

Approved: 3/23/95
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Robin Jennison at 1:15 p. m. on March 20, 1995 in Room 514-S of the Capitol.

All members were present except: Representative Gross, excused

Committee staff present: Alan Conroy, Legislative Research Department
Tim Colton, Legislative Research Department
Laura Howard, Legislative Research Department
Russell Mills, Legislative Research Department
Eric Milstead, Legislative Research Department
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Lenore Olson, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

A subcommittee reports was presented for University of Kansas Medical Center bills and other higher education issues covered under SB 80, SB 170, SB 171, SB 173, SB 174 and HB 2573.

SB-80 - Other Education.

SB 170 - KU medical center, acquisition of hardware and software for hospital.

SB 171 - KU medical center, authorizing affiliations, joint ventures, etc.

SB 173 - KU medical center, lease and operation of off-campus medical facilities.

SB 174 - KU medical center, purchasing procedures, exemptions, purchasing consortiums.

HB 2573 - KU medical center, conveyance of property located in Sedgwick County.

Representative Allen presented the subcommittee reports for FY 95 and FY 96 for the Kansas School for the Deaf and the Kansas School for the Blind (Attachment 1).

Representative Wilk presented the subcommittee reports for FY 95 and FY 96 for the Kansas Arts Commission and the State Historical Society (Attachment 2).

The FY 95 and FY 96 subcommittee reports for the State Library were presented by Representative Allen (Attachment 3).

Representative Reinhardt presented the FY 95 and FY 96 subcommittee reports for the State Council on Vocational Education were presented by Representative Reinhardt (Attachment 4).

A motion was made by Representative Allen, seconded by Representative Reinhardt, to adopt the FY 95 and FY 96 subcommittee reports for SB 80. The motion carried.

A motion was made by Representative Allen, seconded by Representative Reinhardt, to pass favorably as amended SB 80. The motion carried.

Representatives Allen and Reinhardt presented the subcommittee report for SB 170, SB 171, SB 173, SB 174 and HB 2573. (Attachment 5)

A motion was made by Representative Allen, seconded by Representative Reinhardt, to adopt the FY 95 and FY 96 subcommittee reports for SB 170, SB 171, SB 173, SB 174 and HB 2573. The motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS, Room 514-S Statehouse, at 1:15 p.m. on March 20, 1995.

The Chair directed the Committee to consider action on each bill separately.

A motion was made by Representative Dean, seconded by Representative Neufeld, to amend SB 170, by adding the Joint Committee on Computers and Technology to the list of entities who are to receive the report on all contracts for acquisition of data processing hardware and software. The motion carried.

The Committee discussed SB 170, SB 171, SB 173 and SB 174 but no further action was taken on these bills.

A motion was made by Representative Carmody, seconded by Representative Helgerson, to approve the minutes of March 14 and March 15, 1995. The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Allen, to amend HB 2573 in line 16 to correct the legal description by adding the words "lot 2, block 2, Kansas University Medical Center addition". The motion carried.

A motion was made by Representative Helgerson, seconded by Representative Allen, to pass as amended HB 2573. The motion carried.

The meeting adjourned at 2:30 p.m.

The next meeting is scheduled for March 21, 1995.

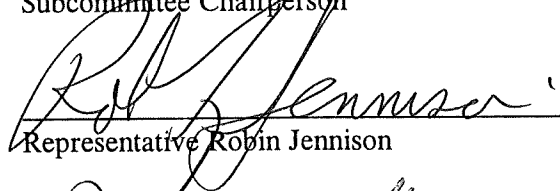
1995 House Subcommittee on:

Kansas School for the Deaf

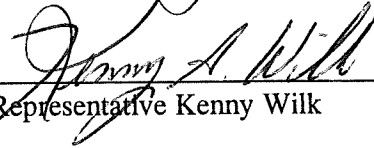
Kansas School for the Blind



Representative Barbara Allen
Subcommittee Chairperson




Representative Robin Jennison



Representative Kenny Wilk

Representative Henry Helgerson



Representative Richard Reinhardt

3/20/95
Appropriations Cmte
Attachment 1

SUBCOMMITTEE REPORT

Agency: School for the Blind

Bill No. --

Bill Sec. 2

Analyst: Milstead

Analysis Pg. No. 186

Budget Page No. 101

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 3,500,115	\$ 3,468,489	\$ (1,787)
Economic Development Initiatives Fund	150,000	150,000	0
All Other Funds	208,208	208,208	0
Subtotal -- Operating	<u>\$ 3,858,323</u>	<u>\$ 3,826,697</u>	<u>\$ (1,787)</u>
Capital Improvements:			
State Institutions Building Fund	\$ 857,773	\$ 857,773	\$ 0
TOTAL	<u>\$ 4,716,096</u>	<u>\$ 4,684,470</u>	<u>\$ (1,787)</u>
FTE Positions	94.5	94.5	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>94.5</u>	<u>94.5</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

Operating expenditures for FY 1995 are estimated to be \$3,858,323, an increase of \$54,449 above the approved amount of \$3,803,874, including an increase of \$11,803 from the State General Fund. A supplemental State General Fund appropriation of \$21,746 is required to finance the agency's revised expenditure request because the agency spent \$9,943 in FY 1994 which had been anticipated to be reappropriated for expenditure in FY 1995. Expenditures above the approved amount include \$33,450 for the emergency establishment of a Teacher (1.0 FTE) to provide specialized orientation and mobility (O and M) services instruction to KSSB students to local school districts. This unforeseen need arose because of the death of an O and M instructor contracted from a local school district. The School is pursuing a special project appointment of an O and M instructor with reimbursement from local school districts for service as needed. The request assumes funding of this position from the State General Fund and the General Fees Fund.

The Governor recommends \$3,826,697 for operating expenditures in FY 1995 (\$31,626 less than the agency's estimate), including \$3,468,489 from the State General Fund. The reduction is attributable to a decrease of \$11,228 in salaries and wages, and a decrease of \$20,398 in fees for professional services in the Instructional Services program. The Governor recommends that the O and M instructor remain a special project position.

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Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation, with the following modification.

1. Reduce by \$1,787 State General Fund expenditures for FY 1995. The reduction stems from the School's revised estimate of utility expenditures.

Senate Committee Recommendation

The Senate Committee concurs with the Subcommittee's recommendation.

Senate Committee of the Whole Recommendation

The Senate concurs with the recommendation of the Committee.

Expenditure Summary	Senate Adj. FY 95	Senate Rec. FY 95	House Subc. Adjustments
State Operations:			
State General Fund	\$ (1,787)	\$ 3,466,702	\$ 0
Economic Development Initiatives Fund	0	150,000	0
All Other Funds	0	208,208	0
Subtotal -- Operating	<u>\$ (1,787)</u>	<u>\$ 3,824,910</u>	<u>\$ 0</u>
Capital Improvements:			
State Institutions Building Fund	\$ 0	\$ 857,773	\$ 0
TOTAL	<u><u>\$ (1,787)</u></u>	<u><u>\$ 4,682,683</u></u>	<u><u>\$ 0</u></u>
FTE Positions	0.0	94.5	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u><u>0.0</u></u>	<u><u>94.5</u></u>	<u><u>0.0</u></u>

House Subcommittee Recommendation

The Subcommittee concurs with the recommendation of the Senate.

SUBCOMMITTEE REPORT

Agency: School for the Blind

Bill No. 80

Bill Sec. 4

Analyst: Milstead

Analysis Pg. No. 186

Budget Page No. 101

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 4,262,067	\$ 3,772,481	\$ (113,780)
Economic Development Initiatives Fund	0	0	0
All Other Funds	215,659	283,409	(2,679)
Subtotal -- Operating	<u>\$ 4,477,726</u>	<u>\$ 4,055,890</u>	<u>\$ (116,459)</u>
Capital Improvements:			
State Institutions Building Fund	\$ 2,307,159	\$ 2,307,159	\$ 0
TOTAL	<u>\$ 6,784,885</u>	<u>\$ 6,363,049</u>	<u>\$ (116,459)</u>
FTE Positions	97.0	93.5	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>97.0</u>	<u>93.5</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The School requests \$4,477,726 for FY 1996 operating expenditures, of which all but \$215,659 is from the State General Fund. The request is an increase of \$619,403 and 3.5 FTE new positions above the FY 1995 estimate. Requested positions include the continuation of the FY 1995 orientation and mobility teacher (1.0 FTE), a Safety and Security Officer I position (1.0 FTE), a resource center paraprofessional to report to the librarian (1.0 FTE), a 0.5 FTE job coach paraprofessional to drive to various local job sites to provide guidance to students who are learning vocational skills, and an elementary reading teacher (1.0 FTE). Also requested is \$156,000 from the State General Fund for a contract with Accessible Arts, Inc. compared to FY 1995 funding of \$150,000 from the Economic Development Initiatives Fund. The FY 1996 request for capital outlay of \$372,572 is an increase of \$264,337 above the current year. The capital outlay request includes \$200,000 (\$100,000 state/\$100,000 donated) for the requested Adapted Technology Loan Library. The agency request also shifts financing for the Kansas Instructional Resource Center from federal Title VI funds to the State General Fund (\$68,050) The agency states those federal funds are available only for start-up costs. The School in FY 1996 requests salary increases for its unclassified faculty (8.0 percent increase) in order to more effectively compete with surrounding school districts.

