

Approved:

February 18, 2000

Date

MINUTES OF THE SENATE WAYS & MEANS COMMITTEE.

The meeting was called to order by Chairperson Dave Kerr at 11:00 a.m. on February 16, 2000 in Room 123-S of the Capitol.

All members were present except:

Committee staff present: Alan Conroy, Chief Fiscal Analyst, KLRD
Rae Anne Davis, KS Legislative Research Department
Debra Hollon, KS Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Asst. Revisor of Statutes
Judy Bromich, Administrative Assistant to the Chairman
Ronda Miller, Committee Secretary

Conferees appearing before the committee:

Others attending: See attached list

The following FY 2001 subcommittee reports were reviewed by Senator Jordan. Discussion by Committee members is reflected under the appropriate heading.

Kansas School for the Blind (Attachment 1)

The Committee discussed at length the impact of the retirement reduction law. Senator Salisbury moved, Senator Morris seconded, that item 3 of the subcommittee report be amended to reflect that only the safety officers and direct care staff of the Department of Corrections and the state mental health facilities are currently exempt from the retirement reduction law. The motion carried on a voice vote.

Kansas State School for the Deaf (Attachment 2)

In response to a concern, subcommittee members stated that they believed the FTE teacher position was necessary because the school potentially will lose 13 out of 47 positions because of retirements, the Governor's recommendation, and 5% shrinkage.

Members discussed whether students at the School for the Deaf would be eligible for special education funding and mental health services. Because of concern about the apparent "disconnect" between the School for the Deaf and agencies concerned about the education and welfare of children, Chairman Kerr asked that the subcommittee ascertain to what extent the School for the Deaf is allowed to use and is using Special Education funding.

Kansas State Library (Attachment 3)

In answer to a question, subcommittee members noted that the State Library would not lose a position with the subcommittee recommendation. (Item 1 of Attachment 3-2)

Senator Salisbury moved, Senator Lawrence seconded, that state assistance to local libraries be included in the list of items for Omnibus consideration. It was noted that the difference between current funding level and the Governor's recommendation is \$300,000. The motion carried on a voice vote.

Kansas State Historical Society (Attachment 4)

The Committee discussed at length the subcommittee's recommendation for the funding of the repairs and rehabilitation of the First Territorial Capital and Historic Fort Hays. In answer to a question, staff indicated that the General Fees Fund is made up of fees

CONTINUATION SHEET

SENATE WAYS & MEANS COMMITTEE MINUTES

collected for copies and there is also some carryover monies for FY 2001. It was noted that half of the Visitor Donation Fund will be used at sites all over the state; the other half plus \$30,000 from the General Fees Fund will be used for the repairs and rehabilitation of the First Territorial Capital and Historic Fort Hays.

Senator Ranson questioned adding \$16,000 from the SGF for the Kansas Humanities Council for the Kansas Chautauqua feasibility study and the Yesterday's Tomorrow Smithsonian traveling exhibit which she did not consider to be a high priority. Senator Salisbury moved, Senator Ranson seconded that item 2 of the subcommittee report be amended to reflect that the funding source for these projects be the EDIF. The motion carried on a voice vote.

Chairman Kerr noted that the third bay was contracted for in December.

Kansas Arts Commission (Attachment 5)

In answer to a question, Senator Jordan stated that he believes accounting problems that have been associated with this agency have been corrected.

In response to a request from Senator Lawrence, the agency's requests for enhancements were reviewed. Senator Lawrence stated that Kansas ranks low in funding for the arts, and expressed her opinion that some of the requested enhancements should be reexamined in a more fiscally sound year. Senator Downey moved, Senator Lawrence seconded, that the enhancements requested by the Kansas Arts Commission be added to the list of items considered during Omnibus. It was noted that the Governor's recommendation for FY 2001 is a 5.6% reduction from the FY 2000 recommendation. With the consent of Senator Lawrence, Senator Downey withdrew her motion but not her concern for the Arts Commission.

