

Approved: 2/18/98
Date

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Phil Kline at 1:30 p.m. on February 11, 1998 in Room 514-S of the Capitol.

All members were present except: Representative George Dean - Excused
Representative Henry Helgeson - Excused
Representative Ed McKechnie - Excused

Committee staff present: Alan Conroy, Stuart Little, Mark Burenheide, Rae Anne Davis, Russell Mills, Lea Robinson, Legislative Research Department
Jim Wilson, Mike Corrigan, Revisor of Statutes Office
Helen Abramson, Administrative Aide; Linda Swain, Appropriations Secretary

Conferees appearing before the committee:
Representative Bill McCreary
Sharon Huffman
Don Myer, Executive Director, Kansas Commission on Veterans Affairs
Representative Barbara Allen

Chair Kline introduced Representative Barbara Allen, who had two requests for bill introduction: 1) the lake resort bill; 2) recommendations for Kansas Inc. dealing with the tourism attraction development grant program.

A motion was made by Representative Neufeld, seconded by Representative Feuerborn to introduce the two bills. The motion carried.

Hearing on HB 2781 - Women in Military Service for American Memorial.

Representative McCreary spoke in favor of **HB 2781**. A memorial was dedicated in late '97 at the Arlington Cemetery in Washington, D. C., to honor past, present and future involvement of women in the military service. Kansas is one of seven states which have not contributed to the memorial. The bill would appropriate \$10,000 from the state general fund to the Women in Military Service for America Memorial Foundation.

Sharon Huffman works for the Commission on Disability Concerns, but was speaking on her own behalf. She has been working towards making this memorial a reality since the effort started, almost ten years ago. This is a way for the people to recognize the over 10,300 women from Kansas who have served in the military. She urged the committees support. There were no questions.

Don Myer, Executive Director, Kansas Commission on Veterans Affairs, was present to provide information on **HB 2781**. (Attachment 1) He wanted to make the committee aware that this action sets precedent. Kansas has always supported the establishment of memorials to the men and women who have served in our armed forces through private donations.

A discussion followed. Representative O'Connor requested a picture of the memorial. The total cost of the memorial is approximately \$10M. Each state is asked to pay \$1 per veteran. The project is still approximately \$4M short of it's goal. Private efforts have been made to try to raise the funds.

There were no further questions and the hearing on **HB 2781** was closed.

Representative Edmonds presented the House Subcommittee report for the School of the Blind. (Attachment 2). The subcommittee concurred with the Governor's recommendations for FY 98. The Subcommittee concurred with the Governor's recommendation for FY 99 with two adjustments.

A motion was made by Representative Edmonds, seconded by Representative Reinhardt to adopt the Subcommittee report for the School for the Blind. The motion carried.

Representative Edmonds presented the House Subcommittee report for the School of the Deaf (Attachment 3). The Subcommittee concurred with the Governor's recommendations for FY 98. The House Subcommittee concurred with the Governor's recommendation for FY 99 with three adjustments.

A motion was made by Representative Edmonds, seconded by Representative Reinhardt to adopt the Subcommittee report for the School for the Deaf. The motion carried.

Representative Toplikar presented the House Subcommittee report on the Kansas Arts Commission

(Attachment 4). The House Subcommittee concurred with the Governor's recommendations for FY 98, with one adjustment. The House Subcommittee concurred with the Governor's recommendation for FY 99, with three adjustments.

A discussion followed. There were concerns with points in the report stating all problems have not been addressed. Representative Farmer offered to make more information available to the committee concerning the progress which has been made thus far on correcting problems and provide a list of the grants which have been awarded.

A motion was made by Representative Packer, seconded by Representative Ballard to increase the FY 99 State General Fund for the Kansas Arts Commission under "Other Assistance" by \$100,000 (which had been removed by the Governor's Recommendation). This would restore it to the original agency request of \$1,032,324. Discussion followed. The motion failed.

A motion was made by Representative Toplikar, seconded by Representative Reinhardt to adopt the Subcommittee's report for the Kansas Arts Commission for FY 1998-99. Discussion followed.

A substitute motion was offered by Representative Edmonds, seconded by Representative Landwehr to amend the Subcommittee Report to eliminate \$100,000 of State General Fund included in the Governor's Proposal. Discussion followed. The motion failed.

A substitute motion was offered by Representative Edmonds, seconded by Representative Landwehr to amend the motion by reclassifying the Governor's \$100,000 State General Fund to EDIF funds, changing the source of the funds. Discussion followed. The motion failed.

A vote was taken on the original motion made by Representative Toplikar, seconded by Representative Reinhardt to adopt the Subcommittee's report for the Kansas Arts Commission for FY 1998-99. The motion carried. Representative Edmonds was recorded as voting no.

Representative Reinhardt explained the Subcommittee's report for the Kansas State Historical Society (Attachment 5). The House Subcommittee concurred with the Governor's recommendations for FY 1998. The House Subcommittee concurred with the recommendations of the Governor for FY 99, with three adjustments and observations. A discussion followed.

A motion was made by Representative Edmonds, seconded by Representative Toplikar to amend the recommendation by adding a fourth adjustment to the report referencing the existence of the Society's Admissions Charge Report (Attachment 6) and attaching it by reference to the Subcommittee's Report as a resource for future use) The motion carried.

A motion was made by Representative Reinhardt, seconded by Representative Toplikar to adopt the amended Subcommittee report on the Kansas State Historical Society. There was no discussion. The motion carried.

Representative Edmonds reported for the subcommittee on the Kansas State Library (Attachment 7). The Subcommittee concurred with the Governor's recommendations for FY 98. The Subcommittee concurred with the Governor's recommendations for FY 99 with two adjustments and suggestions.

Chairperson Kline recognized Representative Reinhardt to read the Minority Report for the Subcommittee's Report on the Kansas State Library. A discussion followed, including clarification on the Minority Report. A typo was noted on the first page of the Subcommittee Report for the Kansas State Library for FY 98. The TOTAL of All Funds, under "Expenditure Summary" listed under the "Agency Est. FY 98" heading, was typed as \$3,023,063. It should have been typed as \$6,023,063. It did not affect the other numbers of the chart.

A motion was made by Representative Reinhardt, seconded by Representative Packer to adopt the Minority Report. The Minority Report motion on the Kansas State Library failed with 8 in favor and 9 opposed.

Discussion continued. Representative Edmonds opposed the Governor's recommendation for FY 99 because the funds had already been used by way of the previous subcommittee recommendation. He spoke of a substitute motion taking money back from the School for the Deaf and the School of the Blind. Chair Kline noted those motions have already been adopted, and there would be time during the omnibus bill to adjust funds.

A motion was made by Representative Nichols, seconded by Representative Pottorff, to adopt the Governor's recommendation, which was halfway between the Minority Report and the Majority Report. The motion failed. A division was noted in the motion count of 9 in favor, 10 opposed. A recount was called with 9 in favor, 9 opposed. The motion failed.

A motion was made by Representative Landwehr, seconded by Representative Toplikar to adopt the Subcommittee report on the Kansas State Library. The motion carried.

Three items were distributed to the committee as the committee adjourned: Testimony from Representative Geraldine Flaharty on HB 2843, HB 2844 & HB 2845 (Attachment 8); A handout with picture/information on the Women in Military Service For America Memorial, which was requested earlier in the meeting (Attachment 9); Testimony from Martin W. Bauer, President, Kansas Arts Commission regarding funding for the Arts (Attachment 10).

The meeting adjourned at 3:15

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 2/11/98

NAME	REPRESENTING
Juan Duffy	Kansas State Historical Society
Francine M. Hines	Association of the U.S. Army
Roger Curwell	Kansas Library Association
DON A. MYER	KCUA
Ramon Powers	Kansas State Historical Society
Carrie Reecht	Brad Smoot
Vickie Lynn Helsel	Budget Division
Eric Hayashi	KS Arts Commission
Paul Anderson	KS Arts Commission
Bill Dougherty	KSSB
Bob Schaumeyer	KSSB
Dwaine Johnson	State Library
Bill McCreary	Rep.
Victoria Foth	KS Humanities Council
Sharon Huffman	KCDC (Representing myself)

**Testimony by Don A. Myer,
Executive Director,
Kansas Commission on Veterans Affairs
on HB 2781
before the
House Appropriations Committee
February 11th, 1998**

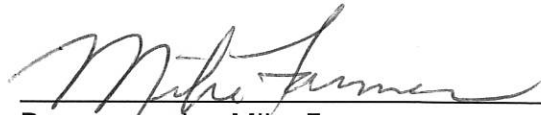
Mr. Chairman and members of the committee, my name is Don Myer and I am the Executive Director of the Kansas Commission on Veterans Affairs. Any time I use the pronouns "he" or "him", or at any time make masculine reference to veterans, I am referring to both the men and women who served our country. I am here today to provide information on HB 2781, a bill that proposes to provide funds to support the Women in Military Service for America Memorial located in Arlington, Virginia.

The main point I would like the committee to be aware of is that this action sets precedent. Kansas has always supported the establishment of memorials to the men and women who have served in our armed forces through private donations. This has been true at the local, state, and national level. My agency is capable of administering these funds as stipulated in the bill. However, this is not an expenditure the KCVA could support out of current operations, or in future years, without degrading our primary mission of providing advice, assistance, and counseling to veterans and their dependants throughout the state.