For FY 1996, the Governor recommends operating expenditures of \$4,055,890, a reduction of \$421,836 from the agency's request. The Governor recommends a reduction in financing from the State General Fund of \$489,586. According to the Governor, his recommendation allows for continuation of all current programs, including the existing 93.5 FTEs and 1.0 special project position. Funding of \$150,000

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is recommended from the State General Fund for Accessible Arts, a statewide special education initiative. The Governor does not recommend funding for the requested 3.5 new FTE positions. No state funding is recommended for the Adapted Technology Loan Library and there is no recommended change to State General Fund financing for the Kansas Instructional Resource Center. The Governor does recommend a 3.5 percent merit pool for unclassified employees and a 1.0 percent base salary adjustment and step movement for classified staff.

Senate Subcommittee Recommendation

FY 1996. The Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Reduce funding for Accessible Arts, Inc. to \$100,000 from the Governor's recommendation of \$150,000. The Subcommittee concurs with the Governor's recommendation that Accessible Arts be funded in FY 1996 from the State General Fund (in FY 1995 Accessible Arts received \$150,000 in funding, all from the Economic Initiative Development Fund (EDIF)). The Subcommittee notes, however, that State General Fund financing for the program should begin to be phased-out. The Subcommittee acknowledges that Accessible Arts is a very important enrichment program for the students and teachers it serves. The program, however, was begun with federal funding and now relies upon state financing. The Subcommittee's recommendation for a phase-out of state funding is premised on the expectation that funding for Accessible Arts will be provided by other entities.
2. Add \$26,000 to the instructor's salary pool (for classroom instructors) for FY 1996. The Subcommittee notes that there is a need to close the salary disparity between the School's faculty and local school district instructors. The Subcommittee recognizes that an increase of \$26,000 will not resolve the existing salary disparity. The Subcommittee notes, however, that the issue can and should be addressed and remedied further by the 1996 Legislature.
3. Delete \$92,459, including \$89,780 from the State General Fund, based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$63,553); classified step movement (\$8,275); a one percent base adjustment for classified employees (\$9,393); and the longevity bonus (\$11,238) from individual agency budgets.
4. The Subcommittee has been informed of the dearth of educational programs and opportunities for students who are both blind and deaf. The Subcommittee asks the administrations of the School for the Deaf and the School for the Blind to consider the possibility of coordinating efforts to address the unique problems facing such students. Specifically, the Subcommittee requests that the Schools examine ways in which they might better serve, through a collaborative effort, students who are both deaf and blind and also, those students who have been diagnosed with Usher's Syndrome. The Subcommittee requests that the administration of both Schools present their findings and proposals to the House Subcommittee on Education and Legislative Operations.

5. In light of the relatively brief two-year average enrollment by students at the School, the Subcommittee recommends that the School revise its "Mission" statement.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate concurs with the recommendation of the Committee with the following adjustment:

1. Restore funding for Accessible Arts to the Governor's recommended funding of \$150,000.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 96</u>	<u>Senate Rec. FY 96</u>	<u>House Subc. Adjustments</u>
State Operations:			
State General Fund	\$ (63,780)	\$ 3,708,701	\$ 0
Economic Development Initiatives Fund	0	0	0
All Other Funds	(2,679)	280,730	0
Subtotal -- Operating	<u>\$ (66,459)</u>	<u>\$ 3,989,431</u>	<u>\$ 0</u>
Capital Improvements:			
State Institutions Building Fund	\$ 0	\$ 2,307,159	\$ 0
TOTAL	<u>\$ (66,459)</u>	<u>\$ 6,296,590</u>	<u>\$ 0</u>
FTE Positions	0.0	93.5	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>0.0</u>	<u>93.5</u>	<u>0.0</u>

House Subcommittee Recommendation

The Subcommittee concurs with the recommendation of the Senate.

SUBCOMMITTEE REPORT

Agency: School for the Deaf

Bill No. --

Bill Sec. --

Analyst: Milstead

Analysis Pg. No. 194

Budget Page No. 155

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 6,197,887	\$ 6,176,202	\$ (37,835)
Other Funds	184,748	184,748	0
Subtotal -- Operating	<u>\$ 6,382,635</u>	<u>\$ 6,360,950</u>	<u>\$ (37,835)</u>
Capital Improvements:			
State Institutions Building Fund	<u>\$ 5,659,353</u>	<u>\$ 5,659,353</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ 12,041,988</u></u>	 <u><u>\$ 12,020,303</u></u>	 <u><u>\$ (37,835)</u></u>
FTE Positions	177.5	177.5	0.0
Special Project Appointments	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>177.5</u></u>	<u><u>177.5</u></u>	<u><u>0.0</u></u>

* This adjustment stems from the School's revised utility expenditures. The Subcommittee recommends reappropriating that amount in FY 1996 for instructor salaries.

Agency Estimate/Governor's Recommendation

Estimated operating expenditures of \$6,382,635 in FY 1995 are \$15,427 below the approved amount, including \$6,512 from the State General Fund and \$8,915 in federal Elementary and Secondary Education Act (ESEA) funds. The revised estimate reflects reductions in Worker's Compensation and Unemployment Insurance rates. The agency's revised capital improvements estimate of \$5,659,353 from the State Institutions Building Fund is \$2,782,853 above the amount approved due to a carry forward of funds from FY 1994 to FY 1995.

For FY 1995 the Governor recommends operating expenditures for the School of \$6,360,950, a reduction of \$21,685 from the State General Fund (all in salaries and wages). The Governor concurs with the agency's estimate for capital improvement expenditures of \$5,659,353.

Senate Subcommittee Recommendation

FY 1995. The Subcommittee concurs with the Governor's recommendation, with the following modification.

1. Reduce by \$37,835 expenditures from the State General Fund. That amount reflects the School's savings from its FY 1995 revised utility expenditures.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate concurs with the recommendation of the Committee.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 95</u>	<u>Senate Rec. FY 95</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (37,835)	\$ 6,138,367	\$ 0
Other Funds	0	184,748	0
Subtotal -- Operating	<u>\$ (37,835)</u>	<u>\$ 6,323,115</u>	<u>\$ 0</u>
Capital Improvements:			
State Institutions Building Fund	<u>\$ 0</u>	<u>\$ 5,659,353</u>	<u>\$ 0</u>
 TOTAL	 <u><u>\$ (37,835)</u></u>	 <u><u>\$ 11,982,468</u></u>	 <u><u>\$ 0</u></u>
 FTE Positions	 0.0	 177.5	 0.0
Special Project Appointments	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>0.0</u></u>	<u><u>177.5</u></u>	<u><u>0.0</u></u>

House Subcommittee Recommendation

The Subcommittee concurs with the recommendation of the Senate.

SUBCOMMITTEE REPORT

Agency: School for the Deaf

Bill No. 80

Bill Sec. 5

Analyst: Milstead

Analysis Pg. No. 194

Budget Page No. 155

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ 7,193,016	\$ 6,384,799	\$ (124,192)
Other Funds	182,477	182,477	(1,704)
Subtotal -- Operating	<u>\$ 7,375,493</u>	<u>\$ 6,567,276</u>	<u>\$ (125,896)</u>
Capital Improvements:			
State Institutions Building Fund	<u>\$ 781,800</u>	<u>\$ 485,000</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 8,157,293</u></u>	<u><u>\$ 7,052,276</u></u>	<u><u>\$ (125,896)</u></u>
FTE Positions	188.5	177.5	0.0
Special Project Appointments	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>188.5</u></u>	<u><u>177.5</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The School for the Deaf (KSD) requests operating expenditures of \$7,375,493 for FY 1996, of which \$7,193,016 would be from the State General Fund and \$182,477 would be from other revenue sources. The request is an increase of \$992,858 above the FY 1995 estimate of operating expenditures. The FY 1996 request also includes \$781,800 from the State Institutions Building Fund for capital improvements. The operating request includes funding for 11.0 FTE new positions associated with implementing a new program for trainable mentally handicapped children who are deaf (\$231,109). The School is continuing its practice of requesting salary parity adjustments for its unclassified faculty and dormitory personnel, which are necessary, according to the agency, for the purpose of making KSD teacher salaries comparable to teacher salaries in surrounding school districts and to upgrade dormitory staff salaries. The agency-wide salary turnover rate is estimated at 3.9 percent in FY 1995 and 3.0 percent in FY 1996.

