIETY**

The FY93 subcommittee report, Attachment 4, was reviewed by Senator Doyen. It was noted that appropriations for repair of water lines and an elevator would be amended into the emergency supplemental bill (HB 2705) at a later date. In answer to a question, staff noted that the State Records Management program included fulltime positions. Senator Doyen moved, Senator Winter seconded, that the subcommittee report be amended by including language that would change the fulltime positions of the State Records Management program to special projects. The motion carried on a voice vote.

(The subcommittee report is further amended by previous action to delete salary increases.)

In answer to a question, Ramon Powers, Executive Secretary of the Historical Society, stated that the agency has written a memo which he would make available to the Committee stating the agency's plans for the disposition of

historical properties. He added that the agency does not wish to vacate property and leave it open to vandalism. Senator Kerr endorsed the subcommittee's recommendation that local entities acquire and maintain historical properties.

It was moved by Senator Doyen and seconded by Senator Rock that the subcommittee report as amended be adopted. The motion carried on a voice vote.

#### STATE COUNCIL ON VOCATIONAL EDUCATION

Senator Moran presented the FY93 subcommittee report, Attachment 5. There being no discussion, Senator Moran moved and Senator Kerr seconded that the subcommittee report as amended by previous action to delete salary increases be adopted. The motion carried on a voice vote.

#### KANSAS ARTS COMMISSION

The FY93 subcommittee report, Attachment 6, was reviewed by Senator Winter.

Senator Winter moved, Senator Doyen seconded, that the subcommittee report as amended by previous action to delete salary increases be adopted. The motion carried on a voice vote.

#### PUBLIC BROADCASTING COMMISSION

Senator Winter reviewed the FY92 subcommittee report, Attachment 7. In answer to a question, Senator Winter noted that the only change in the Governor's recommendations for grants was the additional \$8,000 to KANZ-FM.

There was lengthy discussion regarding public radio station KHCC-FM's decision to not carry the Audio Reader Network. In answer to Senator Kerr's question, Senator Winter stated that no survey of listener satisfaction with Audio-Reader had been conducted.

Senator Winter moved, Senator Gaines seconded, that the FY92 subcommittee report as amended be adopted. The motion carried on a voice vote.

Senator Winter continued the review of the FY93 subcommittee report, Attachment 8. There was discussion regarding the recommendation to issue a bond to create a pool of money that would finance state matches for federal capital-equipment grants. Senator Winter noted that \$2.5 million of equipment could be purchased with a pool of \$622,000 state monies if the match were 25%. The annual appropriation to repay the bonds would be \$132,000. There was discussion involving the advisability of bonding the state prior to establishing the need.

Senator Moran asked why the Governor's allocation of grants differs from that of the subcommittee. Senator Winter noted that the Governor adopted last year's recommendations and the subcommittee adopted the agency's request. Senator Moran informed the subcommittee that KOOD had also lost its sales tax exemption (see item 3, Attachment 8-2).

Senator Kerr expressed his objection to item 5 (Attachment 8-3). It was moved by Senator Kerr and seconded by Senator Winter that the subcommittee report be amended by eliminating section 3. The motion carried on a voice vote. (The subcommittee report is further amended by previous action to delete salary increases.)

Senator Winter moved, Senator Harder seconded, the adoption of the subcommittee report as amended. The motion carried on a voice vote.

Senator Doyen moved, Senator Gaines seconded, that SB 506 as amended be recommended favorable for passage. The motion carried on a roll call vote.

The Chairman adjourned the meeting at 12:05 p.m.



**SUBCOMMITTEE REPORT**

**Agency:** State Library

**Bill No.** 506

**Bill Sec.** 2

**Analyst:** Piekalkiewicz

**Analysis Pg. No.** 462

**Budget Page No.** 422

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,336,952	\$ 1,408,233	\$ 21,000
Local Aid	3,994,178	2,944,880	--
Total	<u>\$ 6,331,130</u>	<u>\$ 4,353,113</u>	<u>\$ 21,000</u>
State General Fund:			
State Operations	\$ 2,070,350	\$ 1,099,952	\$ 21,000
Local Aid	2,824,774	1,817,155	--
Total	<u>\$ 4,895,124</u>	<u>\$ 2,917,107</u>	<u>\$ 21,000</u>
FTE Positions	27.5	26.0	--

**Agency Request/Governor's Recommendation**

The Library's request of \$6,331,130 for FY 1993 includes \$2,336,952 for state operations including financing for 27.5 FTE positions, an addition of 1.5 FTE positions to the FY 1992 staffing level; and \$3,994,178 for grants to public and regional library systems. The FY 1993 request reflects an increase from FY 1992 to FY 1993 of \$1,994,718 from the State General Fund of which \$360,000 is for the implementation of a Kansas Library Catalog (KLC) On-Line System, \$375,000 for computer workstations for local libraries, and \$252,099 for other state operations expenditures. The remaining \$1,007,619 would expand in FY 1993 the level of State General Fund support to local libraries.