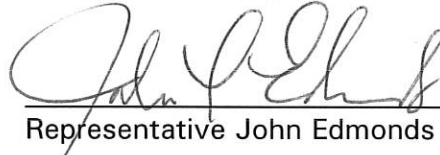
*Appropriations
2-11-98
Attachment 1*

**HOUSE SUBCOMMITTEE REPORT
FISCAL YEARS 1998-1999**

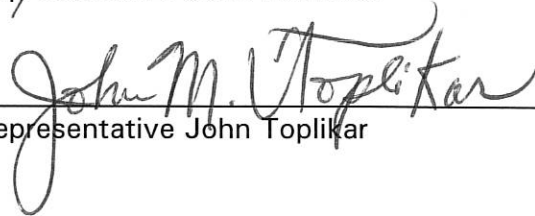
School for the Blind
School for the Deaf



Representative Mike Farmer
Subcommittee Chair



Representative John Edmonds



Representative John Toplikar

Representative Henry Helgerson



Representative Richard Reinhardt

SUBCOMMITTEE REPORT

Agency: School for the Blind

Bill No. –

Bill Sec. –

Analyst: Burenheide

Analysis Pg. No. 220

Budget Page No. 101

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 4,459,391	\$ 4,459,391	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 4,459,391</u>	<u>\$ 4,459,391</u>	<u>\$ 0</u>
Capital Improvements	878,901	878,901	0
TOTAL	<u><u>\$ 5,338,292</u></u>	<u><u>\$ 5,338,292</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 3,881,473	\$ 3,881,473	\$ 0
Accessible Arts	150,000	150,000	0
Technology Lending Library	100,000	100,000	0
Subtotal - Operating	<u>\$ 4,131,473</u>	<u>\$ 4,131,473</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 4,131,473</u></u>	<u><u>\$ 4,131,473</u></u>	<u><u>\$ 0</u></u>
Other Funds:			
State Operations	\$ 225,450	\$ 225,450	\$ 0
Aid to Local Units	0	0	0
Technology Lending Library	102,468	102,468	0
Subtotal - Operating	<u>\$ 327,918</u>	<u>\$ 327,918</u>	<u>\$ 0</u>
Capital Improvements	878,901	878,901	0
TOTAL	<u><u>\$ 1,206,819</u></u>	<u><u>\$ 1,206,819</u></u>	<u><u>\$ 0</u></u>
FTE Positions	93.5	93.5	0.0
Unclassified Temp. Positions	16.5	16.5	0.0
TOTAL	<u><u>110.0</u></u>	<u><u>110.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The School estimates State Operating expenditures of \$4,459,391 for FY 1998. This estimate is \$14,775 above the amount approved by the 1997 Legislature, but the State General Fund estimate is the same as the amount approved by the Legislature during the 1997 Legislative Session. Under this estimate, \$4,131,473 would come from the State General Fund and \$327,918 would come from all other funds.

Of the total FY 1998 estimate for operating expenditures, \$3,405,281 is for salaries and wages and \$1,054,110 is for other operating expenditures.

The Governor concurs with the agency's request.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: School for the Blind

Bill No.

Bill Sec.

Analyst: Burenheide

Analysis Pg. No. 220

Budget Page No. 101

Expenditure Summary	Agency Request FY 99	Gov. Rec. FY 99	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 4,714,923	\$ 4,628,373	\$ 99,921
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 4,714,923</u>	<u>\$ 4,628,373</u>	<u>\$ 99,921</u>
Capital Improvements	289,654	289,654	0
TOTAL	<u><u>\$ 5,004,577</u></u>	<u><u>\$ 4,918,027</u></u>	<u><u>\$ 99,921</u></u>
State General Fund:			
State Operations	\$ 4,249,759	\$ 4,095,209	\$ 99,921
Accessible Arts	150,000	150,000	0
Technology Lending Library	0	0	0
Subtotal - Operating	<u>\$ 4,399,759</u>	<u>\$ 4,245,209</u>	<u>\$ 99,921</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 4,399,759</u></u>	<u><u>\$ 4,245,209</u></u>	<u><u>\$ 99,921</u></u>
Other Funds:			
State Operations	\$ 215,164	\$ 283,164	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Technology Lending Library	100,000	100,000	0
Subtotal - Operating	<u>\$ 315,164</u>	<u>\$ 383,164</u>	<u>\$ 0</u>
Capital Improvements	289,654	289,654	0
TOTAL	<u><u>\$ 604,818</u></u>	<u><u>\$ 672,818</u></u>	<u><u>\$ 0</u></u>
FTE Positions	93.5	93.5	0.0
Unclassified Temp. Positions	11.5	11.5	0.0
TOTAL	<u><u>105.0</u></u>	<u><u>105.0</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The School requests FY 1999 operating expenditures of \$4,714,923, an increase of \$255,532 or 5.7 percent above the FY 1998 estimate. Of the total FY 1999 request, \$4,399,759 or 93.3 percent is from the State General Fund and \$315,164 or 6.7 percent is from all other funds.

The Governor recommends \$4,628,373 or 1.8 percent less than the School's request. **The Governor's** recommendation is \$168,982 or 3.8 percent more than the FY 1998 recommendation.

The State General Fund request is \$268,286 or 6.5 percent above the FY 1998 estimate. The all other funds request is \$12,754 or 3.9 percent less than the FY 1998 estimate. Of the total FY 1999 request for operating expenditures, \$3,607,361 is for salaries and wages and \$274,481 is for other operating expenditures.

The Governor recommends \$4,245,209 from the State General Fund. That recommendation is \$154,550 or 3.5 percent less than the school's request. The FY 1999 recommendation is \$113,760 or 2.8 percent higher than the FY 1998 recommendation.

The School also requests that the \$100,000 (SGF) that was allocated for a Technology Lending Library for FY 1998 be reallocated for FY 1999 as the School has not been able to raise the total amount in FY 1998. The School is matching the State General Fund appropriation with \$100,000 in private grants and donations for the start-up of an ongoing program to provide students and school districts with special educational equipment that local school districts are not able to provide. **The Governor concurs with this request.**

Absent requested FY 1999 enhancements, the School's request would represent an increase of \$61,534, or 1.4 percent.

House Subcommittee Recommendation

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

1. Add \$99,921 (SGF) for a 5.0 percent Teacher Salary Equity Adjustment. The Subcommittee received a report from the Division of Personnel Services (DPS). The report looked at three studies and concluded, "that the Kansas Schools for the Blind and Deaf are below the market average in entry level pay for both Bachelor's and Master's Degree teacher levels."
2. Make technical corrections to the appropriations bill necessary to correctly reflect the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: School for the Deaf

Bill No. --

Bill Sec. --

Analyst: Burenheide

Analysis Pg. No. 233

Budget Page No. 153

<u>Expenditure Summary</u>	<u>Agency Estimate FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 6,925,353	\$ 6,910,445	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 6,925,353	\$ 6,910,445	\$ 0
Capital Improvements	<u>1,045,956</u>	<u>1,045,956</u>	<u>0</u>
TOTAL	<u><u>\$ 7,971,309</u></u>	<u><u>\$ 7,956,401</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 6,728,318	\$ 6,713,410	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 6,728,318	\$ 6,713,410	\$ 0
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 6,728,318</u></u>	<u><u>\$ 6,713,410</u></u>	<u><u>\$ 0</u></u>
Other Funds:			
State Operations	\$ 197,035	\$ 197,035	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 197,035	\$ 197,035	\$ 0
Capital Improvements	<u>1,045,956</u>	<u>1,045,956</u>	<u>0</u>
TOTAL	<u><u>\$ 1,242,991</u></u>	<u><u>\$ 1,242,991</u></u>	<u><u>\$ 0</u></u>
FTE Positions	176.5	176.5	0.0
Unclass. Temp. Positions	<u>27.0</u>	<u>27.0</u>	<u>0.0</u>
TOTAL	<u><u>203.5</u></u>	<u><u>203.5</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The School estimates operating expenditures of \$6,925,353, which is \$540 less than the amount approved by the 1997 Legislature for FY 1998. The \$540 reduction is from the State General Fund.

*Appropriations
2-11-98
Attachment 3*

Of the total FY 1998 estimate for operating expenditures, \$6,728,318 is from the State General Fund and \$197,035 is from all other funds. For FY 1998, \$6,031,082 is estimated for salaries and wages. This figure is \$321,625, or 5.6 percent above FY 1997 actuals.

The Governor recommends operating expenditures of \$6,910,445, which is \$15,448 or 2.9 percent less than the amount approved by the 1997 Legislature. The entire reduction is from the State General Fund. **The Governor's** recommendation is \$14,908 less (or 0.3 percent) than the School's estimate. **The Governor** recommends \$6,713,410 from the State General Fund and \$197,035 from all other funds.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: School for the Deaf

Bill No.

Bill Sec.

Analyst: Burenheide

Analysis Pg. No. 233

Budget Page No. 153

<u>Expenditure Summary</u>	<u>Agency Request FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,525,466	\$ 7,188,556	\$ 213,387
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 7,525,466	\$ 7,188,556	\$ 213,387
Capital Improvements	<u>787,713</u>	<u>503,813</u>	<u>25,000</u>
TOTAL	<u><u>\$ 8,313,279</u></u>	<u><u>\$ 7,692,369</u></u>	<u><u>\$ 238,387</u></u>
State General Fund:			
State Operations	\$ 7,328,431	\$ 6,923,521	\$ 213,387
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 7,328,431	\$ 6,923,521	\$ 213,387
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 7,328,431</u></u>	<u><u>\$ 6,923,521</u></u>	<u><u>\$ 213,387</u></u>
Other Funds:			
State Operations	\$ 197,035	\$ 265,035	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal - Operating	\$ 197,035	\$ 265,035	\$ 0
Capital Improvements	<u>787,813</u>	<u>503,813</u>	<u>25,000</u>
TOTAL	<u><u>\$ 984,848</u></u>	<u><u>\$ 768,848</u></u>	<u><u>\$ 25,000</u></u>
FTE Positions	179.5	175.5	0.0
Unclass. Temp. Positions	<u>27.0</u>	<u>27.0</u>	<u>0.0</u>
TOTAL	<u><u>206.5</u></u>	<u><u>202.5</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The School requests operating expenditures of \$7,525,466, or 8.7 percent above the FY 1998 estimate. Out of that request, \$7,328,431 is from the State General Fund and \$197,035 is from all other

funds. For FY 1999, the School requests \$6,541,348, which is \$510,266 or 8.5 percent above the FY 1998 estimate for salaries and wages for FY 1999.

The Governor recommends operating expenditures of \$7,188,556 or 4.0 percent above the FY 1998 recommendation. The Governor's recommendation is \$336,910 or 4.5 percent less than the agency's request. **The Governor** recommends \$6,923,521 from the State General Fund and \$265,035 from all other funds.

Absent requested FY 1999 enhancements, the School's operating expenditure request would represent a decrease of \$422,030 or (5.3) percent.