It was moved by Senator Jordan and seconded by Senator Morris that the FY 2001 subcommittee reports on the Kansas State School for the Deaf and the Kansas Arts Commission be adopted and the FY 2001 subcommittee reports on the Kansas State School for the Blind, the Kansas State Historical Society, and the Kansas State Library as amended be adopted. The motion carried on a voice vote.

Senator Downey reviewed the FY 2001 subcommittee report on the **Kansas Corporation Commission**. (Attachment 6) It was moved by Senator Salmans and seconded by Senator Downey that item 2 of the subcommittee report be deleted because that issue is addressed in item 4. The motion carried on a voice vote.

There was lengthy discussion regarding the subcommittee's concern about the Commission's lack of progress with the well-plugging program. (Item 4 of Attachment 6-3) Members discussed the subcommittee's recommendation to transfer \$400,000 from the SGF to the Abandoned Oil and Gas Well Fund, and debated whether appropriations should be increased to encourage well-plugging or whether the Legislature should provide additional funding subsequent to increased well-plugging activity. Senator Downey reviewed the number and category of wells that need to be plugged and Senator Salmans testified as to the increasing costs associated with well-plugging. Members endorsed the well-plugging program, but, after reviewing the ending balances in the Abandoned Oil and Gas Well Fund from FY 1997 through FY 1999, it was noted that the program has not been restricted by insufficient funding. A representative from the Corporation Commission stated that the agency believes the program could cost \$2 million, though they suggested a cost of \$1.6 million to the Governor based on the amount of new revenues that would come in each year. Senator Ranson moved, Senator Salisbury seconded, that item 4 of the FY 2001 subcommittee report on the Kansas Corporation Commission be amended by transferring the \$400,000 from the Abandoned Oil and Gas Well Fund to the State General Fund. The motion carried on a voice vote.

Senator Ranson, as Chairman of the Utilities Committee, stated that her committee has time to review legislative concerns regarding well-plugging. Senator Morris added that clean-up of the major cleanup

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sites also needs to be reviewed. A motion was offered by Senator Ranson and seconded by Senator Morris that the subcommittee report be amended by authorizing the Senate Utilities Company to conduct a performance review of well plugging (impediments to well-plugging as well as steps that need to be taken to accelerate well-plugging) and of the major cleanup sites and report back to the Ways and Means Committee prior to Omnibus. The motion carried on a voice vote.

Members concurred that a technical amendment should be made in the language of item 3 to clarify that the Governor recommends shifting expenditures to the Kansas Savings Incentives Program (KSIP).

Senator Salmans moved, Senator Downey seconded, that the FY 2001 subcommittee report on the Kansas Corporation Commission as amended be adopted. The motion carried on a voice vote.

It was moved by Senator Salisbury and seconded by Senator Morris that the minutes of the February 11 and 14 meetings be approved. The motion carried on a voice vote.

The Chairman adjourned the meeting at 12:20 p.m. The next meeting will be February 18, 2000.

SENATE WAYS & MEANS COMMITTEE GUEST LIST

DATE: February 16, 2000

NAME	REPRESENTING
Ramon Powers	Kansas State Historical Society
Susan Murphy	Kansas State Hist. Society
Dave Wilson	Kansas Arts Commission
Bill Brady	KS Gov't Consulting
DVANE JOHNSON	STATE LIBRARY
Bonnie Keim	State Library
Mayor Cott	R HC
Clay Hunt	Kansas Art Commission
Charles H.	DOBS
Ann Durkes	DOB
Victoriana Kelsey	Budget
Ben Dougherty	KCSB
Debra Ape	K.C. K-U.S.D. # 500
Cindy Lash	Post Audit
Anna Woodman	KCC
Gene McConnell	KCC
TOM DAY	KCC