For FY 1993, the Governor recommends \$4,353,113 a net reduction of \$3,803 from the current year recommendation of \$4,356,916. The recommendation includes an increase of \$22,490 for salaries and wages and a reduction of \$20,950 in other operating expenditures. The recommendation for state operations of \$1,408,233 reflects a \$27,466 reduction, or 1.9 percent from FY 1991 actual expenditures. The recommendation for aid to local units maintains the current level of state funding. Compared to the agency request for FY 1993, the Governor's recommendation represents a \$928,719 reduction in state operations and a \$1,049,298 reduction in aid to local units.

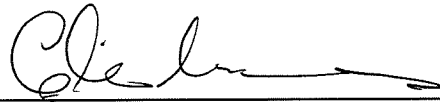
**Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation with the following exception:

1. Add \$21,000 from the State General Fund to restore the amount of other operating expenditures in FY 1993 to the FY 1992 level.

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February 19, 1992  
Attachment 1*

2. The Subcommittee encourages the State Library and libraries around the state to work with the Information Network of Kansas (INK) to make available information and data across the state. The Subcommittee recommends that a cooperative arrangement be pursued so that duplication of services is avoided and that access to all Kansans is provided.
3. The Subcommittee notes that H.B. 2680 was introduced by the Joint Committee on Economic Development which establishes a volunteer adult literacy organization grant program. This program would build upon the adult literacy program of the State Library by providing grants to volunteer adult literacy organizations to assist in the development and implementation of new adult literacy programs or to provide funding for the acquisition of materials and resources for existing adult literacy programs. The volunteer adult literacy organizations are providing a desperately needed service to Kansans who do not have a basic proficiency in reading and writing.



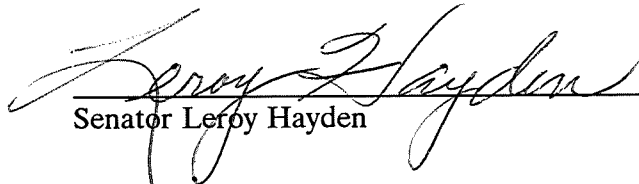
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Senator Jerry Moran  
Subcommittee Chairperson



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Senator Dave Kerr



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Senator Leroy Hayden

**SUBCOMMITTEE REPORT**

**Agency:** School for the Visually Handicapped

**Bill No.** 506

**Bill Sec.** 4

**Analyst:** Piekalkiewicz

**Analysis Pg. No.** 42

**Budget Page No.**

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 3,555,614	\$ 3,108,891	\$ 57,000
Other Funds	83,140	151,354	0
Total	<u>\$ 3,638,754</u>	<u>\$ 3,260,245</u>	<u>\$ 57,000</u>
FTE Positions	95.5	93.5	--

**Agency Request/Governor's Recommendation**

The School requests \$3,638,754 for FY 1993, of which all but \$83,140 is from the State General Fund. The operating expenditures request includes funding of \$113,365 from the State General Fund for the Kansas Instructional Resource Center for the Blind and Visually Impaired, formally located at the Wichita school district. The request for the Resource Center includes an additional three positions. Also included in the agency's FY 1993 request is \$122,800 from the State General Fund for the arts for the handicapped program, which is based on the campus of the School. An additional \$157,459 is requested from the State Institutions Building Fund for capital improvements.

For FY 1993, the Governor recommends operating expenditures of \$3,260,245, of which \$3,108,891 would be from the State General Fund and \$151,345 from special revenue funds. The recommendation of \$151,345 for special revenue funds is an increase of \$68,214 from the amount of special revenue funds included in the School's request. Of the increase in special revenue funds, \$63,500 is for the Instructional Resource Center which is now administered by KSSVH. Total recommended funding for the Resource Center also includes \$27,965 from the State General Fund and two positions. The Governor recommendation includes funding of \$75,000 from the State General Fund for Accessible Arts, Inc. Funding for capital improvements recommended by the Governor total \$134,000 from the State Institutions Building Fund.

**Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Recommend that the Kansas State School for the Visually Handicapped (KSSVH) charge a 20 percent administrative fee for requests to the Kansas Instructional Resource Center from school districts for the duplication of K-12

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Attachment 2*

textbooks into braille. The Governor recommended \$63,500 from federal funds and \$27,965 from the State General Fund for Resource Center, which up until the current year was administered by the Wichita school district.


In addition to recommending an administration fee for services the Resource Center provides local school districts, the Subcommittee is recommending as part of its recommendation for both KSSVH and Kansas School for the Deaf (KSD) that an administrative fee of 20 percent be charged for all supportive services the state Schools are now providing free of charge to local school districts. Services provided include psychological testing and technical assistance; currently KSSVH is providing psychological testing to approximately 60 students. It is not the intention of the Subcommittee that this recommendation be regarded as a first step to ultimately funding the entire operations of the two state Schools by tuition charged back to local school districts. This recommendation merely proposes to charge an administrative fee as a cost sharing measure for services provided to school districts for students who are not attending KSSVH or KSD.

The Subcommittee does not recommend an expenditure in the KSSVH budget of these collected fees in FY 1993 but recommends an expenditure of the funds in FY 1994 to offset the State General Fund or to enhance the programs of the two Schools.