House Subcommittee Recommendation

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

1. Add \$213,387 (SGF) for a 5.0 percent Teacher Salary Equity Adjustment. The Subcommittee received a report from the Division of Personnel Services (DPS). The report looked at three studies and concluded, "that the Kansas Schools for the Blind and Deaf are below the market average in entry level pay for both Bachelor's and Master's Degree teacher levels."
2. Add \$25,000 (SIBF) to repair the roof of the dressing room in the Old Gym. The Subcommittee received information that this roof has not been replaced since at least 1975 and has been leaking for several years.
3. Make technical corrections to the appropriations bill necessary to correctly reflect the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: Kansas Arts Commission

Bill No. --

Bill Sec. --

Analyst: Mills

Analysis Pg. No. 210

Budget Page No. 77

<u>Expenditure Summary</u>	<u>Agency Est. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 466,189	\$ 445,650	\$ 20,539
Aid to Local Units	280,407	281,157	0
Other Assistance	<u>1,200,264</u>	<u>1,220,803</u>	<u>(20,539)</u>
TOTAL	<u><u>\$ 1,946,860</u></u>	<u><u>\$ 1,947,610</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 293,184	\$ 293,184	\$ 0
Aid to Local Units	220,458	221,208	0
Other Assistance	<u>831,731</u>	<u>831,731</u>	<u>\$ 0</u>
TOTAL	<u><u>\$ 1,345,373</u></u>	<u><u>\$ 1,346,123</u></u>	<u><u>0</u></u>
FTE Positions			
FTE Positions	8.0	8.0	0.0
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u><u>8.0</u></u>	<u><u>8.0</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The Commission's revised current year estimate is \$279,271 more than the budget approved by the 1997 Legislature. The Commission proposes to spend less from the State General Fund (\$750), but more from federal funds (\$280,021). The following table shows how the additional federal moneys would be expended:

	<u>Approved FY 1998</u>	<u>Revised FY 1998</u>	<u>Difference</u>
Salaries	\$ 350,475	\$ 352,463	\$ 1,988
Other Operating	<u>77,327</u>	<u>113,726</u>	<u>36,399</u>
Subtotal	\$ 427,802	\$ 466,189	\$ 38,387
Program Grants	<u>1,239,787</u>	<u>1,480,671</u>	<u>240,884</u>
TOTAL	<u><u>\$ 1,667,589</u></u>	<u><u>\$ 1,946,860</u></u>	<u><u>\$ 279,271</u></u>

*Appropriations
2-11-98
Attachment 4*

The Commission reports that it needs the additional \$38,387 for state operations because the amount approved by the 1997 Legislature is not sufficient to pay expenses for the year. In order to expend the additional \$38,387 for salaries and other operating expenses, legislative action is required because there is a limit in the appropriations bill on the amount of federal funds that can be used for state operations. A statutory change is needed to increase the expenditure authority on the state operations account of the Commission's federal fund (from \$134,152 to \$172,539).

Governor's Recommendation. The Governor adjusts the Commission's revised estimate to include in aid to local units an additional \$750, of which all would be from the State General Fund. The \$750 are moneys that were approved last year, but not budgeted in the Commission's revised current year estimate. The Governor concurs with the Commission's estimate for expenditures from all other funds. However, he reduces by \$20,539 the amount budgeted for state operations and shifts the money for grants to not-for-profit groups. Under the Governor's recommendation, the expenditure authority on the state operations account of the Commission's federal fund would be increased from \$134,152 to \$152,000.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation, with the following adjustment:

1. Shift \$20,539 in federal funds from program grants back to state operations, as requested by the agency. As noted in the paragraph above, the Governor had shifted this amount from state operations to grants for not-for-profit groups. The agency appealed that this funding was needed to pay for communications, maintenance, and supplies. Under the House Subcommittee's recommendation, the expenditure authority on the state operations account of the Commission's federal fund will increase by \$38,387 (from \$134,152 to \$172,539).



Representative Michael Farmer, Chair

Representative John Edmonds



Representative John Toplikar

Representative Henry Helgerson



Representative Richard Reinhardt

SUBCOMMITTEE REPORT

Agency: Kansas Arts Commission

Bill No. –

Bill Sec. –

Analyst: Mills

Analysis Pg. No. 210

Budget Page No. 77

<u>Expenditure Summary</u>	<u>Agency Req. FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 522,550	\$ 470,111	\$ 0
Aid to Local Units	246,349	263,365	0
Other Assistance	1,190,529	1,185,513	0
TOTAL	\$ 1,959,428	\$ 1,918,989	\$ 0
State General Fund:			
State Operations	\$ 372,050	\$ 319,611	\$ 0
Aid to Local Units	220,614	220,614	0
Other Assistance	1,032,324	932,324	0
TOTAL	\$ 1,624,988	\$ 1,472,549	\$ 0
FTE Positions	9.0	8.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	9.0	8.0	0.0

Agency Request/Governor's Recommendation

For FY 1999, the Commission requests expenditures of \$1,959,428, which is an increase of \$12,568 from the current year revised estimate. The request for State General Fund revenues is \$279,615 more than the revised current year estimate to compensate for reduced federal funding of \$267,081. The Commission expects federal funding from the National Endowment for the Arts to decline. Included in the request is \$254,486 for enhancements, including 1.0 new FTE position. Absent the requested enhancements, the Commission's request would be a reduction of \$241,918 or 12.4 percent from the current year revised estimate.

FY 1999 Enhancements						
Enhancement	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
State Operations	\$ 54,486	\$ 54,486	1.0	\$ 0	\$ 0	0.0
Program Grants	200,000	200,000	0.0	100,000	212,000	0.0
TOTAL - FY 1999 Enhancement Request	<u>\$ 254,486</u>	<u>\$ 254,486</u>	<u>1.0</u>	<u>\$ 100,000</u>	<u>\$ 212,000</u>	<u>0.0</u>

FY 1999 Enhancements

- State Operations Enhancement.** Of the \$54,486 reflected in the budget request as an enhancement for state operations, \$22,089 would be for the salary cost of an office assistant position because the agency has no clerical staff to answer the phone and do other day-to-day tasks necessary to support the Commission's professional staff. Other components of the state operations enhancement consist of \$600 to pay maintenance costs of the Commission's Internet website; \$3,200 for printing costs related to the Governor's Arts Awards Program; and \$1,000 for hospitality for various events and for plaques given to recipients of the Governor's Arts Award. According to the Commission, its usual allowance of \$300 for hospitality is not adequate for covering the costs of its various functions and staff often supply at their own expense the food and paper supplies needed for some events. Lastly, the enhancement amount reflects \$27,597 for capital outlay mostly to replace old equipment. Included in the request is \$6,896 for new audio-video equipment and \$20,701 for computer equipment, including two replacement Macintosh personal computers.
- Grant Enhancement.** The \$200,000 reflected in the enhancement request would be for maintaining current funding levels by shifting financing from federal funds to the State General Fund. The shift is made due to the expectation that available federal funding will decline for the grant expenses. Included in the request is \$50,000 each for the Commission's Operational Support for Arts and Cultural Organizations program, Arts in Education program, and Arts Industry Partnership program. There also is \$50,000 for a new Community Cultural Planning Grants program to provide for arts infrastructure development by supporting the initiation and implementation of community-wide cultural plans.

Governor's Recommendation. The Governor recommends \$212,000 for the grant enhancement, an increase of \$12,000 from the Commission's request. Financing for the enhancement differs from the Commission's request in that \$100,000 would be from the State General Fund, not the \$200,000 that was requested. The remaining \$112,000 would come from additional federal revenues that the Governor believes will be available to fund the recommendation. No funding is recommended for the requested enhancement for state operations. The Governor does adjust salaries and wages to include a 1.5 percent base salary increase for classified employees, which is in addition to the step movement that was requested. Also, under the Governor's recommendation, the Commission's unclassified Executive Director would get a 4.0 percent salary increase.

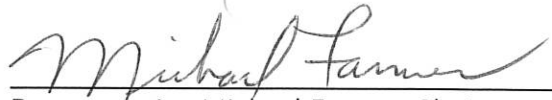
House Subcommittee Recommendation

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

1. Remove the expenditure limitation in the FY 1999 appropriations bill on the amount of federal funds that the agency can use for state operations. Beginning in FY 1997, the Legislature has placed a cap on the amount of federal funds that can be spent for state operations. The Governor recommends that this limitation be set at \$150,000 for FY 1999. The House Subcommittee recommends that this cap be removed, largely as a result of the improved accounting practices noted in Item 2, below. However, the House Subcommittee expects that the vast bulk of the federal funds will be expended for program grants, and not for administration.
2. During the 1997 Session, the Legislative Division of Post Audit presented a compliance and control audit of the Arts Commission which found serious deficiencies in the Commission's financial management practices. The Senate Ways and Means and House Appropriations Subcommittees made a number of recommendations for improvements in the financial practices of the Arts Commission and requested that the Commission report on the progress it had made to the 1998 Legislature.

The Executive Director of the Arts Commission presented a report on improvements which had been implemented. The Executive Director also presented a letter (dated October 31, 1997) from the Legislative Post Auditor which summarized the follow-up work at the Arts Commission done by Post Audit about six months after the original audit. In the follow-up letter, the Post Auditor reported that the Commission has substantially improved the financial management practices it uses to ensure that it adheres to spending restrictions; that the Arts Commission is taking steps to improve its oversight of local agency spending; and that the Kansas Commission on Governmental Standards and Conduct has provided training to both Commission members and the Commission's staff to address potential conflicts of interest. The Post Auditor's letter concluded with the following statement: "Although not all issues raised by our original audit have been resolved completely at this time, it's clear that significant progress has been made, and that the risk of inappropriate spending by the Arts Commission and by local agencies receiving moneys from the Arts Commission has been reduced substantially."

3. Make any technical corrections to the bill.



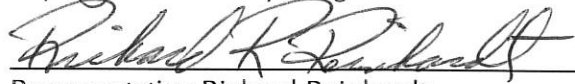
Representative Michael Farmer, Chair

Representative John Edmonds



Representative John Toplikar

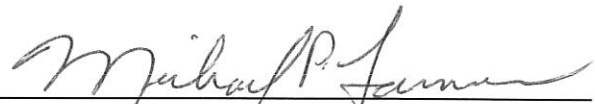
Representative Henry Helgerson



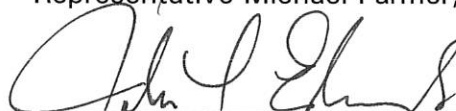
Representative Richard Reinhardt

SUBCOMMITTEE REPORTS

KANSAS STATE HISTORICAL SOCIETY



Representative Michael Farmer, Chair

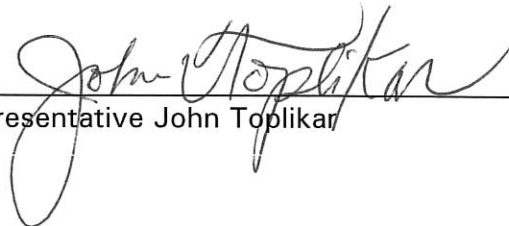


Representative John Edmonds

Representative Henry Helgerson



Representative Richard Reinhardt



Representative John Toplikar

Appropriations
2-11-98
Attachment 5

SUBCOMMITTEE REPORT

Agency: Kansas State Historical Society

Bill No.

Bill Sec.