The Governor recommends a total of \$7,052,276 in FY 1996 to continue all programs at the current level of service, including the current 177.5 FTE positions. For operating expenses, \$6,384,799 is included from the State General Fund. The recommendation provides funding for four weeks of extended schooling for students whose Individual Education Plan (IEP) indicates that significant regression in language development will occur during the time away from school. The Governor does not recommend funding for 11.0 FTE new positions for a program to educate trainable mentally handicapped children. The Governor does recommend a 3.5 percent merit pool for unclassified staff.

Senate Subcommittee Recommendation

FY 1996. The Subcommittee concurs with the Governor's recommendation with the following adjustments:

1. Add \$79,398 (from the State General Fund) to the instructors' salary pool (this includes both classroom instructors and dormitory teachers). To fund this increase, \$37,835 is reappropriated from the State General Fund from FY 1995. That reappropriation stems from the School's savings in FY 1995 utility expenditures. Also, \$15,995 of the \$79,398 is a shift from State General Fund financing from capital outlay. The Subcommittee notes that there is a need to close the salary disparity between the School's faculty and local school district instructors. The Subcommittee recognizes that an increase of \$79,398 will not resolve the existing salary disparity. The recommended addition, however, is made with the intent and recommendation that a like increase (\$79,398) be funded in FY 1997.
2. Reduce, by \$15,995 (from the State General Fund), the Governor's recommended capital outlay funding of \$90,130. The Subcommittee recommends that if the reduced capital outlay funding results in a shortfall in meeting capital outlay needs, that shortfall should be made up by additional funds from the School's Local Services Reimbursement Fund. The Subcommittee notes that the use of the Local Services Reimbursement Fund in such a manner should act as an incentive for the School to provide additional outreach services.
3. Delete \$189,299, including \$187,595 from the State General Fund based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$137,967); classified step movement (\$17,546); a one percent base salary adjustment for classified employees (\$11,571); and the longevity bonus (\$22,056) from individual agency budgets.
4. The Subcommittee has been informed of the dearth of educational programs and opportunities for students who are both blind and deaf. The Subcommittee asks the administrations of the School for the Deaf and the School for the Blind to consider the possibility of coordinating efforts to address the unique problems facing such students. Specifically, the Subcommittee requests that the Schools examine ways in which they might better serve, through a collaborative effort, students who are both deaf and blind and also, those students who have been diagnosed with Usher's Syndrome. The Subcommittee requests that the administrations of both Schools present their findings and proposals to the House Subcommittee on Education and Legislative Operations.
5. The Subcommittee recommends that the School establish criteria to illustrate the fluency levels achieved by its students as a means of demonstrating the School's efficacy. The Subcommittee also recommends that the School re-examine its stated "Mission" in light of the special needs of students who are both deaf and blind and those who are deaf and multi-handicapped.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

Senate Committee of the Whole Recommendation

The Senate concurs with the recommendation of the Committee.

<u>Expenditure Summary</u>	<u>Senate Adj. FY 96</u>	<u>Senate Rec. FY 96</u>	<u>House Subcommittee Adjustments</u>
State Operations:			
State General Fund	\$ (124,192)	\$ 6,260,607	\$ 59,703
Other Funds	(1,704)	180,773	603
Subtotal -- Operating	<u>\$ (125,896)</u>	<u>\$ 6,441,380</u>	<u>\$ 60,306</u>
Capital Improvements:			
State Institutions Building Fund	<u>\$ 0</u>	<u>\$ 485,000</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ (125,896)</u></u>	<u><u>\$ 6,926,380</u></u>	<u><u>\$ 60,306</u></u>
FTE Positions	0.0	177.5	0.0
Special Project Appointments	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>0.0</u></u>	<u><u>177.5</u></u>	<u><u>0.0</u></u>

House Subcommittee Recommendation

The Subcommittee concurs with the recommendation of the Senate with the following modifications:

1. Add \$60,306 (of that amount, \$59,703 is from the State General Fund) to reflect a reduction in the Governor's recommended shrinkage rate figure of 4.5 percent to 3.5 percent. The Subcommittee notes a shrinkage rate of 4.5 percent would necessitate leaving open positions in the dormitories (where the greatest turnover is). Leaving these positions open would necessarily diminish services to the children in those dormitories, and would also diminish the School's ability to keep them safe and adequately supervised. Further, the Superintendent of the School testified that the School's normal shrinkage rate, when not forced, is 3 percent.

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Subcommittee Report 1995 Senate Bill 80

§ 3 Kansas Arts Commission


§ 6 State Historical Society


Representative Barbara Allen, Chairman


Representative Henry Helgerson, Jr.


Representative Robin Jennison


Representative Richard Reinhardt


Representative Kenny Wilk

3/20/95
Appropriations Cmte
Attachment 2

SUBCOMMITTEE REPORT

Agency: Kansas Arts Commission

Bill No. --

Bill Sec. --

Analyst: Colton

Analysis Pg. No. 179

Budget Page No. 83

<u>Expenditure Summary</u>	<u>Agency Request FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 452,186	\$ 459,890	\$ 0
Program Grants	1,692,791	1,692,791	0
Total	<u>\$ 2,144,977</u>	<u>\$ 2,152,681</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 219,620	\$ 227,324	\$ 0
Program Grants	0	0	0
Total	<u>\$ 219,620</u>	<u>\$ 227,324</u>	<u>\$ 0</u>
 FTE Positions	 9.0	 9.0	 0.0

Agency Request/Governor's Recommendation

In FY 1995, the Kansas Arts Commission requests total funding of \$2,144,977. This is \$219,517 more than was approved by the 1994 Kansas Legislature, as adjusted by the State Finance Council. Included in the FY 1995 estimate is \$219,620 from the State General Fund (all for state operations). The requested supplemental funding is for position reclassifications at the agency. The agency is also seeking supplemental funding of \$100,000 from the EDIF for program grants. This supplemental funding would, apparently, in turn draw down \$104,745 in federal funding for program grants. The Governor concurs with the agency request, but makes technical adjustments for staff reclassifications. A retirement adjustment of \$4,709 will be made during the current year.

Senate Subcommittee Recommendation

Concur.

House Subcommittee Recommendation

Concur.

SUBCOMMITTEE REPORT

Agency: Kansas Arts Commission

Bill No. 80

Bill Sec. 3

Analyst: Colton

Analysis Pg. No. 179

Budget Page No. 3

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 535,345	\$ 474,768	\$ (11,128)
Program Grants	1,884,017	1,433,043	0
Total	<u><u>\$ 2,419,362</u></u>	<u><u>\$ 1,907,811</u></u>	<u><u>\$ (11,128)</u></u>
State General Fund:			
State Operations	\$ 257,799	\$ 227,025	\$(6,922)
Program Grants	0	1,112,197	0
Total	<u><u>\$ 257,799</u></u>	<u><u>\$ 1,339,222</u></u>	<u><u>\$(6,922)</u></u>
FTE Positions	10.0	9.0	0.0

Agency Request/Governor's Recommendation

The Kansas Arts Commission requests FY 1996 expenditures of \$2,419,362.

In its FY 1996 budget request, the agency lists what it considers to be its top priorities:

- ▶ Full funding of its current 9.0 FTE positions without imposition of shrinkage. (The Governor concurs.)
- ▶ Addition of an Administrative Officer III to serve as a program director and as Assistant Director of the agency. The cost of the position, without fringe benefits, would be \$30,594. The addition of the new position would take much of the day-to-day running of the agency out of the hands of the Executive Director, freeing up the Executive Director and other staff members for professional development work with Commissioners, provision of technical assistance to local arts organizations, implementation of the agency's long-range plan and exploration of alternative sources of federal, state and private funding. (The Governor does not recommend this position.)
- ▶ An increase of \$500,000 in state funding (from the EDIF) for the Arts in Education Program. The agency has targeted this program as one which has a significant impact on the arts, education and quality of life. Requests for funding for the program have risen by 66 percent in one year. (In FY 1995, the Legislature added \$100,000 from the EDIF to this program, so that the agency could fund grants for arts education for at-risk children and youth, particularly in the state's three youth centers.) (The Governor does not recommend the \$500,000 enhancement from the

EDIF, but continues the \$100,000 added for FY 1995 in FY 1996, but switches funding to the State General Fund.)

- ▶ Increases in funding for printing, and for fees-professional services. This would allow the agency to reinstate or introduce new modes of communications, as called for in the agency's long-range plan. These would include a quarterly newsletter, an annual report and the development of wire service stories about the arts in Kansas for local newspapers. (The Governor does not recommend these enhancements.)
- ▶ Capital expenditures of \$6,736, which would include funding for the requested new position and for a computer and server for the SHARP centralized personnel system. (The Governor does not recommend this item.)

The Governor recommends FY 1996 expenditures of \$1,907,811, of which \$474,768 is for operating expenditures. The Governor's recommendation contains funding for step movement, a 1-percent base salary adjustment, and a 3.5-percent unclassified merit increase.

The Governor switches state support for the arts from the EDIF to the State General Fund.

State General Fund spending for both state operations and for state support for the arts would essentially allow the agency to continue to provide service at the same level as in FY 1995, but for the fact that an overall reduction in funding for grants occurs, due to a reduction in federal support for the arts.