The Subcommittee recommends that both KSSVH and KSD supply next year's subcommittee with a list of all services the two schools provide local school districts as well as the actual cost to the state for those services.

2. Add \$57,000 from the State General Fund to reduce the shrinkage rate from 5.0 percent, as recommended by the Governor, to 3.0 percent.

  
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 Senator Joseph Harder  
 Subcommittee Chair

  
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 Senator William Brady

**SUBCOMMITTEE REPORT**

**Agency:** School for the Deaf

**Bill No.** 506

**Bill Sec.** 5

**Analyst:** Piekalkiewicz

**Analysis Pg. No.** 428

**Budget Page No.**

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 6,442,591	\$ 5,678,035	\$ 69,000
Other Funds	206,400	233,700	25,000
Total	<u>\$ 6,648,991</u>	<u>\$ 5,911,735</u>	<u>\$ 94,000</u>
FTE Positions	189.5	173.5	1.0

**Agency Request/Governor's Recommendation**

Kansas School for the Deaf (KSD) requests state operations expenditures of \$6,648,987 for FY 1993, of which \$6,442,587 would be from the State General Fund and \$206,400 would be from other revenues sources. The FY 1993 request also includes \$1,090,620 from the State Institutions Building Fund for capital improvements. The state operations request includes funding for 12 FTE new positions associated with implementing a new program for trainable mentally handicapped children who are deaf. The School would also like to upgrade its infirmary staff by reclassifying three Service Attendants to Registered Nurse I positions.

The Governor recommends state operations expenditures of \$5,911,735 for FY 1993, a net increase of \$184,744, or 3.2 percent over the FY 1992 recommendation. Of the increase, 64 percent is in salaries and wages, though, no new positions are approved. The Governor's recommendation for FY 1993 also provides \$116,543 from the State Institutions Building Fund for capital improvements.

**Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Restore 1.0 FTE Psychologist position eliminated by the Governor and recommend \$21,400 (half of the base cost of the position plus fringe benefits) from the State General Fund to fund half of the position. Since half of the Psychologist's time will be dedicated to providing psychological testing to students in school districts who do not attend KSD, the Subcommittee recommends that a minimum of \$15,000 for the position come from a fee charged to local school districts when psychological testing is requested. KSD estimates that if this position were authorized psychological testing would be provided to approximately 50 students in local school districts.

*SWAM  
February 19, 1992  
Attachment 3*

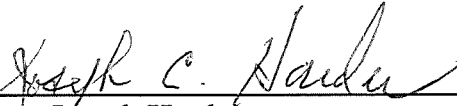


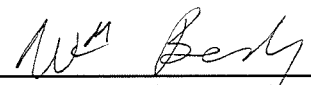
As with the Subcommittee's recommendation on School for the Visually Handicapped, the Subcommittee is recommending that an administrative fee of 20 percent be charged for all supportive services which the state Schools are now providing free of charge to school districts. Currently, for example, KSD is providing audiology tests to approximately 90 students who are not KSD students. It is not the intention of the Subcommittee that this recommendation be regarded as a first step to ultimately funding the entire operations of the two state Schools by tuition charged back to local school districts. This recommendation merely proposes to charge an administrative fee as a cost sharing measure for services provided to school districts for students who are not attending KSSVH or KSD.

The Subcommittee does not recommend an expenditure of these collected fees, except in the case of the Psychologist, in FY 1993 but recommends an expenditure of the funds in FY 1994 to offset the State General Fund or to enhance the programs of the two Schools.

The Subcommittee recommends that both KSSVH and KSD supply next year's subcommittee with a list of all services the two schools provide local school districts as well as the actual cost to the state for those services.

2. Add \$27,000 from the State General Fund needed to fund the recommended level of expenditures for the School in FY 1993. The Governor's recommendation for the fee fund represents an increase of \$27,000 over the amount of receipts KSD expects to receive. Sources of revenue to this fund include: federal funds, student activity fees and private donations.
3. Add \$15,000 from the State General Fund to provide KSD students with access to the area vocational training school. KSD estimates that about four or five students would be able to avail themselves of the vocational school's programs. The vocational school, located only a block away from KSD, operates through a consortium of four area school districts, with each school funding programs proportionate to its student population. KSD would be, by far, the smallest member of the consortium, and the proportionate share under this year's funding arrangements would be approximately \$15,000. The Subcommittee, though supportive of providing more vocational opportunities for KSD students, would caution KSD not enter into a consortium with the four area school districts if the consortium agreement obligates the state to any capital costs.
4. Add \$5,600 to upgrade one hospital attendant position to a registered nurse position to allow additional nurse coverage on campus during the early evening hours, which is a time that many students must take prescribed medication.
5. Increase the expenditure limitation on the fee fund by \$25,000 (which is a net increase above the limit set by the Governor). The Subcommittee was informed that a KSD teacher will be the recipient of a special federal grant to build a nature center at KSD.