Analyst: Robinson

Analysis Pg. No. 249

Budget Page No. 248

<u>Expenditure Summary</u>	<u>Agency Est. FY 98</u>	<u>Gov. Rec. FY 98</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 6,746,688	\$ 6,746,688	\$ 0
Aid to Local Units	755,513	755,513	0
Other Assistance	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Subtotal - Operating	\$ 7,577,201	\$ 7,577,201	\$ 0
Capital Improvements	<u>612,876</u>	<u>612,876</u>	<u>0</u>
TOTAL	<u>\$ 8,190,077</u>	<u>\$ 8,190,077</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 5,579,727	\$ 5,579,727	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>75,000</u>	<u>75,000</u>	<u>0</u>
Subtotal - Operating	\$ 5,654,727	\$ 5,654,727	\$ 0
Capital Improvements	<u>389,261</u>	<u>389,261</u>	<u>0</u>
TOTAL	<u>\$ 6,043,988</u>	<u>\$ 6,043,988</u>	<u>\$ 0</u>
FTE Positions	136.5	136.5	0.0
Unclassified Temp. Positions	<u>11.0</u>	<u>10.0</u>	<u>(1.0)</u>
TOTAL	<u>147.5</u>	<u>146.5</u>	<u>(1.0)</u>

Agency Estimate/Governor's Recommendation

The Society's revised current year estimate is an increase of \$43,887 over the amount approved by the 1997 Legislature. The Society requests a State General Fund supplemental totaling \$24,860 for additional expenses related to its contract for private security services at its facilities. In addition, the revised estimate reflects the addition of an unclassified temporary architect position in the Historic Sites program for FY 1998 only. The position was added to expedite the completion of capital improvement projects at Adair Cabin and Mine Creek Battlefield.

The Governor concurs with the Society's revised FY 1998 estimate, including a supplemental appropriation of \$24,860 from the State General Fund. The Governor includes funding for the architect position, but does not reflect the position in the agency's total position count.

House Subcommittee Recommendation

The House Subcommittee concurs with the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: Kansas State Historical Society

Bill No.

Bill Sec.

Analyst: Robinson

Analysis Pg. No. 249

Budget Page No. 248

<u>Expenditure Summary</u>	<u>Agency Req. FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,249,655	\$ 6,913,120	\$ 200,000
Aid to Local Units	755,513	755,513	0
Other Assistance	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Subtotal	\$ 8,105,168	\$ 7,768,633	\$ 200,000
Capital Improvements	<u>3,048,652</u>	<u>334,573</u>	<u>0</u>
TOTAL	<u><u>\$ 11,153,820</u></u>	<u><u>\$ 8,103,206</u></u>	<u><u>\$ 200,000</u></u>
State General Fund:			
State Operations	\$ 6,140,338	\$ 5,799,674	\$ 0
Aid to Local Units	0	0	0
Other Assistance	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Subtotal	\$ 6,240,338	\$ 5,899,674	\$ 0
Capital Improvements	<u>3,048,652</u>	<u>334,573</u>	<u>0</u>
TOTAL	<u><u>\$ 9,288,990</u></u>	<u><u>\$ 6,234,247</u></u>	<u><u>\$ 0</u></u>
FTE Positions	136.5	136.5	0.0
Unclassified Temp. Positions	<u>10.0</u>	<u>10.0</u>	<u>0.0</u>
TOTAL	<u><u>146.5</u></u>	<u><u>146.5</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The Society's FY 1999 budget request would provide for an increase of \$527,967 from the current year revised budget. Financing from the State General Fund would increase by \$585,611, while financing from other special revenue funds would be reduced by \$57,644. Included in the request is \$516,674 (including \$510,874 from the State General Fund) for nine enhancements. The requested enhancements include: creating Kansas history packets (\$53,000); equipment replacement (\$50,000); making the public more aware of the Society's programs through the use of the media and printed materials (\$50,000); funding to allow the Society to end its contract for private security services and utilize the services of the Capitol Police (\$123,268); funding for an online public access catalog program (\$70,104); funding for orientation videos for the museum and historic sites (\$30,000); establishing a new Heritage Assistance program (\$39,000); acquisition of a camera that will produce both microfilm and microfiche (\$76,302); and an increase to the Society's grant to the Kansas Humanities Council (\$25,000).

The Governor's recommendation for operating expenditures is a reduction of \$336,535 from the agency's request. The Governor includes in his recommendation funding for three of the nine requested enhancements. He concurs with the request for equipment replacement (\$50,000), and the increased grant to the Kansas Humanities Council (\$25,000). With regard to security issues, the Governor recommends additional funding of \$36,283, but recommends that the Society continue to obtain security services through a contract with a private vendor. The Governor's recommendation includes funding for a 1.5 base salary adjustment for classified employees and a 4.0 percent unclassified merit pool.

House Subcommittee Recommendation

The House Subcommittee concurs with the recommendations of the Governor, with the following adjustments and observations:

1. The Subcommittee recommends that the Society aggressively pursue donations from visitors to its facilities. Currently, the Society collects donations of approximately \$4,000 annually from the estimated 135,000 to 140,000 visitors to the Kansas Museum of History and the state historic sites. As an incentive to more actively pursue voluntary contributions from visitors, the Subcommittee recommends that funding not to exceed \$100,000 from the Economic Development Initiatives Fund be provided as matching funds for any contributions raised by the Society. In essence, for every dollar of voluntary contributions the Society receives, it will earn two dollars. The Society would certify the amount of contributions it had received on a quarterly basis for purposes of the EDIF match. The Subcommittee believes the funding should not be used to replace State General Fund moneys for ongoing operational expenditures, but should be used specifically for education, promotion, or preservation of historic sites. The Society would be free to address its more pressing needs in those areas with the funding.
2. The Subcommittee recommends the introduction of a bill to amend K.S.A. 76-2056, which relates to the use of the Society's facilities by third parties for special events. The statute currently allows the Society to establish fees for use of its facilities, and the fees collected are deposited in the Historical Society Facilities Fund. Expenditures from the fund are allowed *only* to cover the costs related to the use of the facilities. The Subcommittee recommends that the provision limiting expenditures be removed from the statute. This would, in effect, allow the Society to make a profit on the rental of its facilities, and the resulting funding could also be used to address the Society's priority spending needs.
3. The Subcommittee wishes to commend the Society on its education and outreach efforts and on the improvements made at the state historic sites. The Society has made great progress in fulfilling its mission to assist the public in understanding and appreciating Kansas heritage.



***KANSAS
STATE
HISTORICAL
SOCIETY***



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KANSAS HISTORY CENTER

Administration
Center for Historical Research
Cultural Resources
Education / Outreach
Historic Sites
Kansas Museum of History
Library & Archives

HISTORIC SITES

Adair Cabin
Constitution Hall
Cottonwood Ranch
First Territorial Capitol
Fort Hays
Goodnow House
Grinter Place
Hollenberg Station
Kaw Mission
Marais des Cygnes Massacre
Mine Creek Battlefield
Native American Heritage Museum
Pawnee Indian Village
Pawnee Rock
Shawnee Mission

February 5, 1998

Here is a copy of the Admission Fees Report you requested.

*Appropriations
2-11-98
Attachment 6*

KANSAS STATE HISTORICAL SOCIETY

PLAN FOR ADMISSION FEES AT THE KANSAS MUSEUM OF HISTORY AND STATE HISTORIC SITES 1998

The Subcommittee of the House Appropriations Committee reviewing the Historical Society's budget in 1997 requested that the Society present to the 1998 Legislature a plan for imposing fees at the Kansas Museum of History and State Historic Sites, including the fee structure, list of sites where the fee could be imposed, and projected revenues from the fees. This report updates a similar report presented to the 1995 Legislature.

Executive Summary

Proposed Fee Structure

Adults - \$2.00

Children (Age 5-14) and Senior Citizens - \$1.00

School Groups, Society Members, and Children (under 5) - no charge

Locations to charge the Fee:

Kansas Museum of History
Constitution Hall
Cottonwood Ranch
Fort Hays
Grinter Place
Hollenberg Station
Kaw Mission
Marais des Cygnes Massacre
Mine Creek Battlefield
Native American Heritage Village
Pawnee Indian Village
Shawnee Mission

Location not charging the Fee:

Pawnee Rock
Tobias Archeological Site
Adair Cabin
First Territorial Capitol
Goodnow House

Revenue Estimates:

	Gross	Net
Kansas Museum of History:	\$60,000	\$40,000 (after first year start-up costs)
Historic Sites:	\$52,500	\$52,500 (after first year start-up costs)

Recommendation:

The following report details the implications and results of imposing modest admission fees at the Kansas Museum of History and the staffed State Historic Sites operated by the Kansas State Historical Society. Based on this information the Society recommends against instituting such admission fees. First, most historical organizations in other states, particularly those in our region, do not charge admission to their museums. Second, we are very concerned about the negative impact such a fee would have on visitation. Third, the museum's and sites' facilities are not physically designed for collecting fees nor is staffing available to monitor and collect fees. Fourth, the net revenues realized through the collection of fees would be negligible, especially in comparison with the overall cost of these programs and given the extent to which it is projected that the fee will limit access to the Society's educational programming and exhibits.

The limitation on public access to our state's heritage is the last and probably most significant disadvantage of imposing admission fees. Charging an admission fee will most heavily affect families, low-income individuals, and repeat visitors, both at the museum and sites. Moreover, the museum is the primary, and most-visited state-owned tourist attraction in Kansas. An admission fee at the museum and state historic sites could have a negative impact on tourism throughout the state.

PLAN FOR ADMISSION FEES

This proposal updates the plan prepared in 1994 and presented to the 1995 Legislature. Additional information related to the state historic sites has been added, but the overall analysis and conclusions have not changed significantly.

I. Trends in Other States

In 1994 the Historical Society surveyed historical organizations in other states to determine how many charged an admission fee at their museum, and, if so, how much each museum charged. The survey was conducted again in late 1997 much of the data was updated. Of 36 organizations responding in 1994, 21 charged no admission fee and 12 did (and 3 did not operate museums). However, although a few of the museums which charged admissions fees in 1994 indicated increases in the amount of their fees, no museums which did not charge fees in 1994 had imposed them in 1997.

Of the 12 museums which charge admission, the fees ranged from \$2.00 to \$8.00 with an average of approximately \$4.00. Without exception members received free admission. The revenue generated by the fees varies considerably, varying both with the attendance figures and the fee structure. Only one of the states bordering Kansas, Colorado, charges an admissions fee at its historical society

museum.

II. Kansas Museum of History Visitor Survey

Museum visitors during the summer of 1994 were surveyed regarding a possible admission fee. Administered by the Information Volunteers, the museum received responses from 359 visitors during the period of the survey. Visitors to the state historic sites have not been surveyed. There is no reason to believe data obtained today from museum visitors would be different.