Senate Subcommittee Recommendation

Concur with the Governor's recommendation, except:

1. Place funding for the Governor's salary plan (\$11,128 All Funds; \$6,922 SGF) in a separate bill.
2. The Subcommittee notes that the agency, in its presentation to the Subcommittee, requested a \$100,000 increase for its major grants program. This program is the primary one for arts development (*e.g.*, in rural or underserved areas), and is funded mainly by state grants. The Subcommittee applauds the agency's work to develop the arts in areas of Kansas that have, traditionally, been underserved. However, in light of possible budgetary difficulties in FY 1996, the Subcommittee supports the Governor's policy of continuing state support at the FY 1995 level.
3. The Subcommittee further notes that federal support for the arts in Kansas in FY 1996, with respect to FY 1995, declined by about \$247,000. This bill is due in part to the 2 percent cut in the congressional appropriation to the National Endowment to the Arts. It is also due in part to what the agency termed a cyclical "ebb and flow" in federal grant funding. According to the agency, two important federal grants are currently being applied for, and the amount indicated in the *Budget Analysis* for grants (\$320,846) may not be final.

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House Subcommittee Recommendation

Concur with the Senate, but allow the agency to use any savings in operating funds for program grants.

SUBCOMMITTEE REPORT

Agency: Kansas State Historical Society

Bill No. --

Bill Sec. --

Analyst: Colton

Analysis Pg. No. 200

Budget Page No. 263

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 6,457,928	\$ 6,446,131	\$ 0
Aid to Local Units	787,870	787,870	0
Other Assistance	1,172,613	1,172,613	0
Subtotal - Operating	<u>\$ 8,418,411</u>	<u>\$ 8,406,614</u>	<u>\$ 0</u>
Capital Improvements	3,985,572	4,031,592	0
TOTAL	<u><u>\$ 12,403,983</u></u>	<u><u>\$ 12,438,206</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 5,061,620	\$ 5,048,752	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 5,061,620</u>	<u>\$ 5,048,752</u>	<u>\$ 0</u>
Capital Improvements	327,049	327,049	0
TOTAL	<u><u>\$ 5,388,669</u></u>	<u><u>\$ 5,375,801</u></u>	<u><u>\$ 0</u></u>
FTE Positions	140.5	140.5	--

Agency Estimate/Governor's Recommendation

The agency estimates FY 1995 operating expenditures in the amount of \$8,418,411. Of this amount, \$5,061,620 is from the State General Fund, and \$3,356,791 is from special revenue funds. The agency's estimate for State General Fund spending is \$42,887 less than the amount approved by the 1994 Legislature as adjusted by the State Finance Council. The reduction is due to an adjustment made to the agency's budget in light of a retirement; the adjustment also included the elimination of 1.0 FTE position. The Governor concurs with the agency request, except for reducing current year salary expenditures by \$12,868 (as a result of changes in fringe benefit rates), and adding \$3,911 for expenses associated with the conservation of the John Steuart Curry sketches acquired by the agency in FY 1993.

Senate Subcommittee Recommendation

Concur.

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House Subcommittee Recommendation

Concur.

SUBCOMMITTEE REPORT

Agency: Kansas State Historical Society

Bill No. 80, 178

Bill Sec. 6

Analyst: Colton

Analysis Pg. No. 200

Budget Page No. 263

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Adjustments</u>
All Funds:			
State Operations	\$ 7,120,256	\$ 6,270,094	\$ 64,549
Aid to Local Units	399,141	387,000	0
Other Assistance	498,000	488,000	0
Subtotal - Operating	\$ 8,017,397	\$ 7,145,094	\$ 64,549
Capital Improvements	2,687,255	100,000	38,363
TOTAL	<u>\$ 10,704,652</u>	<u>\$ 7,245,094</u>	<u>\$ 26,186</u>
State General Fund:			
State Operations	\$ 5,939,864	\$ 4,940,303	\$ 38,150
Aid to Local Units	0	0	0
Other Assistance	0	100,000	0
Subtotal - Operating	\$ 5,939,864	\$ 5,040,303	\$ 38,150
Capital Improvements	1,978,075	100,000	(43,363)
TOTAL	<u>\$ 7,917,939</u>	<u>\$ 5,140,303</u>	<u>\$ (5,213)</u>
FTE Positions	144.5	138.5	--

Agency Request/Governor's Recommendation

i. Operating Expenditures. The agency requests FY 1996 operating expenditures in the amount of \$8,017,397. This is a reduction of 4.8 percent from the agency's revised current year estimate. The reduction is due to FY 1995 costs associated with the move to the new Center for Historical Research, and to reduced estimated grant funding from the Heritage Trust Fund. Of requested funding, \$5,939,864 is from the State General Fund, and the remainder from special revenue funds. The agency's request for State General Fund spending is 10.2 percent more than the amount in the agency's revised current year estimate.

The agency requests four new FTE positions in FY 1996: a Historic Preservation Officer II position, funded from the Heritage Trust Fund and federal Historic Preservation Fund grants, to serve as a grants manager for the Heritage Trust program; a Public Information Officer I position, to serve as the agency's main liaison to the media, and to promote activities and events of the Historical Society; a Microcomputer Systems Technician II, to assist in the planning and implementation of agency computer applications; and an Archaeologist II position, to replace a position lost as a retirement reduction, which would perform duties connected with the Unmarked Burial Sites Preservation Act.

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The Governor recommends FY 1996 operating expenditures in the amount of \$7,154,094. This is a reduction of \$850,162 from the agency request. Recommended salary expenditures are \$344,941 less than those requested by the agency, and other operating expenditures are reduced by \$505,221. In the Governor's recommendation there is funding for classified employee step movement, a 1-percent base salary adjustment for classified employees, and a 3.5-percent merit increase for unclassified employees. The Governor's recommendation represents a reduction of \$1,261,520 from the revised current year recommendation. This is in part attributable to a very high level of grant funding awarded by the agency in FY 1995. However, all expenditure categories of state operations except for commodities are reduced to below current year levels: salary expenditures by \$34,730 (-0.7 percent), and contractual services by \$151,007 (-11.6 percent). The Governor recommends commodity expenditures of \$297,927 in FY 1996, up from \$267,726 in FY 1995, and funding for capital outlay in the amount of \$19,525. The Governor does not recommend the new positions requested by the agency. Indeed, the recommendation abolishes 2.0 FTE positions in the Historic Sites Division, and imposes a turnover rate of 4.0 percent on the agency (where there are currently two vacant positions).

The Governor recommends that an admission fee be introduced at the Kansas Museum of History. The Governor estimates revenue of \$200,000 to the agency's General Fees Fund, based upon about 140,000 visitors to the Museum, and a fee of \$2, with exemptions or reductions for children and seniors.

ii. Grants. The agency request contains \$897,141 in grants to local units of government and other assistance in FY 1996, all of which is from special revenue funds. Of the requested funding, \$650,000 is from the Heritage Trust Fund, \$123,141 from the National Historic Preservation Act Fund -- Local, \$100,000 from the Economic Development Initiatives Fund (grant to the Kansas Humanities Council), and \$23,000 from the Historic Preservation Overhead Fees Fund.

The Governor recommends \$875,000 for grants to local units of government and other assistance in FY 1996, a decrease of \$22,141 from the amount requested by the agency. Grant levels are reduced in the Governor's recommendation in order to use moneys, heretofore expended for grants, for operating expenditures. The Governor recommends \$100,000 for a grant to the Kansas Humanities Council; funding is from the State General Fund, rather than from the Economic Development Initiatives Fund.

iii. Capital Improvements. The agency requests \$2,687,255 in funding for capital improvements. Of the requested funding, \$1,978,075 (from the State General Fund) is requested for a third storage bay at the Center for Historical Research. The remainder of the requested funding is from the Historic Properties Fund, funded from the Economic Development Initiatives Fund. The funding would finance emergency repairs (\$25,000), cyclical maintenance (\$100,000), and preservation and development projects at the Center for Historical Research and at state historic sites (\$584,180).

The Governor recommends \$100,000 from the State General Fund for rehabilitation and repair projects in FY 1996.

Senate Subcommittee Recommendation

The Senate Subcommittee makes the following adjustments:

1. Place funding for the Governor's salary plan (\$163,046 all funds, \$145,117 SGF) in another bill.

2. This Subcommittee is not in agreement with the Governor's recommendation to impose a fee on admissions to the Kansas Museum of History. The Subcommittee agrees with the conclusion of last year's Senate Ways and Means Subcommittee and of the Joint Committee on Arts and Cultural Resources that a fee on admissions would limit access to the Museum, and that it would have a negative impact upon tourism in Topeka and in the whole region. The fee would very likely have a negative impact on the number of repeat visitors to the Museum, and would generally hurt the Museum's attractiveness as a touristic point of interest, and as a stimulus for economic development. The Subcommittee notes that, several years ago, the agency, in a pilot project, imposed a fee on admissions to Fort Hays and the Adair Cabin in Osawatomie. As a result, visitations to those sites dropped dramatically. The Subcommittee is concerned that an admissions fee would cause the Kansas Museum of History, which is the most-visited state-owned tourist site in Kansas, to suffer the same fate (the agency projects a 30-percent drop in attendance if an admissions fee is imposed).