  
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Senator Joseph Harder  
Subcommittee Chair

  
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Senator William Brady

610-93

**SUBCOMMITTEE REPORT**

**Agency:** Historical Society

**Bill No.** 506, 494

**Bill Sec.** 6

**Analyst:** Piekalkiewicz

**Analysis Pg. No.** 433

**Budget Page No.** 280

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 6,457,856	\$ 5,585,856	\$ 60,000
Aid to Local Units	271,159	281,159	--
Other Assistance	309,238	318,841	--
Subtotal	<u>\$ 7,038,253</u>	<u>\$ 6,185,856</u>	<u>\$ 60,000</u>
Capital Improvements	8,806,890	503,682 *	24,500
	<u><u>\$ 15,845,143</u></u>	<u><u>\$ 6,689,538</u></u>	<u><u>\$ 84,500</u></u>
<b>State General Fund:</b>			
State Operations	\$ 5,630,322	\$ 4,823,151	\$ 60,000
Other Assistance	0	75,000	--
Capital Improvements	8,438,154	0	24,500
TOTAL	<u><u>\$ 14,068,476</u></u>	<u><u>\$ 4,898,151</u></u>	<u><u>\$ 84,500</u></u>
<b>Economic Development Initiative Fund:</b>			
State Operations	\$ 0	\$ 0	\$ --
Other Assistance	75,000	0	--
Subtotal	<u>\$ 75,000</u>	<u>\$ 0</u>	<u>\$ --</u>
Capital Improvements	368,736	0	--
TOTAL	<u><u>\$ 443,736</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ --</u></u>
<b>FTE Positions</b>	152.0	141.5	--

\* General Facilities Building Fund.

**Agency Request/Governor's Recommendation**

The Historical Society's FY 1993 request for state operations totals \$6,457,856 of which \$5,630,322 is from the State General Fund. The request from State General Fund reflects an increase of \$755,506 above the FY 1992 estimate of \$4,874,816. Included in this request is proposed funding of \$200,514 for 7 FTE new positions, \$146,986 (including 3 new FTE) for a State Records Management Program, \$58,200 for exhibits for the historic sites and Kansas Museum of History; and \$91,461 for the creation of a master negative copy of microfilm of state documents and newspapers. Expenditures of \$328,188 are estimated for other assistance, including \$75,000 from the Economic Development Initiatives Fund (EDIF) for the Kansas Committee for the Humanities (KCH), an increase of \$10,000 over the current year.

*SWAM  
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Attachment 4*

Also included in the FY 1993 is \$343,736 from the EDIF for rehabilitation and repair projects at the state-owned historic sites; \$25,000 from the EDIF for emergency repair projects at all the Historical Society facilities; \$228,682 from the State General Fund for floodplain improvements the site where the Kansas Museum of History is located: \$18,312 for a ventilation system for the Museum; \$6,251 for cleaning the ventilation system at the Memorial Building; and \$8.1 million for the first phase of construction for the new Center for Historical Research.

The Governor's recommendation for FY 1993 is \$5,585,987 for operating expenditures, including \$4,823,151 is from the State General Fund. The recommendation includes a \$53,801 increase in salaries and wages, from the current year recommendation of \$5,617,276. Funding is eliminated for 3.5 FTE positions currently vacant and funding of \$65,145 is included for 3.0 FTE new positions for the implementation of a state records management program. In addition to the new positions, \$81,677 is recommended for the new program.

Expenditures of \$600,000 (special revenue funds) are recommended for local aid and other assistance of which \$400,000 is from the Heritage Trust Fund for grants for historic preservation. Funding of \$75,000 from the State General Fund is provided in the Governor's recommendation for the Kansas Committee for the Humanities.


The Governor recommends \$503,682 for capital improvements from the General Facilities Building Fund, a new fund recommended by the Governor, to be financed by the dedication of 20 percent of gaming revenue receipts for a number of capital improvement projects. The recommendation for the Historical Society includes \$225,000 for the rehabilitation and repair of the state-owned historic sites; \$50,000 for emergency repair projects at all the Society's facilities; and \$228,682 for flood plain improvements.

### **Senate Subcommittee Recommendation**

The Subcommittee concurs with the Governor's recommendation with the following exceptions:

1. Add \$30,000 from the State General Fund to allow the Historical Society to begin to duplicate the rolls of microfilm, in its collection, which are most endangered by an oxidation process known as redox.
2. Add \$30,000 from the State General Fund to reduce the shrinkage rate from 3.0 percent, as recommended by the Governor, to 2.1 percent. The Subcommittee was informed that the Society anticipates entering FY 1993 with no vacancies.
3. Add \$24,500 from the State General Fund to rehabilitate the exterior of the Funston House. The Society anticipates using inmate labor and therefore the recommendation of \$24,500 would be used to purchase materials and supplies. This funding is conditional upon the acquisition of the property by a local entity and the appropriate preservation of it. The Subcommittee believes that it is important that the preservation of the property be ensured, regardless of ownership.
4. The Subcommittee notes that the Historical Society is requesting for FY 1993 \$8,184,909 from the State General Fund for the first phase of construction for the

new Center for Historical Research. The second phase of construction is estimated at \$4,092,455 for a total of \$12,277,364 for the project, which does not include \$500,000 from the State General Fund which has been already expended for planning costs. The Subcommittee believes that the possibility of bonding this project by the state appears to be extremely attractive at this time given the current interest rates. The Subcommittee believes that the issue of the new Center for Historical Research must be resolved during the Session one way or another.