- 1) Most of our Topeka visitors (by a margin of 3 to 1) were not first time visitors to the Museum.
- 2) More than one-half (60%) of our Kansas visitors (defined as those living outside a 50-mile radius of Topeka) were first time visitors.
- 3) Most of our out-of-state visitors (by a margin of 3 to 1) were first time visitors.
- 4) Of those visitors who said that this was not their first visit to the Museum, visitors from Topeka made the most return visits--18% said they visited five or more times. This compares to return visits of five or more times from Kansas visitors--6%, and out-of-state visitors--11%. (While the 11% figure for out-of-state return visits seems high, we believe it may reflect that people passing through Topeka are making the Museum a regular stop.)
- 5) Of all the visitors to the Museum who participated in the survey, almost two-thirds would be willing to pay an admission fee--64% responded yes, 25% responded no.
- 6) Visitors from Topeka (within a 50-mile radius) registered a much higher disapproval rating for an admission fee than those Kansans living outside Topeka or visitors from out-of-state. Topeka-area residents responded "no" to admission fees 33% of the time compared to other Kansans (12%) and out-of-state visitors (18%).
- 7) Of the visitors who would be willing to pay an admission fee, over two-thirds would pay no more than two dollars. Visitors from outside Topeka are willing to pay slightly higher admission fees than those in Topeka. Visitors from Topeka checked \$1.00 as their preferred admission fee while those from other places in Kansas and from out-of-state checked \$2.00.
- 8) If an admission fee is instituted, Topeka-area residents will not visit the Museum as often. Their responses ran 2 to 1 against probable repeat visits. Kansans from outside Topeka also responded that they would not visit as frequently if an admission fee is instituted. Out-of-state visitors were almost equally divided on this question.

III. Physical Issues

The physical and logistical issues related to collecting an admissions fee at the museum and each of the twelve sites where a fee could be implemented are complicated and vary considerably from location to location.

A. Museum

The Kansas Museum of History is a part of the larger Kansas History Center Complex, and charging a fee to enter the complex and access all of the programs and facilities of the Kansas State Historical Society was determined to be beyond the scope of this plan. Thousands of individuals attend meetings and workshops at the Kansas History Center through the "third-party" program, and adding an admission fee to the room rental charge already assessed would deter some groups from using our facilities. An admission fee would severely detract from the ability of the Society to introduce new audiences its programs. Even larger numbers of "non-museum" visitors to the complex are conducting research or visiting Society offices, and charging fees to visit the state archives or a state agency's offices would present both legal and philosophical problems. Likewise charging admissions fees to all society educational programs and special events would be problematic. Thus this plan considers the imposition of fees only on those entering the museum exhibit galleries. Even this proposal presents many costs and logistical concerns.

If an admission fee is instituted, the recommendation is to sell tickets or tokens (depending on the turnstile technology selected) at the Information Desk, but redesign a section of the Information Desk to accommodate a cash register and to provide an area where staff could stand at the ticket counter. Turnstiles would be placed in front of the gallery doors--three on the east doors as an entrance, and three one-arm, panic-bar exit barriers on the west doors.

Two different turnstiles are recommended for the entrance, two regular 3-arm turnstiles, and one 1-arm turnstile for the disabled. Each turnstile would accept tickets (purchased at the Information Desk) to activate the mechanism, then return the ticket to the visitor so it could be used again on the same day. This would allow visitors to leave the gallery, visit the Museum Store, restrooms, Discovery Place, Research Center, etc., and return at a later time. The tickets can be computer encoded to be valid only on the day they are issued.

Museum Cost Factors (1994 estimates)

1. Equipment

2 three-arm turnstiles (@ \$1,760.00 ea.)	\$3,520.00
1 one-arm turnstile (ADA access)	1,885.00
Stand alone ticket programming unit	800.00
Interfacing PC board	475.00
Electronic lock	345.00
3 one-arm exit turnstiles (@ \$800.00 ea.)	2,400.00

Wiring and installation	9,000.00
Cash Register	<u>1,000.00</u>
	\$19,425.00

2. Remodeling

Remodeling the Information Desk for the most part can be done with in-house labor, but there will be material expenses for lumber, laminate, hardware, etc.

Information Desk remodeling materials	\$1,500.00
---------------------------------------	------------

3. Staffing

If we charge an admission fee, it will be very difficult to recruit volunteers to staff a ticket booth. If we rely on existing staff to handle ticket sales, the impact on existing schedules and projects would be very disruptive. This would take staff away from their regular duties which for the most part consist of planning, developing, and implementing the exhibits and programs which attract our audience. Without sufficient time to devote to these activities, we will not be able to develop the programs which attract the very audience for which we would be charging an admission fee.

Using temporary employees, however, will not totally alleviate the impact on current FTE positions. Current staff will still have to cover the ticket area whenever the temporary employees are unavailable (e.g., breaks, lunch, illness).

If we hired temporary employees to handle ticket sales:

8 hrs/day x 6 days week	=	43 hrs
5 hrs--Sunday	=	<u>5 hrs</u>
		53 hrs/wk
53 hrs/week x 52 weeks	=	2,756 hrs/yr
2,756/999 temp hrs/yr	=	2.76 temp employees
2,756 hrs x \$6.33/hr (OA I)	=	\$17,445.00 yearly salaries
		<u>1,676.00</u> yearly benefits
Total staff cost		\$19,141.00 per year

Cost Summary

Equipment (one-time)	\$19,425.00
Remodeling (one-time)	1,500.00

Staff (annual)	<u>19,141.00</u>
	\$40,066.00

The above figure reflects the first-year cost for instituting an admission fee. The staff costs would be ongoing, plus an as yet undetermined amount would need to be budgeted each year for equipment (turnstile) maintenance and repair.

B. State Historic Sites

The philosophical, logistical, and cost factors related to the imposition of admissions fees at the state historic sites are no less complicated than those at the Kansas Museum of History. The sites also have a variety of special events, programs, and festivals, some of which are primarily outdoor activities, where charging a fee would have a severe impact on attendance, perhaps even resulting in cancellation of key programs, or would be costly and difficult to administer.

This proposal recommends not charging admissions fees at five sites. Pawnee Rock is not staffed, and Tobias is not open to the public. Three sites have been or are being transferred to local operation, Adair, Goodnow, and First Capitol, and decisions regarding fees and revenues are now matters of local control.

The collection of admissions fees will be somewhat awkward for the site curators, especially when their site is busy and multiple groups of visitors must be assisted with tours, paying fees, sales in the site shop, and other services. Only Fort Hays and Shawnee Mission have multiple staff, but they also have multiple buildings and large grounds. It might be best to construct collection boxes at the entrance to each site and collect the fees primarily through an honor system. Nevertheless, other than moderately priced signage indicating the fees, the costs for equipment, remodeling, and staffing faced by the museum will not be major factors at the sites. Collection boxes and signage could be installed for roughly \$500.00 per site or \$5,500 total.

IV. Projected Attendance and Revenue

The current attendance at the museum and at the state historic sites each average between 135,000 and 140,000 per year. Using the proposed fees of \$2.00 for adults; \$1.00 for children and seniors; and school groups and members at no charge, one can make some projections of revenue, but several variables make precision difficult. Most important, the numbers of school children, senior citizens, and society members visiting the museum and sites have not been recorded. Also unknown but significant will be the drop in attendance that even a modest fee will precipitate. Revenues may also fluctuate considerably, and thus fees may not be a reliable replacement for general fund support. For example, economic downturns may result in declines in attendance as did the major floods in 1993.

The imposition of admissions fees has generally resulted in drops in attendance at historical attractions, including those of the Kansas State Historical Society. In FY 1984 and FY 1985 the

Society imposed a modest admissions fee of \$1.00 at the Adair Cabin and Fort Hays State Historic Sites. Attendance at Hays in FY 1982 and FY 1983 was 28,717 and 31,619 respectively. Attendance fell to 20,246 and 21,975 in FY 1984 and FY 1985, and it recovered to 27,137 in FY 1986 and 31,870 in FY 1987. Thus attendance fell by approximately one-third. At Adair Cabin the comparable figures are 3,873 in FY 1982 and 4,395 in FY 1983, falling to 2,960 in FY 1984 and 3,240 in FY 1985 and recovering to 3,709 in FY 1986 and 6,851 in FY 1987. Again the immediate decline was approximately one-third. There is no reason to believe that a \$2.00 fee today would have a different impact, but conservative estimates of 20% decline are used in the calculations below:

Museum:

140,000	current average annual attendance
-50,000	school groups
-27,000	approximately 20% drop in attendance
-23,000	special events, programs, members, children under 5 and third-party

40,000 estimated paying attendance

20,000 adult x \$2.00 = \$40,000

20,000 children and seniors x \$1.00 = \$20,000

\$60,000 gross revenue - \$40,000 costs in first year and \$20,000 ongoing costs =
\$20,000 net revenue first year and ongoing revenue of \$40,000

Sites:

135,000	current average annual attendance
-6,000	school groups
-27,000	approximately 20% drop in attendance
-57,000	special events and programs, children under 5, and members

35,000 estimated paying attendance

17,500 adult x \$2.00 = \$35,000 (less \$5,500 startup costs for collection boxes and signs)

17,500 children and seniors x \$1.00 = \$17,500

\$52,500 gross and net revenue (while collecting and managing the fees will require the time of the site curators and central office staff, this time will detract from the basic duties of the staff in providing visitor services rather than costing additional dollars).

An estimate of net annual revenue of \$90,000 to \$100,000 is probably overly optimistic. It is based on museum attendance of 140,000, and in the calendar year 1997 attendance dropped to 123,000. It is also likely that the long-term imposition of the fee could result in a drop in attendance of more than 20%. Moreover, the inability to enforce compliance, especially at the sites which are staffed by one person, may result in lost revenue. However, strict enforcement could result in an unfriendly atmosphere at the sites or would require much greater expenditures on either equipment, like turnstiles, or staffing.

V. Recommendations

The Historical Society recommends against instituting admission fees at the Kansas Museum of History and at the State Historic Sites. First, most historical organizations in other states, particularly those in our region, do not charge admission to their museums. Second, we are very concerned about the negative impact such a fee would have on visitation. Third, the museum's and sites' facilities are not physically designed for collecting fees nor is staffing available to monitor and collect fees, especially at the museum where the volume of visitation would require additional staffing. Fourth, the net revenues realized through the collection of fees would be negligible, especially in comparison with the overall cost of these programs and given the extent to which it is projected that the fee will limit access to the Society's educational programming and exhibits.¹

The limitation on public access to our state's heritage is the last and probably most significant disadvantage of imposing admission fees. Charging an admission fee will most heavily affect families, low-income individuals, and repeat visitors. Moreover, the museum is the primary, and most-visited state-owned tourist attraction in Kansas. An admission fee at the museum and state historic sites could have a negative impact on tourism throughout the state.