The Governor, in his recommendations on this budget, projected revenues of \$200,000 from an admissions fee. He called for the agency to spend \$139,904 from fee revenues for education and outreach programs, museum operations and historic sites. (Parenthetically, the Subcommittee feels that the Governor was rather over-optimistic in his estimates of revenue that would be generated by a fee. The agency presented credible evidence that the gross revenue from an admissions fee would total around \$60,000 per year. The Subcommittee notes, too, that the Governor did not address at all the costs of implementing an admissions fee, *e.g.*, installation of turnstiles, etc., in his budget recommendations.)

To replace operating funding that would have come from admissions fee revenue in the Governor's recommendations, the Subcommittee recommends the addition of \$139,904 from the State General Fund.

3. Switch \$43,363 from the State General Fund from capital improvement funding in 1995 S.B. 178, and add \$1,742 from federal funds to reduce shrinkage from four percent to three percent. The Subcommittee notes that there are currently two vacant positions at the agency. In light of this, a four-percent shrinkage rate is unrealistic and punitive.
4. Add \$42,586 from the Economic Development Initiatives Fund for continuation of the Historic Sites Transition Plan. Under the Plan, the agency is working to devolve three state historic sites (the First Territorial Capitol at Fort Riley, Goodnow House in Manhattan, and the Adair Cabin in Osawatomie) to local organizations. (The Funston House in Iola has already been transferred out of the state historic sites system.) The Subcommittee strongly believes that this is a legitimate use of funding from the EDIF, since the historic sites, once devolved into local ownership and management, will continue to function as tourism sites and as producers of tourist revenue (which is an important component of economic development) for the communities where the sites are located.

While the Subcommittee is pleased with the fact that the deaccessioning of the Funston House has been completed, it would be even more pleased if the transition of the other sites were proceeding more rapidly. The Subcommittee cautions the agency that this is the last year in which it will be willing to provide funding for the deaccessioning of the First Capitol and Goodnow House. The Subcommittee expects that with the funding that has been provided, the transition of these sites will be complete by this time next year.

5. Concur with GBA No. 2, which provides funding necessary to correct an error in salary funding that appeared in the *Governor's Budget Report*.
6. Allow the agency to use the capital improvement funding remaining in 1995 S.B. 178 (\$56,637) both for rehabilitation and repair projects and for cyclical maintenance at agency facilities.
7. Make the agency's FY 1996 reappropriation an unlimited reappropriation in order to give it flexibility in the funding of exhibit costs and utility expenditures, both at the Memorial Building and the Kansas History Center. Because the agency often has expenditures that are not confined to a single fiscal year (*e.g.*, costs of exhibits), it has traditionally been given an unlimited reappropriation.

Senate Committee of the Whole Recommendation

1. Add \$5,000 from the EDIF so that the agency can match locally-raised funding for the purchase of land for a visitors' center at the Hollenberg Station State Historic Site in Washington County. This funding is in S.B. 178.

<u>Expenditure Summary</u>	<u>Senate Rec.</u>	<u>House Subc. Adj.</u>	<u>House Subc. Rec.</u>
All Funds:			
State Operations	\$ 6,334,643	\$ --	\$ 6,334,643
Aid to Local Units	387,000	--	387,000
Other Assistance	488,000	--	488,000
Subtotal -- Operating	\$ 7,209,643	\$ --	\$ 7,209,643
Capital Improvements	138,363	--	138,363
TOTAL	\$ 7,348,006	\$ --	\$ 7,348,006
State General Fund:			
State Operations	\$ 4,978,453	\$ (139,904)	\$ 4,838,549
Aid to Local Units	0	--	0
Other Assistance	100,000	--	100,000
Subtotal -- Operating	\$ 5,078,453	\$ (139,904)	\$ 4,938,549
Capital Improvements	56,637	--	56,637
TOTAL	\$ 5,135,090	\$ (139,904)	\$ 4,995,186

House Subcommittee Recommendation

Concur with the Senate, except:

1. Switch the funding added by the Senate to replace museum admissions fees from the State General Fund to the Economic Development Initiatives Fund.
2. The Subcommittee cautions that the rigid deadline recommended by the Senate to cut off all funding for First Capitol and Goodnow House at the end of FY 1996 may be counterproductive and impede the ability of the agency to complete the transition of these sites to local management. It may be necessary to maintain the sites at the current reduced level of operations (and funding) for an additional year while Fort Riley and the Riley County Historical Society gather the resources and other support necessary to them to assume responsibility for the sites. Both of these entities have indicated a willingness to develop plans and work toward the transition goals, but a precipitous closing of the sites in 1996 could undermine these efforts.

*Selected Performance Indicators
Kansas State Historical Society*

Percentage Increase in Attendance at Special Events

	Actual FY 94	Estimated FY 95	Estimated FY 96
Percentage Increase	20%	10%	5%

Openings in Children's Summer Workshops

	Actual FY 94	Estimated FY 95	Estimated FY 96
Openings	290	310	330

**Percentage of State Agencies on Retention and Disposition
Schedules**

	Actual FY 94	Estimated FY 95	Estimated FY 96
Percentage of Agencies	55%	58%	64%

Reference Calls Logged and Letters Answered

	Actual FY 94	Estimated FY 95	Estimated FY 96
Calls Logged or Letters Answered	4,091	3,000	4,500

Site Visits to Historic Properties

	Actual FY 94	Estimated FY 95	Estimated FY 96
Visits	179	150	150

Heritage Trust Fund Site Visits

	Actual FY 94	Estimated FY 95	Estimated FY 96
Visits	128	135	141

Number of Visitors at State Historic Sites

	Actual FY 94	Estimated FY 95	Estimated FY 96
Visitors	53,079	54,405	51,750

Visitors to Kansas Museum of History

	Actual FY 94	Estimated FY 95	Estimated FY 96
Number of Visitors	145,054	139,461	140,842

Advertising Purchased for Kansas Museum of History

	Actual FY 94	Estimated FY 95	Estimated FY 96
Advertising Dollars	\$2,000	\$2,000	\$1,400

SUBCOMMITTEE REPORT

Agency: State Library

Bill No. --

Bill Sec. --

Analyst: Pierron

Analysis Pg. No. 161

Budget Page No. 395

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 1,851,277	\$ 1,848,487	\$ 0
Aid to Local Units	4,420,843	4,397,044	100,000
TOTAL	\$ 6,272,120	\$ 6,245,531	\$ 100,000
State General Fund:			
State Operations	\$ 1,251,550	\$ 1,248,760	\$ 0
Aid to Local Units	1,980,000	1,980,000	0
TOTAL	\$ 3,231,550	\$ 3,228,760	\$ 0
FTE Positions	26.0	26.0	--
Special Project Appointments	0.0	0.0	--
TOTAL	26.0	26.0	--

Agency Estimate/Governor's Recommendation

In the current year, the agency estimates expenditures of \$6,272,120, an increase of \$361,053 from the budget of \$5,911,066 in actual FY 1994. The budget includes a special appropriation made by the 1994 Legislature of \$160,000 from state funds to assist local libraries with the purchase of computer equipment to support on-line information service at the local level. A U.S. Department of Justice Grant of \$289,191 to the Administrative Services program for distribution to libraries of information on the Americans with Disabilities Act is included in the FY 1995 budget and will conclude in the current year. Carryover funds of \$23,799 for the Volunteer Adult Literacy grant program and \$206,551 from the Federal Library Services and Construction Act Title II funding (which is not expected for FY 1996) for the Library Development Program, further enhance the current year budget. The current year estimate includes \$3,231,550 from the State General Fund (as approved by the 1994 Legislature, as adjusted by the State Finance Council) and \$3,040,570 from federal funds and other revenue sources.

The Governor recommends \$6,245,531 for total expenditures in the current year, a reduction of \$26,589 from the agency's estimate. The recommendation includes \$3,228,760 from the State General Fund and \$3,016,771 from federal funds and other revenue sources, including \$160,000 from the Budget Stabilization Fund.