Senator Ross Doyen  
Subcommittee Chairperson



Senator Richard Rock

**SUBCOMMITTEE REPORT**

**Agency:** State Council on Vocational Education

**Bill No.** 506

**Bill Sec.** 7

**Analyst:** Rampey

**Analysis Pg. No.** 470

**Budget Page No.** 596

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
State Operations: Special Revenue Fund	\$ 148,779	\$ 147,433	\$ --
FTE Positions	2.0	2.0	--

**Agency Request/Governor's Recommendation**

**FY 1992.** The Council estimates expenditures of \$150,000 in FY 1992. This is \$11,739 more than approved by the 1991 Legislature. (The Council has a "no limit" expenditure limitation.) The Governor recommends expenditures of \$148,948, a reduction of \$1,052 from the Council's estimate. The reduction is due to a recalculation of fringe benefits.

**FY 1993.** Expenditures for FY 1993 are estimated to be \$148,779, which is the amount of the Council's federal allocation. The Governor recommends expenditures of \$147,433, a reduction of \$1,346 from the Council's request. The change from the request is in salaries.

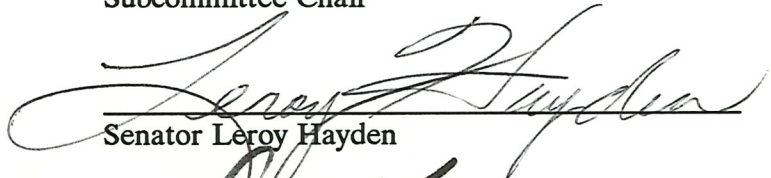
**Senate Subcommittee Recommendation**

**FY 1992.** The Senate Subcommittee concurs with the Governor.

**FY 1993.** The Senate Subcommittee concurs with the Governor.



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 Senator Jerry Moran  
 Subcommittee Chair



\_\_\_\_\_  
 Senator Leroy Hayden



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 Senator Dave Kerr

**SUBCOMMITTEE REPORT**

**Agency:** Kansas Arts Commission

**Bill No.** 506

**Bill Sec.** 3

**Analyst:** Piekalkiewicz

**Analysis Pg. No.** 448

**Budget Page No.**

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 569,823	\$ 416,906	\$ --
Programming Grants	1,646,484	1,250,371	195,000
<b>TOTAL</b>	<u>\$ 2,216,307</u>	<u>\$ 1,667,277</u>	<u>\$ 195,000</u>
<b>State General Fund:</b>			
State Operations	\$ 355,940	\$ 210,612	\$ --
Programming Grants	554,850	789,761	--
<b>TOTAL</b>	<u>\$ 910,790</u>	<u>\$ 1,000,373</u>	<u>\$ --</u>
<b>Economic Development Initiatives Fund:</b>			
State Operations	\$ 0	\$ 0	\$ --
	710,734	0	--
	<u>\$ 710,734</u>	<u>\$ 0</u>	<u>\$ --</u>
<b>FTE Positions</b>	10.0	8.0	1.0

**Agency Request/Governor's Recommendation**

The agency's request for state operating expenditures in FY 1993 totals \$569,823 of which \$355,940 is from the State General Fund, \$210,500 is from federal funds, \$5,000 is from private donations, and \$1,383 is from other revenue sources. Total requested expenditures for state operations represent an increase of \$110,654 (24.4 percent) from the FY 1992 revised estimate of \$459,169. The FY 1993 request includes funding for two additional positions and \$39,709 for overtime pay. For FY 1993, the agency requests \$1,646,484 for arts programming grants, an increase of \$274,524 (20 percent) above the FY 1992 estimate of \$1,371,960. The request includes \$404,850 from the State General Fund, \$530,500 from federal funds, \$710,734 from the EDIF, and \$400 from other sources.

The Governor's recommendation for state operations expenditures in FY 1993 totals \$416,906 of which \$210,612 is from the State General Fund, \$196,294 is from federal funds, \$8,000 is from private donations, and \$2,000 is from other revenue sources. The State General Fund recommendation is \$33,140 less than the FY 1992 recommendation and is \$145,328 less than the agency's FY 1993 State General Fund request. The Governor's recommendation does not include funding for the requested new positions or overtime pay. The Governor's FY 1993 recommendation of \$789,471 for arts programming grants of which \$789,471 is from the State General Fund and

*SWAN  
February 19, 1992  
Attachment 6*

\$460,900 from federal funds and other revenue sources. No funding is recommended in FY 1993 from the EDIF for arts programming grants.