The annual net revenue of under \$100,000 could deter over 50,000 individuals from visiting the sites and museum each year. If a fee were to be imposed, it is recommended that rather than replacing general fund revenue the income be utilized to promote the museum, sites, and other agency programs in order to lessen this reduction in visitation. In fact, the entire revenue during the first year should be devoted to redesigning and reprinting all of the sites and museum promotional literature advertising and reflecting the new fees. At a minimum \$30,000 to \$40,000 should be devoted to this purpose, reducing the net revenue to \$50,000 for the first year. This would not lessen the discriminatory impact on families and low-income individuals, but it would allow the agency to retain the viability of these significant and popular programs. During a period of time when the agency is expanding its services and attracting new audiences, an admissions fee, even a modest fee, would hamper these efforts and contradict the Governor's and Legislature's emphasis on providing efficient and quality government service. It would also limit access to programs which are fundamentally educational and invaluable to the creation of an informed and enlightened citizenry.

¹The cost of operating the museum and sites programs is approximately \$1.7 million annually, not including capital expenditures and their share of the agency's administrative costs. In other words, the fee would not fund even 5% of the program budget.

An estimate of net annual revenue of \$90,000 to \$100,000 is probably overly optimistic. It is based on museum attendance of 140,000, and in the calendar year 1997 attendance dropped to 123,000. It is also likely that the long-term imposition of the fee could result in a drop in attendance of more than 20%. Moreover, the inability to enforce compliance, especially at the sites which are staffed by one person, may result in lost revenue. However, strict enforcement could result in an unfriendly atmosphere at the sites or would require much greater expenditures on either equipment, like turnstiles, or staffing.

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FY 1998 AND FY 1999 HOUSE SUBCOMMITTEE REPORT
ON KANSAS STATE LIBRARY



Representative Mike Farmer
Subcommittee Chair



Representative John T. Edmonds

Representative Henry Helgerson, Jr.

Representative Richard R. Reinhardt



Representative John Toplikar

SUBCOMMITTEE REPORT

Agency: Kansas State Library

Bill No.

Bill Sec.

Analyst: Davis

Analysis Pg. No. 261

Budget Page No. 357

Expenditure Summary	Agency Est. FY 98	Gov. Rec. FY 98	House Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,174,180	\$ 2,174,180	\$ 0
Aid to Local Units	3,842,758	3,842,758	0
Other Assistance	6,125	6,125	0
Subtotal - Operating	<u>\$ 6,023,063</u>	<u>\$ 6,023,063</u>	<u>\$ 0</u>
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 3,023,063</u></u>	<u><u>\$ 6,023,063</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 1,715,291	\$ 1,715,291	\$ 0
Aid to Local Units	2,956,108	2,956,108	0
Other Assistance	6,125	6,125	0
Subtotal - Operating	<u>\$ 4,677,524</u>	<u>\$ 4,677,524</u>	<u>\$ 0</u>
Capital Improvements	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u><u>\$ 4,677,524</u></u>	<u><u>\$ 4,677,524</u></u>	<u><u>\$ 0</u></u>
FTE Positions	27.0	27.0	-
Unclassified Temp. Positions	<u>0.0</u>	<u>0.0</u>	<u>-</u>
TOTAL	<u><u>27.0</u></u>	<u><u>27.0</u></u>	<u><u>-</u></u>

Agency Est./Governor's Recommendation

The agency's FY 1998 request is \$6,023,063. This is an increase of \$147,339 over the amount approved by the 1997 Legislature. The increase results from a \$10,000 grant from the American Library Association for development of the agency's website, and an additional \$137,339 in federal Library Services and Technology Act funding.

The Governor concurs with the agency's request.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

SUBCOMMITTEE REPORT

Agency: Kansas State Library

Bill No.

Bill Sec.

Analyst: Davis

Analysis Pg. No. 261

Budget Page No. 357

<u>Expenditure Summary</u>	<u>Agency Req. FY 99</u>	<u>Gov. Rec. FY 99</u>	<u>House Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,685,395	\$ 2,321,611	\$ 0
Aid to Local Units	4,551,038	3,805,538	(254,500)
Other Assistance	6,125	6,125	0
Subtotal - Operating	<u>\$ 7,242,558</u>	<u>\$ 6,133,274</u>	<u>\$ (254,500)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 7,242,558</u></u>	<u><u>\$ 6,133,274</u></u>	<u><u>\$ (254,500)</u></u>
State General Fund:			
State Operations	\$ 1,947,325	\$ 1,583,541	\$ 0
Aid to Local Units	3,956,108	3,210,608	(254,500)
Other Assistance	6,125	6,125	0
Subtotal - Operating	<u>\$ 5,909,558</u>	<u>\$ 4,800,274</u>	<u>\$ (254,500)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 5,909,558</u></u>	<u><u>\$ 4,800,274</u></u>	<u><u>\$ (254,500)</u></u>
FTE Positions	30.0	27.0	-
Unclassified Temp. Positions	0.0	0.0	-
TOTAL	<u><u>30.0</u></u>	<u><u>27.0</u></u>	<u><u>-</u></u>

Agency Req./Governor's Recommendation

The agency requests \$7,242,558 for FY 1999 to provide \$2,685,395 for state operations and \$4,551,038 in grants to public libraries and regional library systems. The FY 1999 request reflects a State General Fund increase of \$1,232,034 (26.3 percent) from FY 1998. This includes a \$1,000,000 enhancement for grants-in-aid to local libraries. The agency requests a total increase of \$1,219,495 (20.2 percent) in FY 1999. The principal requested increases are summarized in the Requested Enhancements narrative below.

The Governor recommends funding of \$6,133,274, a reduction of \$1,109,284 (15.3 percent) from the agency's request. The Governor's recommendation includes \$4,800,274 from the State General Fund and \$1,333,000 from other funds. The Governor's recommendation includes \$47,082 (including fringe benefits) for state employee salary adjustments, including \$16,623 for a 1.5 percent classified base salary adjustment and a 4.0 percent unclassified merit pool.

Requested Enhancements

The following requested enhancements are listed in order of the agency's priority.

1. Library Development Division. The agency requests \$1,000,000 (SGF) for State Grants-in-Aid (GIA) to local libraries. The money requested is to replace the \$509,000 of federal funds which now must be used to meet program priorities of the new federal Library Services and Technology Act, and an additional \$491,000 to increase the total amount of the GIA authorization.

The Governor recommends an increase of \$254,500 (SGF) in state aid to local libraries.

2. Library Information Technology Division. The agency requests \$150,000 (SGF) for a continuation of a FY 1998 authorization for statewide library access to research databases (FirstSearch service). This could not be accommodated within the allocations of the Budget Division. The agency states that libraries of all types are relying on these databases to support local education, academic research, economic development research, and daily living information service.

The Governor does not recommend this enhancement.

3. Reference Services Division. The agency requests \$107,306 (SGF) for an Online Public Access Catalog (OPAC). The agency states that OPAC is to be established in partnership with the State Historical Society, the Supreme Court Law Library, and Washburn University's Mabee Library and Law School Library. It will be a virtual catalog of all of these libraries and a gateway to research databases. Of the amount requested, \$102,156 is a one-time expenditure and the remainder approximates the continuing annual expense.

The Governor does not recommend this enhancement.

4. Library Information Technology Division. The agency requests \$49,468 for technical support staff and other operating expenditures for the Library's technology requirements for research and information services. The request includes \$37,991 (SGF including fringe benefits) for a new 1.0 FTE Microcomputer Systems Support Technician III and \$11,477 for other operating expenditures and capital outlay relating to the requested new 1.0 FTE.

The Governor does not recommend this enhancement.

5. Reference Services Division. The agency requests \$51,032 (SGF) for additional staff for the Reference Services Division. The request includes funds for 2.0 new FTE positions, a Librarian (\$28,082, including fringe benefits) and an Office Assistant I (\$16,412, including fringe benefits). The request includes funding for current staffing of the program and for classified step movement (\$4,236) and longevity pay (\$5,080).

The Governor does not recommend this enhancement.

House Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations with the following adjustment and suggestion:

1. Delete the \$254,500 enhancement recommended by the Governor in funding for aid to local libraries. The Subcommittee believes that the agency's need for additional State General Fund monies is not as great as that of other agencies.
2. The Subcommittee suggests that the agency consider the purchase of the FirstSearch research database and an Online Public Access Catalog with federal Library Services and Technology Act funds within available current resources. The Subcommittee notes that these programs are of great importance to users of libraries across Kansas.

MINORITY REPORT

I disagree with the Subcommittee's recommendation to delete the increased funding for aid to local libraries recommended by the Governor. My disagreement stems from concern for the operating budgets of small libraries across the state.

The Library Services and Technology Act of 1996 (LSTA) replaces the Library Services and Construction Act. It no longer allows general operations grants. LSTA funding is restricted to programs for establishing or enhancing electronic linkages; helping libraries to acquire information and telecommunication technologies; encouraging and supporting the sharing of information resources; and assisting library services to people in special populations including under served rural communities. Due to changes mandated by LSTA, the Kansas State Library must redirect \$509,000 of federal grants in aid to local libraries away from general operations. While the uses for which federal LSTA monies can be put are indeed valuable to libraries and their customers, I believe that the many small local libraries in the non-urban areas of the state will suffer from the loss of grants for general operating costs. The Governor's recommendation of a \$254,000 in state grants in aid to local libraries would make up for half of the grant money which can no longer be used for operations.

It is my belief that the Governor's recommendation should be approved and that an additional \$254,000 be provided from the State General Fund to make up the full \$509,000 in operating grants lost. This money is vital for the operations of local libraries, the recommendations made by the Subcommittee would result in the loss of an important part of the general operating budgets of small public libraries across the state.


Representative Richard R. Reinhardt

STATE OF KANSAS

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REPRESENTATIVE, 98TH DISTRICT

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EDUCATION
HEALTH & HUMAN SERVICES
JOINT COMMITTEE, PENSIONS, INVESTMENTS
AND BENEFITS

TESTIMONY BEFORE APPROPRIATIONS COMMITTEE
HOUSE BILLS 2843, 2844, AND 2845

FEBRUARY 9, 1998

MORE THAN 30 YEARS OF MY LIFE HAVE BEEN SPENT IN TEACHING
ELEMENTARY SCHOOL CHILDREN WHO ARE HAVING DIFFICULTY IN LEARNING
TO READ.

APPROPRIATE INSTRUCTION USUALLY TAKES CARE OF THE PROBLEM.
WHEN IT DOESN'T, THE DIFFICULTY IS OFTEN NOT THE READING LEVEL,
BUT LANGUAGE DEVELOPMENT.