SENATE SUBCOMMITTEE REPORT

Agency: Kansas State School for the Blind **Bill No.** **Bill Sec.**

Analyst: Holwegner **Analysis Pg. No.** 258 **Budget Page No.** 93

Expenditure Summary	Agency Request FY 2001	Governor Recommendation FY 2001	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 5,019,360	\$ 4,729,157	\$ (64,683) *
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 5,019,360	\$ 4,729,157	\$ (64,683)
Capital Improvements	58,270	58,270	0
TOTAL	\$ 5,077,630	\$ 4,787,427	\$ (64,683)
State General Fund:			
State Operations	\$ 4,488,068	\$ 4,197,865	\$ (64,683)
Accessible Arts	150,000	150,000	0
Technology Lending Library	0	0	0
Subtotal - Operating	\$ 4,638,068	\$ 4,347,865	\$ (64,683)
Capital Improvements	0	0	0
TOTAL	\$ 4,638,068	\$ 4,347,865	\$ (64,683)
FTE Positions	93.5	92.5	0.0
Unclassified Temp. Positions	12.5	12.5	0.0
TOTAL	106.0	105.0	0.0

* Includes a reduction of \$89,683 from the State General Fund for the Governor's employee salary adjustment. Excluding the recommendation to omit the Governor's employee salary adjustment, the Subcommittee recommends \$25,000 more than the Governor's recommendation.

Agency Request/Governor's Recommendation

The School requests \$5,019,360 for FY 2001 operating expenditures. This is an increase of \$156,029 (3.2 percent) from the revised FY 2000 estimate. The agency requests \$4,638,068 from the State General Fund and \$381,292 from federal and special revenue funds. The agency requests \$3,866,564 for the salaries and wages of 106.0 positions (92.5 FTE positions and 12.5 unclassified temporary positions).

The Governor recommends \$4,729,157 for FY 2001 operating expenditures. This is a decrease of \$48,720 (1.0 percent) from the FY 2000 recommendation and a decrease of \$290,203 (5.8 percent) from the agency's FY 2001 request. The Governor recommends

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Attachment # *1*

\$4,347,865 from the State General Fund and \$381,292 from federal and special revenue funds. The Governor recommends \$3,728,425 for the salaries and wages of 105.0 positions (92.5 FTE positions and 12.5 unclassified temporary positions). This is an increase of \$100,770 (2.8 percent) from the FY 2000 recommendation and a decrease of \$138,139 (3.6 percent) from the agency's FY 2001 request. The Governor recommends to increase the turnover rate from 4.0 to 5.0 percent, reducing the School's personnel budget by \$31,992 from the State General Fund.

FY 2001 Enhancements						
Enhancement	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Orientation & Mobility Teacher	\$ 32,941	\$ 32,941	1.0	\$ 0	\$ 0	0.0
Teacher's Salary Adjustment	32,564	32,564	0.0	0	0	0.0
TOTAL	<u>\$ 65,505</u>	<u>\$ 65,505</u>	<u>1.0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0.0</u>

Enhancements

Orientation & Mobility Teacher. The School requests \$32,941 from the State General Fund for the salary (including fringe benefits) for a Orientation and Mobility Teacher position. The School requests the reinstatement of a position that was lost last year under the state's retirement reduction law (KSA 75-6801). The Governor does not recommend this enhancement.

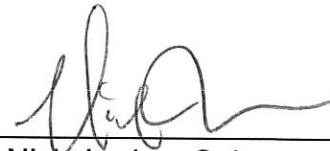
Teacher's Salary Adjustment. The School requests \$32,564 from the State General Fund for a 2.0 percent teacher salary equity adjustment (including benefits) above the 2.5 percent increase that is included in the current services level budget request. The Governor does not recommend this enhancement.

Senate Subcommittee Recommendations

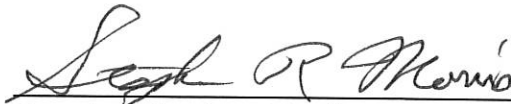
The Subcommittee concurs with the Governor's recommendation with the following adjustments, recommendations, and observations.

1. **Add \$25,000** from the State General Fund for the School's professional fees and services. While the Governor recommends a reduction of \$51,643, the Subcommittee believes that by restoring \$25,000 the School will be able to provide adequate speech, physical, and occupational therapies to students. These services are mandated by the federal Individuals with Disabilities Education Act (IDEA). By providing appropriate funding for these federally mandated requirements, the School should be above criticism for a federal due process violation.