### **Senate Subcommittee Recommendation**

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

1. Recommend the position limitation for the Arts Commission be increased from 8.0 FTE to 9.0 FTE with funding for the position shifted from arts programming grants if this shift is deemed appropriate by the Arts Commission. The Subcommittee was informed that the current classified staff of the Arts Commission in FY 1991 logged approximately 2,000 hours of overtime. The Subcommittee notes that this obviously is a problem that needs to be addressed. The Subcommittee believes that its recommendation will provide the flexibility the Commission needs to address this problem. No state agency should be structured and organized as to necessitate such a degree of overtime work. The Subcommittee believes that the past practice of the excessive overtime hours worked by the Commission staff cannot continue and that the Commission has essentially two options before it: (a) shift funding from arts programming grants and add a position; or (b) scale down the operations of the Commission which would result in a reduction in services to the field and possibly the number of programs the Commission would administer. The Subcommittee believes that this decision would be best made by the Arts Commission with input from the various arts organizations statewide. In any event, the practice of working overtime without funding must be stopped.
2. Recommend a no limit fund to allow a portion of the EDIF funds which were appropriated for FY 1992 to carry forward to FY 1993.
3. The Subcommittee notes that at this time it is uncertain what the Senate's position will be on the Governor's proposal concerning the EDIF and the creation of a new building fund, and therefore, the Subcommittee recommends that the possibility of expending EDIF moneys for arts programming grants be considered during the Omnibus Session.
4. The Subcommittee notes that the Commission is applying to the National Endowment for the Arts for \$195,000 for two additional programs for FFY 1993 and if those funds are received, the Commission will be expending existing state and local funds to match those grants, thus maximizing the federal funds potentially available to the state.



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*Wint Winter*

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Senator Wint Winter, Jr.  
Subcommittee Chairperson

*Paul Feleciano, Jr.*

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Senator Paul Feleciano, Jr.

**SUBCOMMITTEE REPORT**

Agency: Public Broadcasting Commission      Bill No. 547      Bill Sec. New  
 Analyst: Colton      Analysis Pg. No. 455      Budget Page No. 462

<u>Expenditure Summary</u>	<u>Agency Est. FY 92</u>	<u>Gov. Rec. FY 92</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,591	\$ 7,591	\$ --
Aid to Local Units	120,916	120,916	--
Other Assistance	575,749	575,748	8,000
TOTAL	<u>\$ 704,256</u>	<u>\$ 704,255</u>	<u>\$ 8,000</u>
State General Fund:			
State Operations	\$ 7,591	\$ 7,591	\$ --
Aid to Local Units	120,916	120,916	--
Other Assistance	507,749	507,748	8,000
TOTAL	<u>\$ 636,256</u>	<u>\$ 636,255</u>	<u>\$ 8,000</u>
Economic Development Initiatives Fund:			
Other Assistance	\$ 68,000	\$ 68,000	\$ --
FTE Positions	--	--	--

**Agency Estimate/Governor's Recommendation**

The Public Broadcasting Commission's request for FY 1992 totals \$704,256, and includes \$636,256 from the State General Fund and \$68,000 from the Economic Development Initiatives Fund. The State General Fund portion of the request includes operating grants for four public television stations and one rebroadcast station, as well as for one public radio station. The EDIF portion of the request represents a one-time grant to public radio station KHCC-FM (Hutchinson); the grant was used as a match for federal moneys to fund expansion of the station's service area in North-Central Kansas. The Governor concurs with the agency request with one exception: the operating grant to KANZ-FM (Pierceville) is reduced by \$1. The Governor's State General Fund recommendation represents a drop of 13.6 percent from actual FY 1991 figures.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation with the following modifications and observations:

1. Add \$8,000 from the State General Fund to the operating grant to public radio station KANZ-FM (Pierceville). The Subcommittee learned that, through a

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technical error, \$10,000 in State General Fund moneys were lapsed from the operating grant to the station during the 1991 Legislature's Omnibus Bill, rather than the \$2,000 intended by the Omnibus Conference Committee. The Subcommittee recommendation rectifies this error.

2. The Subcommittee recommends that any FY 1992 savings in the agency's operations (administrative) budget be reappropriated to FY 1993. This will assist the agency in fulfilling the charge given it by the 1991 Interim Special Committee on Ways and Means, *i.e.*, to study and make a report to the FY 1993 Legislature on the ideal role of the state, if any, in the field of public broadcasting.
3. The Subcommittee learned, to its dismay, that public radio station KHCC-FM (Hutchison), which was a recipient of a \$68,000 grant from the Kansas Economic Development Initiatives Fund in FY 1992, no longer allows the Kansas Audio Reader Network to use its FM sub-channels to broadcast to Central and North-Central Kansas. The Kansas Audio Reader Network, which is affiliated with the University of Kansas, is a radio reading service for blind and other print-handicapped people. Audio Reader provides its services free of charge to listeners throughout the state, and has received national recognition for the quality of its services, which are provided, to a great extent, by an outstanding staff of volunteer readers.

The Subcommittee could find no reasonable explanation for radio station KHCC-FM's actions. The State of Kansas provided the downlink through which, until the beginning of calendar year 1992, KHCC-FM received programming from Audio Reader. Out-of-pocket costs to the station to maintain the Audio Reader signal were minimal and could be done in the course of routine maintenance. Fiscal necessity, the Subcommittee concludes, could not have been the radio station's motivating factor.