BRAIN RESEARCH TELLS US THE FIRST 3 YEARS OF LIFE ARE
CRITICAL IN LEARNING LANGUAGE. IT FOLLOWS THAT THE BEST THINGS
WE CAN DO TO CAUSE SUCCESS IN SCHOOL ARE TO PROMOTE APPROPRIATE
DEVELOPMENTAL LEARNING IN EARLY CHILDHOOD.

HOUSE BILLS 2843, 2844, AND 2845 DO THIS.

THE ARTICLE ON THE REVERSE OF THIS PAGE IS FROM THE WICHITA
EAGLE, FEBRUARY 8, 1998.

*Appropriations
2-11-98
Attachment 8*

Program provides early support to families under stress

■ Healthy Families Wichita will offer in-home services to families affected by alcohol, drugs or HIV.

By Jennifer Comes Roy
The Wichita Eagle

A 24-year-old single mother from Hutchinson says that without the support of the Healthy Families program, she might have been completely overwhelmed by the problems she faced after her daughter was born months ago.

Since birth, Tammy's daughter, Jasmine, has been unable to swallow. The infant has been through five surgeries and must be fed by a tube to her stomach. Tammy, who asked that her last name not be used, can't work because Jasmine's fragile health requires round-the-clock care.

Then Healthy Families Hutchinson, a child abuse prevention program, offered assistance. The program provides an in-home visitor to help new parents who are dealing with specific stress-related problems. And that help, Tammy said, has made all the difference.

"She would take me up to Wichita and would visit three or four times a week," said Tammy of her visitor, Melissa Hart. "She's taken me to the store to get medication for my baby. She's taught me how to have patience and has given me some tips on how to handle my daughter when I'm stressed out and I don't know what to do."

Early next month, the Healthy Families program will become available to Wichita-area families who face similarly stressful situations.

The program, offered by the Kansas Children's Service League, has been operating in Hutchinson the past two years. A recent \$1.5 million grant from the U.S. Department of Health and Human Services will allow the agency to continue the Hutchinson program and also start one in Wichita.

"Children who grow up in families that struggle in the earliest years of that child's development have problems later with juvenile delinquency, teen pregnancy, substance abuse," said Dianne Sloan, director of prevention programming for KCSL. "So we want to make a difference."

See **HEALTHY**, Page 19A

HEALTHY

From Page 13A

"What we're looking at is how can we identify those families early on, give them the services they need and thus change the kind of environment that the child experiences that early in life."

The grant money KCSL received for the Wichita program will be used over a four-year period to identify and help about 200 families affected by drugs, alcohol and AIDS or HIV, Sloan said.

"It may not mean that drugs or alcohol is an issue with the parent, but perhaps they're living in a home where alcohol is an issue to someone else they live with," she said.

For now, Healthy Families Wichita will be offered to new or expectant mothers who either give birth at Wesley Medical Center's BirthCare Center or who seek prenatal care at the Wichita/Sedgwick County Health Department. Other clinics, agencies and organizations will be working with KCSL to help identify and provide services to families eligible for the program.

Families will be considered for the program based on the number of "stressors" they face, such as single parenthood, poverty, lack of family support — and whether they are affected in any way by drugs, alcohol or HIV.

Families that fit the program's criteria will be offered the help of an in-home visitor — usually someone with a degree in social work, child or family development or nursing — to teach parents about child development, offer encouragement and help them bond with their infants.

About 90 percent of the families identified for the Hutchinson program

"For the most part, families are interested in any help they can get to help them parent well. There's a lot of education and support that comes with the program."

Anne Nelson,
Wichita area manager for
Kansas Children's Service League

agree to accept the in-home services, said Anne Nelson, Wichita area manager for KCSL. The in-home visitor could remain involved with families until the child is 5 years old.

"For the most part, families are interested in any help they can get to help them parent well," she said. "There's a lot of education and support that comes with the program."

Every family develops its own plan for healthy self-sufficiency, and a host of other agencies in the community will provide whatever services are needed. The Wichita/Sedgwick County Health Department, Wesley Medical Center physicians, Hunter Health Clinic, the Wichita Children's Home, addiction treatment providers and representatives from the HIV/AIDS community are among the organizations working with KCSL on the Healthy Families Wichita program.

Research collected since the first such program began in Hawaii 25 years ago indicates that the program prevents child abuse, improves pregnancy outcomes and infant health, reduces teen violence and supports young mothers in their efforts to return to school, find work or plan future pregnancies. There are now 270 similar programs operating in 37 states.

Sloan likes to imagine all the positive changes Wichita could experience after Healthy Families Wichita

has had a chance to work with local families.

"We can expect that children will enter the school system ready to learn," she said. "We can expect that parents will have learned to attend to and connect with their children in positive ways. And down the road, we would expect to see fewer children involved in deviant behavior in adolescence. And we would expect to have children who, when they become adults, interact with their own children in more positive ways."

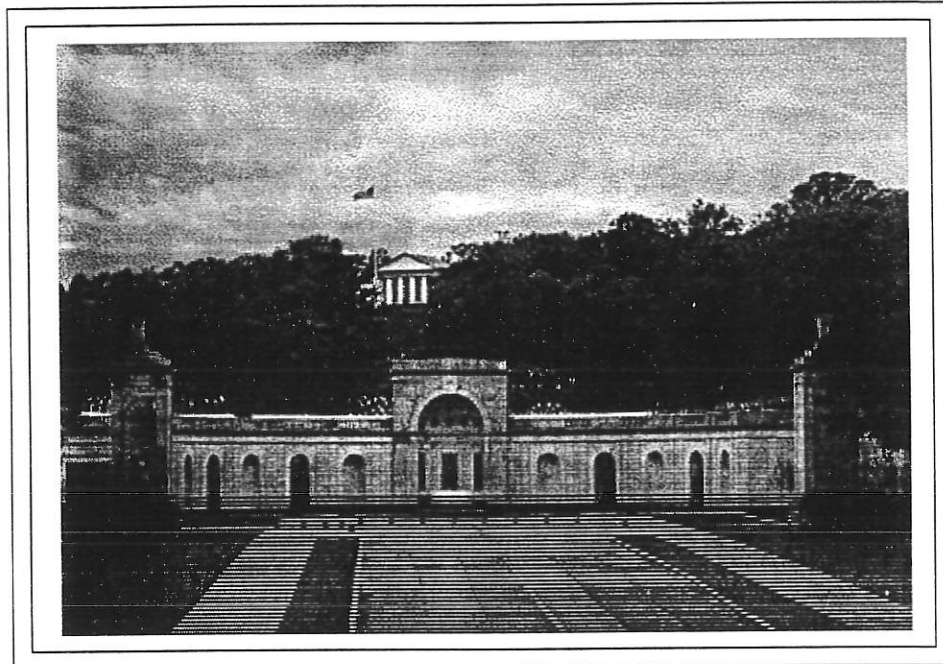
With Melissa's help, Tammy says she tries to keep a positive attitude. She would rather not imagine what might have happened to her and Jasmine if it weren't for the Healthy Families Hutchinson program, she said.

"If it weren't for Melissa telling me everything would work out and encouraging me, I don't know where I'd be now," she said.

Jennifer Comes Roy writes about family relationships. She can be reached at 268-6287 or by e-mail at jroy@wichitaeagle.com

WOMEN IN MILITARY SERVICE FOR AMERICA MEMORIAL

Dept 560, Washington, DC 20042-0560



"Relive the past, experience the present
and envision the future of America's Servicewomen"

The Women In Military Service For America Memorial is a unique, living memorial honoring America's service - past, present & future.

Situated on 4.2 acres of land at the ceremonial entrance to Arlington National Cemetery the Women's Memorial is the nation's first major memorial honoring women who have served in our nation's armed forces during all eras, in all services and "We Also Served" service organizations.

The history of women serving in defense of our nation begun more than 220 years ago with women who served in the American Revolution and continues with those who serve today.

The Women In Military Service For America Memorial Foundation, Inc.

is a 501(c)(3) not-for-profit organization chartered by Congress in

*Appropriations
2-11-98
Attachment 9*

NSDAR PRESENT FLAGS TO WOMEN IN MILITARY SERVICE MEMORIAL

Washington, DC - In a patriotic ceremony at the new Women in Military Service Memorial, at Arlington Cemetery, members of the National Society Daughters of the American Revolution (DAR) presented an American Flag and flags from the 50 states, the District of Columbia and the US territories to Memorial Foundation President, Wilma L. Vaught, Brigadier General, US Air Force (Retired).

The flags will be displayed in the Memorial Hall of Honor, an area of the memorial that recognizes those women who have served with particular sacrifice and achievement. Honored will be those women who died in service, were prisoners of war or were recipients of this country's highest awards for service and bravery.

The Women in Military Service Memorial is the nation's first major memorial to pay tribute to the more than 1.8 million women who have served in the various branches of the U.S. armed services since the American Revolution.

In addition to the Hall of Honor, the Memorial will feature an upper terrace with views of Arlington National Cemetery and the monuments of Washington. Located on the terrace is an arc of large glass panels etched with quotations from servicewomen. At the lower terrace in front of the hemicycle wall are the reflecting pool and Court of Valor.

The Education Center, in which the Hall of Honor is located, also houses a theater and computer register of servicewomen. Visitors using the database may access photos, military histories and information about more than 150,000 registered women.

"The DAR has long been an active supporter of women in the U.S. Armed Forces, and we are very proud to play a role in honoring them for their important contributions," said Dorla Dean Eaton Kemper, President General of the DAR. "It is with heart-felt pride and deep appreciation that we are able to commemorate their service to our country by providing these flags to this wonderful memorial."

[Return to What's New? Page.](#)

[Return to NSDAR Home Page.](#)

Last Updated: 24 Oct 97 ejS

Statement by Martin W. Bauer
President, Kansas Arts Commission
Kansas House Appropriations Subcommittee

Hello. My name is Martin Bauer, currently the President of the Kansas Arts Commission. I am pleased to have the opportunity to testify on behalf of funding for the Arts.

I was raised in Clay County. I had music teachers who arranged to have Doc Severisen and other notable New York band members give clinics at our school and then play with the students in concerts. We also had art instructors who encouraged a broad range of creativity for all students. An amazing number of students from my high school are now gainfully employed and paying taxes in Kansas in professions including teachers, art illustrators, music teachers and the list goes on. Many elected to return to Clay Center to continue this strong sense of community which was centered around the arts. I now live in Wichita where the Chamber of Commerce is constantly emphasizing the need to have greater cultural opportunities to attract and retain corporate employers.