Senate Subcommittee Recommendation

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

3/20/95
Appropriations Cmte
Attachment 3

1. \$100,000 is recommended for providing on-line access for local libraries to the Kansas Library Catalog (KLC) through the Information Network of Kansas (INK). This recommendation is based upon the change in policy as of December 18, 1994 by INK to increase usage costs of this service to the local libraries. Libraries had originally been charged \$15 a month per sign-on with no charge per minute. This amount did not reflect the actual costs of this service which is illustrated by the \$50.00 annual fee and \$.40 per minute cost being charged by INK to commercial users of the service. Pursuant to Federal regulations, specifically OMB circular A-87, the Division of Information Systems and Communications (DISC) is required to recover the full costs of providing this service to INK and its clients. DISC is subject to this federal regulation because the federal government pays 32 percent of DISC costs. The amount of usage for the Internet increased beyond DISC's original projection which required DISC to increase their charges to INK. This unanticipated increase resulted in budget constraints to the local libraries requiring some libraries to totally shut down this service. This recommendation would allow the libraries to maintain their current services to the end of FY 1995 until alternative funding means can be arranged.
2. The Subcommittee recommends DISC, INK, and the State Library develop a tiered system of charging for on-line access to the KLC. This plan should: (1) provide some free access to those who warrant such access due to the nature of their use and/or their inability to pay, (2) charge the real cost of the service to average users; and (3) charge costs at a higher rate for extended use of the service. These higher rates would be used to recover the \$630,000 shortfall DISC experienced as a result of the unanticipated dramatic increase in usage of the INTERNET -- the national information highway -- while DISC was charging at a rate reflecting lower than actual costs. This cost plan should be produced and returned to the Committee for attachment to this Subcommittee report.
3. The Subcommittee recommends EDIF monies be used to fund access to the INTERNET. The INTERNET has direct impact on the economic development of Kansas through employee training and through provision of job service information.

The Subcommittee notes the following performance indicators:

Administrative Services	Actual FY 1994	Est. FY 1995	Est.* FY 1996
Percentage of STARS transactions requiring corrections	15%	15%	15%
Copies of Kansas Libraries Newsletter mailed	720	760	760
Percentage of federal reports completed in a timely manner	58%	58%	58%
Staff training events held	1	1	3

*Estimated level of performance under Governor's recommendations.

Reference Services	Actual FY 1994	Est. FY 1995	Est.* FY 1996
On-line searches performed	300	300	275
Library orientations performed	8	10	10
Materials circulated	10,000	10,000	10,000
Federal government publications cataloged	4,425	4,425	4,425
Kansas legislative bills and resolutions indexed	1,084	1,120	1,100
New Kansas government publications cataloged	1,651	1,800	1,400
*Estimated level of performance under Governor's recommendations.			

Library Development	Actual FY 1994	Est. FY 1995	Est.* FY 1996
Percentage of phone calls responded to within 12 hours	n/a	70%	70%
On-site consulting visits made	51	60	55
Documents published to support consulting services	3	4	3
Participants in "aging" workshop	n/a	n/a	200
Participants in "children" workshop	n/a	n/a	100
Number of literacy tours	1,784	1,800	1,800
Number of literacy students	6,488	7,000	7,000
*Estimated level of performance under Governor's recommendations.			

Kansas Library Network	Actual FY 1994	Est. FY 1995	Est.* FY 1996
Interlibrary loan development grants awarded			
Competitive	66	61	40
Resource Sharing	23	23	23
Online training seminars held	0	10	10
Continuing education activities sponsored	3	3	3
Participants in continuing education activities	100	150	150
*Estimated level of performance under Governor's recommendations.			

Kansas Talking Book Service	Actual FY 1994	Est. FY 1995	Est.* FY 1996
Patron satisfaction level	60%	62%	62%
Number of trained volunteers	75	78	78
Number of braille users	105	107	107
Working relationships established with agencies that have potential Talking Book users	2	3	3
*Estimated level of performance under Governor's recommendations.			

Library Information Technology	Actual FY 1994	Est. FY 1995	Est.* FY 1996
Number of automation seminars presented	15	15	15
Number of interlibrary loan training seminars presented	40	30	20
Kansas Library Catalog data element corrections	27,500	30,000	30,000
Libraries contributing to the Kansas Library Catalog	613	630	650
Libraries with access to the Kansas Library Catalog	474	500	550
Library subscriptions to the Information Network of Kansas	50	300	400
*Estimated level of performance under Governor's recommendations.			

Senate Committee Recommendation

The Senate Committee concurred with the Senate Subcommittee.

Senate Committee of the Whole Recommendation

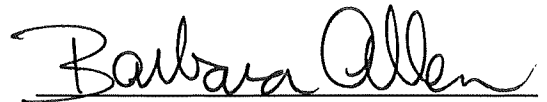
The Senate Committee of the Whole concurred with the Senate Committee.

Expenditure Summary	Senate Subcommittee Adj. FY 95	Senate Recommendation FY 95	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 0	\$ 1,848,487	\$ --
Aid to Local Units	100,000	4,497,044	--
TOTAL	\$ 100,000	\$ 6,345,531	\$ --
State General Fund:			
State Operations	\$ --	\$ 1,248,760	\$ --
Aid to Local Units*	--	1,980,000	--
TOTAL	\$ --	\$ 3,228,760	\$ --
FTE Positions	--	26.0	--
Special Project Appointments	--	0.0	--
TOTAL	--	26.0	--

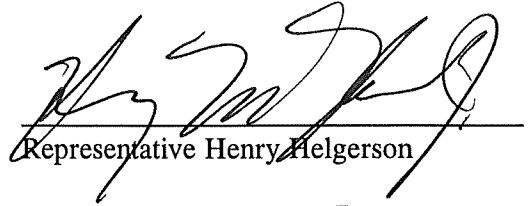
House Subcommittee Recommendation

The House Subcommittee concurs with the Senate.

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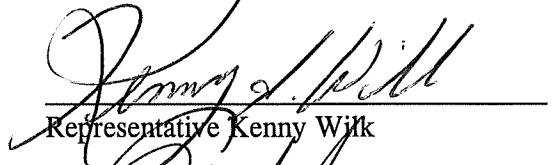
Representative Barbara Allen
Chair



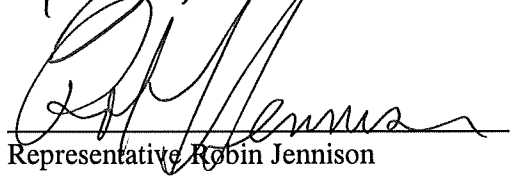
Representative Henry Helgerson



Representative Richard Reinhardt



Representative Kenny Wilk



Representative Robin Jennison

SUBCOMMITTEE REPORT

Agency: State Library

Bill No. 80

Bill Sec. 2

Analyst: Pierron

Analysis Pg. No. 161

Budget Page No. 395

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,389,726	\$ 1,588,672	\$ (36,030)
Aid to Local Units	4,200,946	4,053,797	211,200
TOTAL	<u>\$ 6,590,672</u>	<u>\$ 5,642,469</u>	<u>\$ 175,170</u>
State General Fund:			
State Operations	\$ 2,117,651	\$ 1,276,994	\$ (31,259)
Aid to Local Units	3,032,269	3,230,277	0
TOTAL	<u>\$ 5,149,920</u>	<u>\$ 4,507,271</u>	<u>\$ (31,259)</u>
FTE Positions	30.5	26.0	--
Special Project Appointments	0.0	0.0	--
TOTAL	<u>30.5</u>	<u>26.0</u>	<u>--</u>

Agency Request/Governor's Recommendation

The agency requests \$6,590,672 for FY 1996 to provide \$2,389,726 for state operations and \$4,200,946 for grants to public libraries and regional library systems. The FY 1996 request reflects a State General Fund increase of \$2,043,502 from the current year. The additional moneys from the State General Fund would provide for 4.5 new FTE positions, all described below; restoration of the Interlibrary Loan Development program to the 1993 level of funding (\$52,847); online integration of the State Library catalog with the catalog of the Mabee Library at Washburn University (\$56,500); payment increases to libraries serving the Kansas Talking Book Service (\$25,500); access for local libraries of the Kansas Library Catalog (KLC) to an on-line system through the use of Information Network of Kansas, an annual expense of \$240,000; database cleanup of the KLC by contract with a professional vendor (\$153,000); and access to OCLC FirstSearch, a research database (\$216,000), an annual expense of \$216,000. Further, the new moneys would restore State General Fund financing for the grants-in-aid program to about the same amount as was expended in FY 1993 (\$996,650). The additional moneys would also provide for more telecommunications, computer and travel support.

The Governor recommends \$5,642,469 for total expenditures in FY 1996, a reduction of \$948,203 from the agency request of \$6,590,672. Included in the recommendation is \$4,507,271 from the State General Fund. Almost all EDIF funding is eliminated and replaced with State General Fund monies as a part of the Governor's initiative to limit the scope of usage of the EDIF. The recommendation reduces the agency's request for state operations by \$801,054 and for local library grants by \$147,149. Included in the recommendation is \$1,588,672 for state operations and \$4,053,797 for grants to public libraries and regional library systems. State General Fund aid to local libraries is \$1,250,277 greater than what was

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recommended for the current year (\$1,980,000), but aid from other funds to local libraries is reduced by \$1,593,524.