The Subcommittee feels that radio station KHCC-FM has added insult to injury by beginning to use a radio reading service out of New York City. Much of the programming of the service now used by KHCC is oriented toward New Yorkers and other residents of the Eastern Seaboard, while the Audio Reader service broadcasts news from the Kansas newspapers (not only newspapers from the state's metropolitan areas, but from regional newspapers from all areas of the state as well) as well as from national publications. The Subcommittee learned that many former Audio Reader listeners have been cut off from hearing Kansas and regional news through the inexplicable actions of radio station KHCC-FM.

The Subcommittee also learned that the New York City reading service now used by KHCC-FM, in contrast to Audio Reader, has a reputation for poor technical service and poor reader quality within the industry.

The Subcommittee deplores the actions of KHCC-FM, and regrets that the \$68,000 EDIF grant to the station has already been released. Were this not the case, the Subcommittee would recommend withdrawal of the grant. In order to prevent such actions from happening in the future, the Subcommittee recommends that the Public Broadcasting Commission's enabling statutes (K.S.A. 75-4901 ff.) be amended, making any future state grants to public radio stations

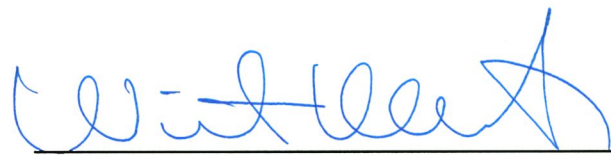
conditional upon contractual agreement to carry the Kansas Audio Reader Network if so requested.

The Subcommittee notes that radio station KANZ-FM does carry the Audio Reader service.

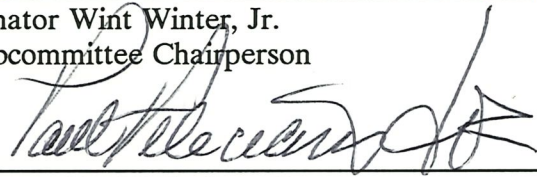
4. The Subcommittee wishes, finally, to commend the public television and radio stations under the aegis of the Public Broadcasting Commission for continuing to provide excellent cultural and educational programming, in spite of difficult fiscal circumstances that have necessitated reductions in the size of state grants to public broadcasting. The Subcommittee feels that state support for public broadcasting is an excellent investment, and that, in light of the hundreds of millions of dollars in state funding for public schools and higher education, the State of Kansas is getting "a lot of bang for the buck" for its financial commitment to public broadcasting.

Operating grants to public television and radio stations, reflecting the recommendations of the Subcommittee, are shown below.

<u>Station</u>	<u>Grant</u>
KTWU-TV	\$ 120,916
KPTS-TV	120,916
KCPT-TV	103,535
KOOD/KSWK-TV	261,180
KANZ-KZNA-FM	30,117
Subtotal	<u>\$ 636,664</u>
Administration	7,591
Total FY 1992 from SGF	<u><u>\$ 644,255</u></u>



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 Senator Wint Winter, Jr.  
 Subcommittee Chairperson



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 Senator Paul Feleciano, Jr.

**SUBCOMMITTEE REPORT**

Agency: Public Broadcasting Commission      Bill No. 506      Bill Sec. 8  
 Analyst: Colton      Analysis Pg. No. 455      Budget Page No. 462

<u>Expenditure Summary</u>	<u>Agency Req. FY 93</u>	<u>Gov. Rec. FY 93</u>	<u>Subcommittee Adjustments</u>
<b>All Funds:</b>			
State Operations	\$ 25,000	\$ 6,576	\$ --
Aid to Local Units	149,000	120,916	--
Other Assistance	847,900	507,748	8,000
<b>TOTAL</b>	<u>\$ 1,021,900</u>	<u>\$ 635,240</u>	<u>\$ 8,000</u>
<b>State General Fund:</b>			
State Operations	\$ 25,000	\$ 6,576	\$ ---
Aid to Local Units	149,000	120,916	--
Other Assistance	847,900	507,748	8,000
<b>TOTAL</b>	<u>\$ 1,021,900</u>	<u>\$ 635,240</u>	<u>\$ 8,000</u>
<b>FTE Positions</b>	--	--	--

**Agency Request/Governor's Recommendation**

The Public Broadcasting Commission's request for FY 1993 totals \$1,021,900, all from the State General Fund. The request includes operating grants for four public television stations and one rebroadcast station (\$674,500), as well as for one public radio station (\$72,400). The request also includes \$150,000 for capital-equipment matching grants and \$100,000 for challenge grants to be disbursed by the Public Broadcasting Commission. The request includes, finally, \$25,000 for state operations (administration); the requested moneys would allow the Commission to hire a .4 FTE intermittent employee to oversee the Commission's day-to-day operations, as well as rent office space of its own (it is currently dependent upon the Department of Administration for these needs). The Governor recommends, for operating grants, the exact dollar amount as in her current-fiscal-year recommendation. The recommendation decreases the amount requested for state operations by \$18,424, and includes no funding for the requested capital-equipment or challenge grants.

**Senate Subcommittee Recommendation**

The Senate Subcommittee concurs with the Governor's recommendation with the following modifications and observations:

1. Add \$8,000 from the State General Fund as was done in the FY 1992 recommendation. This is, in the opinion of the Subcommittee, consistent with the Governor's practice of funding FY 1993 operating grants at a level equal to FY 1992.