When I was recently appointed President of the Kansas Arts Commission, one of the first reports I received is the survey conducted by the National Assembly of Arts Agencies of legislative appropriations for fiscal 1998. This report ranked Kansas 52 out of 56 states, districts and protectorates of the United States in funding of the arts on a per capita basis. The Kansas Legislature allocates less than 53 cents for every Kansas citizen toward encouraging Kansas artists, arts programming in local communities and partnering to provide arts in education to Kansas citizens of all ages.

My first inquiry was to be sure that the Kansas Arts Commission staff had fully resolved the issues raised by the audit we requested last year. Legislative post audit has recently given the Kansas Arts Commission, particularly the staff, a very positive review for resolving the historical accounting problems so quickly and thereby creating clearer and more responsive accountability as a state agency. We now are in a much better position to request, and hopefully receive, increased funding for the arts in Kansas.

While this was being accomplished, the Joint Committee on Arts and Cultural Resources was studying, investigating and analyzing the budget and the programs funded by the Kansas Arts Commission. Legislators saw and heard about the impact funding for the arts has in Kansas. Economic studies show that every dollar allocated to local arts agencies by the Kansas Arts Commission is being matched 16 to 1. Thus, the dollars you appropriate are being used to leverage additional dollars at the local level. Many of these activities involve unique partnerships. In Leavenworth, the Carnegie Arts Center and the local school district have developed a program to provide arts in education to local students at a significant savings to the local school district. In Wichita, the Wichita Black Arts Festival and the Greater Wichita Area Businesses joined forces to coordinate the

multi-cultural arts festival of music, art and drama. In Southeast Kansas, the Riverton School joined with other communities in Cherokee County to utilize a \$2,000 grass-roots grant from the Kansas Arts Commission to produce the Wizard of Oz at the Galena High School drawing attendance from not only outside its county but from outside the State of Kansas.

Appropriations from the Kansas Legislature have only increased slightly over the last 3 years while not replacing funds lost from federal sources. The Governor recommended approximately \$100,000 increased appropriations in state program and administrative funding for fiscal 1999. The Joint Committee recommended that the 1998 Legislature follow the national trend by increasing funding to the Kansas Arts Commission by an additional \$200,000 to \$225,000 over the Governor's recommendation. These funds would be used locally to leverage a multiple of these funds to expand cultural events. Local communities would maintain and build a greater sense of their unique cultural mix as evidenced by art, music, dance and drama. In addition, art in education would maintain an emphasis on children. The aging of the "baby boomers" makes it prudent for us to develop programs now for this group of people who are searching for activities for their enjoyment and growth as they mature.

The Joint Committee also recommended \$1 million be allocated on a one-time basis over a two-year period to address infrastructure and development programs for arts agencies. Attention to bricks and mortar and equipment including computer technology for arts activities has been greatly neglected in recent years as the focus continues to be on providing programming. This disparity cannot be sustained forever. By comparison, the Nebraska Legislature made a one-time grant of \$5 million to the Nebraska Arts Commission in December of 1997. West Virginia, using a consultant from Kansas, just implemented a festivals program for the state arts and tourism agencies that has generated over 1,000 jobs. This level of funding or focus on particular activities needs much greater study than time permits before deemed appropriate in Kansas, but they suggest that the benefit to the citizens of these states has been recognized by other states.

With legislative appropriations and the support of Kansas Arts Commission, the various fledgling festivals like the early years of the Smoky Hill River Festival can improve and grow into similar economic attractions. With your appropriations for arts in education, drama and musicals, Kansas can support a future Gordon Parks, a Samuel Ramey, Kirstie Alley, John Stewart Curry or William Inge. More importantly, the Kansas Legislature and the Kansas Arts Commission can partner to capitalize on the growing economic opportunity represented by the Arts.

We hope you will support increasing appropriations for the Kansas Arts Commission by \$225,000 to \$250,000 above the Governor's recommendation and the funding of a two-year \$1,000,000 appropriation for infrastructure and development programs.



LEGISLATURE OF KANSAS
LEGISLATIVE DIVISION OF POST AUDIT

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KANSAS ARTS COMMISSION

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October 31, 1997

To: Members, Legislative Post Audit Committee

Representative Eugene Shore, Chair
Representative Richard Alldritt
Representative Doug Mays
Representative Ed McKechnie
Representative Dennis Wilson

Senator Lana Oleen, Vice-Chair
Senator Anthony Hensley
Senator Pat Ranson
Senator Chris Steineger
Senator Ben Vidricksen

On February 20, 1997, the Legislative Division of Post Audit presented the results of its compliance and control audit of the Arts Commission to the Legislative Post Audit Committee. That audit reviewed the Arts Commission's adherence to federal and State spending restrictions.

In that audit, we found serious deficiencies in the Commission's financial-management practices. As a result of those deficiencies, the Commission couldn't be sure how its restricted federal grant moneys were spent. We also identified several instances where the Commission didn't adhere to State and federal matching requirements, made inappropriate expenditures, and needed to provide better oversight of local spending. Finally, we pointed out the need for better adherence to State law and agency policies regarding conflicts of interest, and recommended transferring fiscal administration of the Capitol Dome Sculpture Fund from the Commission to the Department of Administration.

During its discussion of the audit's findings, the Post Audit Committee directed Legislative Post Audit to do follow-up work at the Arts Commission after about six months. This letter summarizes the results of that follow-up work.

With significant help from the Division of Accounts and Reports, the Commission has substantially improved the financial-management practices it uses to ensure that it adheres to spending restrictions.

At the time of our original audit, the Commission's practices in this area were seriously flawed. With the recordkeeping in place, the Commission couldn't be sure that restricted moneys—such as federal grant moneys—were spent appropriately. That situation resulted in a risk of misspending restricted moneys, losing future federal grant moneys, and having to repay any federal grant moneys that were misspent in the past.

In addition, the Commission's recordkeeping was inefficient and potentially inaccurate. The Commission's financial records seemed overly complex, and included

many accounts that weren't needed. That degree of complexity would make it easier for the Commission's staff to make mistakes, and harder to find and correct any mistakes that were made. Further, the Commission's financial records didn't agree with the records of the State's central accounting system.

Our report recommended that the Director of Accounts and Reports assign a task force to help the Commission establish effective and efficient financial procedures, provide further training for the Commission's fiscal staff, and oversee the Commission's financial transactions for some period of time. In response to this recommendation, the Director of Accounts and Reports committed significant staff resources to work with Arts Commission.

With the guidance and assistance of the Division, the Commission's staff has done the following:

- simplified its fund and account structure in the State's central accounting system and in its own records
- established a schedule for drawing down and paying out grant moneys
- begun reconciling its own various internal financial records
- begun reconciling its internal financial records with the State's central accounting system
- begun to develop written financial-management policies and procedures
- attended training in State purchasing requirements, policies, and procedures
- attended training about the State's central accounting system

A copy of the Division of Accounts and Reports' report to the Legislative Post Audit Committee on its monitoring and assistance efforts is attached. To provide additional oversight of the Commission's financial transactions, the 1997 Legislature required the Secretary of Administration to review and approve those transactions during fiscal year 1998.

As part of our follow-up work, we reviewed sample accounting records and related reconciliations. Based on our reviews, we concluded that there had been significant improvement in Commission practices. If followed consistently, those practices should adequately ensure that spending restrictions are adhered to.

We also spoke with a representative of the Office of Inspector General of the National Endowment for the Arts. The Endowment is the Arts Commission's federal granting agency. That individual told us the Office of Inspector General was very concerned about the deficiencies in the Commission's financial-management practices. However, limited resources hadn't allow his staff to look any further into those deficiencies. We told him that we would send the Office a copy of our follow-up report. Based on that contact, it appears unlikely to us that the Commission will experience any change in federal funding or any financial liability because of its past financial-management deficiencies.

The Arts Commission is taking steps to improve its oversight of local agency spending.

Our original audit found that, although many of the Commission's oversight practices were appropriate, the Commission wasn't getting all required audit reports from local agencies, and wasn't adequately reviewing the reports it did get. In addition, the Commission wasn't critically reviewing the final expenditure reports it received from local agencies. It seemed that some of these problems were occurring because the Commission's program staff wouldn't have the training and experience needed to do financial reviews.

To address these problems, the Commission is obtaining training for its fiscal staff in the areas of audit requirements and reviews. The Commission then intends to have its fiscal staff conduct the reviews, and work with program staff to ensure that it receives the required audits.

To address potential conflicts of interest, the Kansas Commission on Governmental Standards and Conduct has provided training to both Commission members and the Commission's staff.

Our original audit found instances where Arts Commission members appeared to have violated both State law and Commission policies in voting on assistance agreements to local agencies. We recommended that the Commission on Governmental Standards and Conduct review these situations, and provide assistance to the Arts Commission and its staff to ensure that the Arts Commission's policies and practices were consistent with State law.

According to a representative of the Commission on Governmental Standards and Conduct, he provided training to the Arts Commission and distributed documents setting forth the State's requirements for addressing conflicts of interest. In addition, we made the workpapers for our original audit available to the Commission on Governmental Standards and Conduct for its review.

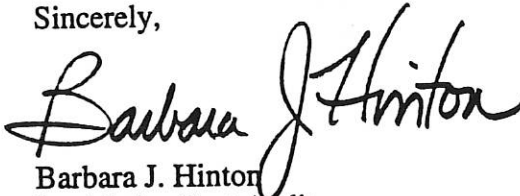
The 1997 Legislature transferred fiscal administration of the Capitol Dome Sculpture Fund to the Department of Administration.

Our original audit identified an inappropriate transaction in the Capitol Dome Sculpture Fund. Unspent grant moneys returned to the Commission by a local agency were inappropriately deposited in the Fund, then paid to the sculptor. Given the Commission's then existing financial-management deficiencies and the Department of Administration's fiscal responsibility for a project related to the Capitol Dome Sculpture, we recommended consolidating fiscal responsibility for both "Ad Astra" projects in the Department of Administration. The 1997 Legislature took that action.

-Conclusion-

Although not all issues raised by our original audit have been resolved completely at this time, it's clear that significant progress has been made, and that the risk of inappropriate spending by the Arts Commission and by local agencies receiving moneys from the Arts Commission has been reduced substantially.

Sincerely,



Barbara J. Hinton
Legislative Post Auditor

cc: Arts Commission:
Eric Hayashi, Executive Director
Clark Balderson, President
National Endowment for the Arts:
Dan Shaw, Office of Inspector General
Ed Dickey, Grants Management, State and Regional Section
Shirley Moses, Director of Accounts and Reports
Alan Conroy, Legislative Research Department
James Wilson, Office of the Revisor of Statutes
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