New Positions. The agency requests a total of \$91,118 in FY 1996 for 4.5 new FTE positions (including associated office equipment costs). Included in the request are \$26,442 for an Accountant I to help with the workload being placed on existing employees; \$25,176 for a Librarian I to keep up with the growing number of inquiries for information; \$13,350 for an Office Assistant I to help with the growth in paperwork being required; \$16,230 for an Office Assistant III to provide clerical support to existing staff; and \$9,990 to increase to full-time an existing 0.5 Library Assistant I who could then make major revisions to database files of the agency. The Governor does not recommend the requested new FTE positions.

Senate Subcommittee Recommendation

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

1. Delete \$33,136 for longevity pay, unclassified merit pool, classified step movement, and a one percent salary adjustment for classified employees (\$28,365 from the State General Fund and \$4,771 from other funds).
2. Delete \$2,894 recommended from the State General Fund for a computer and equipment for the SHARP (Statewide Human Resource and Payroll System) project.
3. \$211,200 from EDIF is recommended for providing on-line access for local libraries to data banks such as the Kansas Library Catalog (KLC) through the Information Network of Kansas (INK). This recommendation is based upon the change in policy as of December 18, 1994 by INK to increase usage costs of this service to the local libraries. Libraries had originally been charged \$15 a month per sign-on with no charge per minute. This amount did not reflect the actual costs of this service which is illustrated by the \$50.00 annual fee and \$.40 per minute cost being charged by INK to commercial users of the service. Pursuant to Federal regulations, specifically OMB circular A-87, the Division of Information Systems and Communications (DISC) is required to recover the full costs of providing this service to INK and its clients. DISC is subject to this federal regulation because the federal government pays 32 percent of DISC costs. The amount of usage for the Internet increased beyond DISC's original projection which required DISC to increase their charges to INK. This unanticipated increase resulted in budget constraints to the local libraries requiring some libraries to totally shut down this service. This recommendation would allow the libraries to maintain their current services for FY 1996.

The Subcommittee notes the following performance indicators:

Administrative Services	Actual FY 1994	Est. FY 1995	Est.* FY 1996
Percentage of STARS transactions requiring corrections	15%	15%	15%
Copies of Kansas Libraries Newsletter mailed	720	760	760
Percentage of federal reports completed in a timely manner	58%	58%	58%
Staff training events held	1	1	3

*Estimated level of performance under Governor's recommendations.

Reference Services	Actual FY 1994	Est. FY 1995	Est.* FY 1996
On-line searches performed	300	300	275
Library orientations performed	8	10	10
Materials circulated	10,000	10,000	10,000
Federal government publications cataloged	4,425	4,425	4,425
Kansas legislative bills and resolutions indexed	1,084	1,120	1,100
New Kansas government publications cataloged	1,651	1,800	1,400

*Estimated level of performance under Governor's recommendations.

Library Development	Actual FY 1994	Est. FY 1995	Est.* FY 1996
Percentage of phone calls responded to within 12 hours	n/a	70%	70%
On-site consulting visits made	51	60	55
Documents published to support consulting services	3	4	3
Participants in "aging" workshop	n/a	n/a	200
Participants in "children" workshop	n/a	n/a	100
Number of literacy tours	1,784	1,800	1,800
Number of literacy students	6,488	7,000	7,000

*Estimated level of performance under Governor's recommendations.

Kansas Library Network	Actual FY 1994	Est. FY 1995	Est.* FY 1996
Interlibrary loan development grants awarded			
Competitive	66	61	40
Resource Sharing	23	23	23
Online training seminars held	0	10	10
Continuing education activities sponsored	3	3	3
Participants in continuing education activities	100	150	150

*Estimated level of performance under Governor's recommendations.

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Kansas Talking Book Service	Actual FY 1994	Est. FY 1995	Est.* FY 1996
Patron satisfaction level	60%	62%	62%
Number of trained volunteers	75	78	78
Number of braille users	105	107	107
Working relationships established with agencies that have potential Talking Book users	2	3	3

*Estimated level of performance under Governor's recommendations.

Library Information Technology	Actual FY 1994	Est. FY 1995	Est.* FY 1996
Number of automation seminars presented	15	15	15
Number of interlibrary loan training seminars presented	40	30	20
Kansas Library Catalog data element corrections	27,500	30,000	30,000
Libraries contributing to the Kansas Library Catalog	613	630	650
Libraries with access to the Kansas Library Catalog	474	500	550
Library subscriptions to the Information Network of Kansas	50	300	400

*Estimated level of performance under Governor's recommendations.

Senate Committee Recommendation

The Senate Committee recommends the introduction of a bill to transfer all moneys in the Stormont Medical Library Fund to the Stormont-Vail Foundation Health Sciences Library Endowment Fund which would thereby abolish the Stormont Medical Library Fund.

Senate Committee of the Whole Recommendation

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

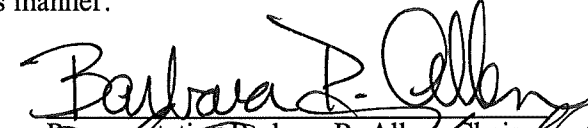
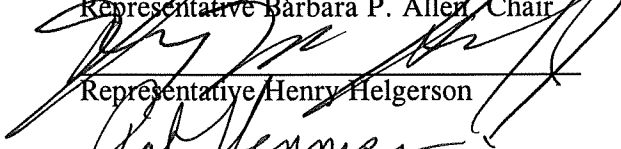
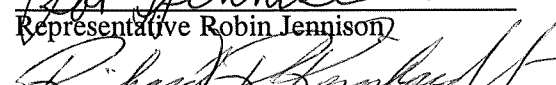
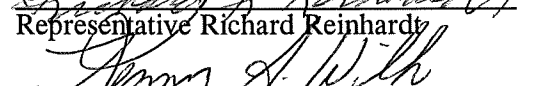
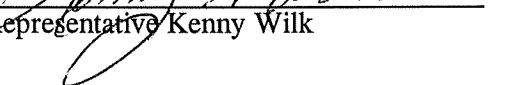
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<u>Expenditure Summary</u>	<u>Senate Adj. FY 96</u>	<u>Senate Rec. FY 96</u>	<u>House Subc. Adj.</u>
All Funds:			
State Operations	\$ (36,030)	\$ 1,552,642	\$ 0
Aid to Local Units	211,200	4,264,997	0
TOTAL	\$ 175,170	\$ 5,817,639	\$ 0
State General Fund:			
State Operations	\$ (31,259)	\$ 1,245,735	\$ 0
Aid to Local Units*	0	3,230,277	0
TOTAL	\$ (31,259)	\$ 4,476,012	\$ 0
FTE Positions	--	26.0	--
Special Project Appointments	--	0.0	--
TOTAL	--	26.0	--

House Subcommittee Recommendation

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

1. The House Subcommittee notes that the Senate Subcommittee recommended that DISC, INK, and the State Library develop a tiered system of charging for on-line access to the Kansas Library Catalog (KLC) to cover the library costs of providing this service. The House Subcommittee endorses the Senate proposal, but also recognizes there may be alternative means of funding access to the KLC beyond a tiered system of charging that the library may wish to explore. The House Subcommittee recommends this funding source be in place for FY 1997.
2. The Subcommittee recommends coordination of library funding throughout the state by one responsible entity. The Subcommittee would like to ensure cost-efficient funding of statewide library resources in this manner.


 Representative Barbara P. Allen, Chair

 Representative Henry Helgersen

 Representative Robin Jennison

 Representative Richard Reinhardt

 Representative Kenny Wilk

SUBCOMMITTEE REPORT

Agency: State Council on Vocational Education **Bill No. --**

Bill Sec. --

Analyst: Rampey

Analysis Pg. No. 215

Budget Page No. 543

<u>Expenditure Summary</u>	<u>Agency Estimate FY 95</u>	<u>Governor's Recommendation FY 95</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Federal Funds	\$ 153,124	\$ 153,124	\$ 0
FTE Positions	2.0	2.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>

Agency Overview

The State Council on Vocational Education is a 13-member body comprised of seven representatives of business and labor organizations and six representatives of vocational education institutions. The Council is funded entirely from federal funds and is mandated by federal law as a condition of Kansas receiving federal vocational education funds, estimated to be almost \$10.4 million. Its allocation for the last several years has been \$150,000. The Council is charged with making recommendations to the State Board of Education and other policymaking bodies concerning the State Plan for Vocational Education and other matters relating to vocational education and job training.

Agency Estimate/Governor's Recommendation

The Council estimates expenditures of \$153,124 in the current year. The Governor concurs with the Council's estimate.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations.

Senate Committee

The Senate Committee concurs with the Subcommittee.


Senate Committee of the Whole

The Senate Committee of the Whole concurs with the Committee.

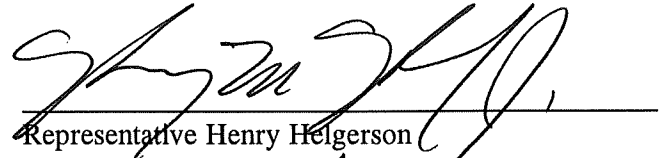
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Appropriations Cmte
Attachment 4*

House Subcommittee


The House Subcommittee concurs with the recommendation of the Senate.