*SWAM*  
*February 19, 1992*  
*Attachment 8*

2. Shift funding for operating grants among stations in order more closely to reflect the agency's original request. The shift will not entail any additions other than the one recommended in Item No. 1 of this report, but is consistent with the recommendation of the Public Broadcasting Commission, whose advice the Subcommittee sought in this matter. Operating grants, reflecting the recommendations of the Subcommittee, are as follows:

Station	Gov. Rec.	Subcommittee Adjustments	Subcommittee Recommendation
KTWU-TV	\$ 120,916	\$ 2,795	\$ 123,711
KPTS-TV	120,916	2,795	123,711
KCPT-TV	103,535	2,410	105,945
KOOD-TV	261,180	(13,180)	248,000
KANZ-FM	22,117	13,180	35,297
TOTAL	<u>\$ 628,664</u>	<u>\$ 8,000</u>	<u>\$ 636,664</u>

The Subcommittee notes that the \$248,000 recommended for KOOD-TV is the amount of its FY 1993 request.

3. The Subcommittee learned that the exemption of KPTS-TV from sales and taxes was recently revoked by the Kansas Department of Revenue. The station had long been held exempt from such taxes as a "not-for-profit educational institution," but was notified on November 25, 1991, that, in the opinion of the Department of Revenue, it did not qualify for this exemption.

The Subcommittee feels that it would be "like robbing Peter to pay Paul" for the State to give operating grants to public broadcasting stations with one hand, only to take back the money with the other hand in the form of sales and use taxes.

The Subcommittee also believes that the present situation is illogical, and that it creates inequity among public broadcasting institutions: institutions licensed to community colleges and universities continue to be exempt from taxation, while independent stations must pay.

In order to address this situation, the Subcommittee recommends that public television and radio stations be exempted in their own right from sales and use taxes, and that a bill be introduced to accomplish this.

4. It is the finding of the Subcommittee that Kansas is failing to maximize the amount of federal moneys that could be used to help replace public television and radio stations' aging stock of capital equipment. This is because, currently, in order to obtain federal funds for equipment purchases, the state must match every federal dollar with a match of fifty cents. The money appropriated to stations through the Public Broadcasting Commission has rarely been sufficient to fund such matches, and frequently, the responsibility for the match money has been left to individual stations. In many instances, stations cannot raise the

necessary match for the federal dollars. If the match money is not provided, the federal dollars are lost to Kansas, and are reallocated to states that can fund the required state match.

It is, therefore, the recommendation of the Subcommittee that the Kansas Development Finance Authority be authorized to issue a bond, the proceeds of which would be used to create a pool of money from which stations could draw in order to finance state matches for federal capital-equipment grants. Stations would repay the funds through annual appropriations from the Kansas Legislature to the Public Broadcasting Commission.

The Subcommittee has requested that KDFA consult with stations about their federally-matchable equipment needs, and that it put together a white paper, explaining costs, details and mechanics of such a bond issue by March 15, 1992.

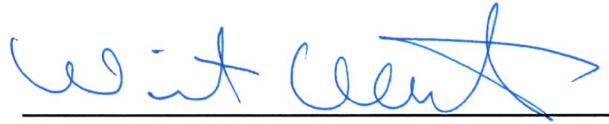
The Subcommittee believes that the availability of such a pool of money to public television and radio stations would enhance their ability to compete for federal capital-equipment dollars. The Subcommittee feels, further, that it is necessary to act now in order to head off further deterioration of the stations' capital equipment.

The Subcommittee's recommendation requires, for the present time, a bill authorizing KDFA to undertake such a bond issue. The recommendation will also require that an annual appropriation, sufficient to retire the bond, be approved by the Legislature.

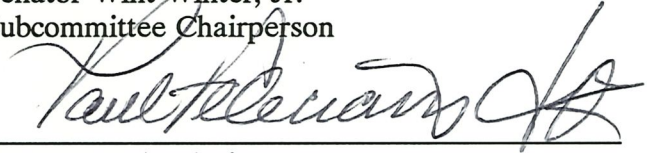
5. The Subcommittee reiterates its statements relative to the refusal of radio station KHCC-FM to carry the Kansas Audio Reader Service and recommends, in addition to the actions indicated in the FY 1992 report, that a proviso be inserted into the K-12 school-finance bill forbidding any of the state funding for Hutchinson Community Junior College, to which KHCC-FM is licensed, from being used to support KHCC-FM; and that the agreement to carry Audio Reader be made a condition for being eligible for moneys for capital-equipment replacement (addressed in Item No. 8 of this report), should this initiative be approved by the Legislature.
6. The Subcommittee reiterates its commendation of the public radio and television stations for continuing to provide excellence in cultural and educational programming under difficult financial circumstances.

The Subcommittee's recommendations for funding for the Public Broadcasting Commission, all from the State General Fund, are reflected in the following table.

<u>Expenditure</u>	<u>FY 1993 Recommendation</u>
Operating Grants	\$ 636,664
Administration	6,576
Total	<u>\$ 643,240</u>



Senator Wint Winter, Jr.  
Subcommittee Chairperson



Senator Paul Feleciano, Jr.