Representative Barbara P. Allen
Subcommittee Chair



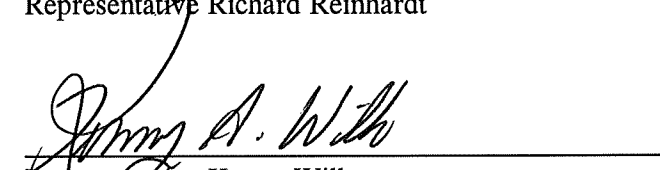
Representative Henry Helgerson



Representative Robin Jennison



Representative Richard Reinhardt



Representative Kenny Wilk

SUBCOMMITTEE REPORT

Agency: State Council on Vocational Education **Bill No. 80**

Bill Sec. 7

Analyst: Rampey

Analysis Pg. No. 215

Budget Page No. 543

<u>Expenditure Summary</u>	<u>Agency Request FY 96</u>	<u>Governor's Recommendation FY 96</u>	<u>Senate Subcommittee Adjustments</u>
State Operations:			
Federal Funds	\$ 150,000	\$ 150,000	\$ (3,101)
FTE Positions	2.0	2.0	0.0
Special Project Appointments	0.0	0.0	0.0
TOTAL	<u>2.0</u>	<u>2.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The Council estimates expenditures of \$150,000 in FY 1996. The Governor concurs with the Council's request.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the Governor, with the following exception:

1. Delete \$3,101 based on the recommendation to delete funding for a 3.5 percent unclassified merit pool (\$1,795); classified step movement (\$54); a one percent base adjustment for classified employees (\$303); and the longevity bonus (\$949) from individual agency budgets.

Senate Committee

The Senate Committee concurs with the Subcommittee.

Senate Committee of the Whole

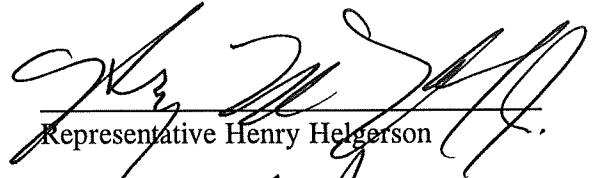
The Senate Committee of the Whole concurs with the Committee.

House Subcommittee

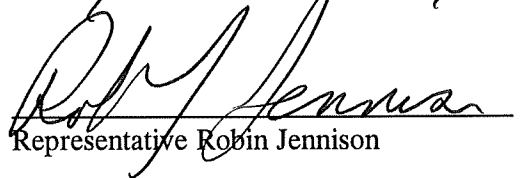
The House Subcommittee concurs with the recommendation of the Senate.



Representative Barbara P. Allen
Subcommittee Chair



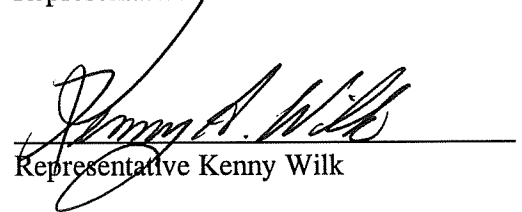
Representative Henry Helgeson



Representative Robin Jennison



Representative Richard Reinhardt




Representative Kenny Wilk

SUBCOMMITTEE REPORT

S.B. 170, 171, 173, 174
H.B. 2573



Rep. Barbara P. Allen, Chair



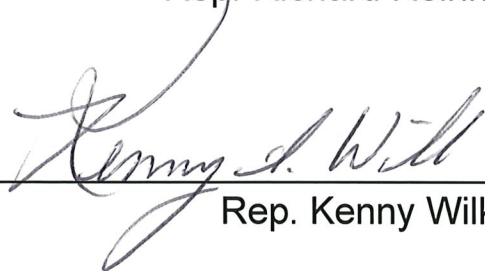
Rep. Henry M. Helgerson, Jr.



Rep. Robin Jennison



Rep. Richard Reinhardt



Rep. Kenny Wilk

3/20/95
Appropriations Cmte
Attachment 5

SUBCOMMITTEE REPORT

Senate Bill Nos. 170, 171, 173, 174

Background

The 1993 Legislature authorized \$99,000 for a comprehensive management study of the University of Kansas Medical Center. In September, 1993, the Kansas Board of Regents retained Arthur Andersen to conduct this study. A goal of the study was to determine what, if any, changes the University of Kansas Medical Center should consider to take advantage of the changing conditions in the health care service market. The final report by Arthur Andersen was presented to the Board of Regents in January, 1994, and presentations were made to members of legislative committees during the 1994 Session. The Arthur Andersen study indicated that the University of Kansas Medical Center should have a more flexible operational structure and a more expedient decision-making capability.

During the 1994 Session, the Legislature granted to the University, by provisos in the Regents appropriations bill, some additional authorities and management flexibility. The four bills (Senate Bill Nos. 170, 171, 173, and 174) reviewed by the Subcommittee codify and make permanent these authorities previously granted through appropriations bill proviso.

Summary of Bills and Subcommittee Activity

S.B. 170, as amended by Senate Committee, exempts acquisitions of data processing hardware or software by the University of Kansas Medical Center for the University hospital information systems from current statutory procedures and requirements for such purposes, and further authorizes such acquisitions through sole source negotiation. The bill directs the Medical Center to file and update periodically with the Director of Purchases of the Department of Administration a plan for future acquisitions. The bill further directs the Medical Center to submit a report each calendar quarter to the Secretary of Administration and the Chairpersons of the Senate Committee on Ways and Means and the House Committee on Appropriations detailing any such acquisitions.

S.B. 171 authorizes the University of Kansas Medical Center to negotiate and enter into contracts and leases on behalf of the University hospital for the purposes of affiliations, joint ventures, partnerships, and equity ownerships with other health care providers and third parties. The authorization is for the purpose of participation in medical networks to provide medical services. Authority to negotiate and enter into such contracts and leases is subject to recommendation of the Chancellor of the University of Kansas and approval by the State Board of Regents. The bill exempts any contracts or leases from the competitive bid process and from prior approval by the Secretary of Administration. The bill further authorizes the Medical Center to make expenditures from the hospital revenue fund for such contracts and leases, subject to appropriation acts.

The 1993 and 1994 Legislatures included a proviso in the appropriations bills for the University of Kansas Medical Center authorizing the University to enter into certain affiliations, partnerships, and equity ownerships. Under the authority of the existing proviso, the Hospital has acquired an equity ownership in a stock corporation formed by Blue Cross and Blue Shield of Kansas City which has as its principal business the operation of a health maintenance organization (HMO). The University also used this authority in 1993 to form a physician-hospital organization linking the University Hospital and the private practice foundations at the Medical Center to enable the institution to negotiate and bid for care in a unified manner. Under the existing authority, the University has also formed a not-for-profit corporation

as a joint venture between the University Hospital and the Kansas Family Medicine Foundation, for the purpose of establishing a primary care clinic in Johnson County.

S.B. 173 authorizes the University of Kansas Medical Center to enter into contracts, and to lease and operate off-campus medical care facilities. Under the bill, no contract or lease is subject to the competitive bid process or the prior approval of the Secretary of Administration. Further, the University of Kansas Medical Center is directed to submit a quarterly report regarding expenditures for such contracts or leases to the Secretary of Administration and the Joint Committee on State Building Construction.

S.B. 174, as amended by Senate Committee, provides new authority in purchasing to the University of Kansas Medical Center. First, the bill authorizes the University to make direct purchases of goods and services in amounts of not more than \$25,000 for any individual purchase. The bill requires each purchase to be made in the open market or in accordance with procedures and conditions prescribed and established by the University of Kansas Medical Center Director of Purchases.

The bill also authorizes the Medical Center to enter into contracts with consortiums of health care providers and other purchasing groups for the acquisition of supplies, materials, and equipment for use by the University hospital. The bill requires that the Medical Center advise and consult with the Director of Purchases of the Department prior to entering into such contracts.

The bill exempts purchases and acquisitions under the above provisions from current statutory purchasing requirements.

The 1994 Legislature granted this authority to the University of Kansas Medical Center through a proviso on the institution's appropriations bill. Prior to FY 1995, the institution had been delegated authority by the Director of Purchases of the Department of Administration for acquisitions up to \$10,000. Testimony indicated that the University anticipates savings of at least \$600,000 in the current year due to purchases through the University Hospital Consortium.

House Subcommittee Recommendation. The House Subcommittee recommends passage of Senate Bill Nos. 170, 171, 173, and 174, as amended by the Senate.

H.B. 2573

H.B. 2573 authorizes the State Board of Regents to convey property to Sedgwick County in accordance with a lease agreement entered into with Sedgwick County during 1994.

The Subcommittee was informed that Sedgwick County is completing plans for the construction of a Regional Forensic Center on property just north of the University of Kansas School of Medicine Wichita. Passage of the bill will allow Sedgwick County to own all of the property on which the Center and its main parking areas will be located.

House Subcommittee Recommendation. The Subcommittee recommends passage of H.B. 2573.