2. **Delete \$89,683** from the State General Fund based on the recommendation to delete funding for the Governor's pay plan adjustments from individual agency budgets. This includes classified step movement (\$20,505), an unclassified merit pool of 2.5 percent (\$56,310), and the longevity bonus (\$13,228).
3. The Subcommittee notes that the retirement reduction law (KSA 75-6801) may begin taking a burdensome toll on the School. As retirements have occurred, the School has had to shift positions from administration and support services to the instructional program. The optimal level for employee allocation may have come and could soon pass. If this arrangement continues in the future and less attention is provided to administration and support, there could be a negative, indirect effect on the students' education and welfare. The Subcommittee believes that the School should be exempt from the retirement reduction law because of the responsibility for the education, safety, and care of children. Other agencies such as the Department of Corrections and state mental health facilities are currently exempt from the law. The Subcommittee also believes that the School should not have a turnover rate applied to its personnel budget.
4. Finally, the Subcommittee observes, on a larger scale, that there is an absence of close cooperation between the School and other state agencies concerned with the education and welfare of children. The School for the Blind is one of the older agencies of the State; it was recognized by the Legislature as a state school in 1877. It is usually believed by other state agencies that since the School can appeal directly to the Legislature for funding that they don't have give as much consideration to the School's requests. At the same time, the School may have been reluctant to request assistance, financial or otherwise, from other agencies. The Subcommittee believes this should not be the case; if agencies' objectives are the same, then they should cooperate with each other.



Senator Nick Jordan, Subcommittee Chair



Senator Stephen Morris



Senator Marge Petty

Senate Subcommittee Report

Agency: Kansas State School
for the Deaf

Bill No.

Bill Sec.

Analyst: Holwegner

Analysis Pg. No. 265

Budget Page No. 93

<u>Expenditure Summary</u>	<u>Agency Req. FY 2001</u>	<u>Gov. Rec. FY 2001</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 7,947,921	\$ 7,317,007	\$ (49,178)*
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 7,947,921</u>	<u>\$ 7,317,007</u>	<u>\$ (49,178)</u>
Capital Improvements	1,044,250	388,000	0
TOTAL	<u><u>\$ 8,992,171</u></u>	<u><u>\$ 7,705,007</u></u>	<u><u>\$ (49,178)</u></u>
State General Fund:			
State Operations	\$ 7,692,626	\$ 7,061,712	\$ (49,178)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 7,692,626</u>	<u>\$ 7,061,712</u>	<u>\$ (49,178)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 7,692,626</u></u>	<u><u>\$ 7,061,712</u></u>	<u><u>\$ (49,178)</u></u>
FTE Positions	175.5	172.5	2.0
Unclass. Temp. Positions	27.0	20.5	0.0
TOTAL	<u><u>202.5</u></u>	<u><u>193.0</u></u>	<u><u>2.0</u></u>

* Includes a reduction of \$156,219 from the State General Fund for the Governor's employee salary adjustment. Excluding the recommendation to omit the Governor's employee salary adjustment, the Subcommittee recommends \$107,041 more than the Governor's recommendation.

Agency Request/Governor's Recommendation

The School for the Deaf requests \$7,947,921 for FY 2001 operating expenditures. This is an increase of \$482,970 (6.5 percent) above the FY 2000 estimate. The agency requests \$7,692,626 from the State General Fund and \$255,295 from other special revenue funds. The agency requests \$6,837,855 for the salaries and wages of 205.5 positions (178.5 FTE positions and 27.0 unclassified temporary positions). This is an increase of \$369,527 (5.8 percent) over the FY 1999 estimate.

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Attachment # 2

The Governor recommends \$7,317,007 for FY 2001 operating expenditures. This is a decrease of \$75,849 (1.0 percent) from the FY 2000 recommendation and a decrease of \$630,914 (7.9 percent) from the agency's FY 2001 request. The Governor recommends \$7,061,712 from the State General Fund and \$255,295 from federal and special revenue funds. The Governor recommends \$6,420,342 for the salaries and wages of 193.0 positions (172.5 FTE positions and 20.5 unclassified temporary positions). The Governor recommends the elimination of 2.0 FTE positions, a Public Service Administrator II (\$47,041 from the State General Fund) and a Head Teacher (\$74,633 from the State General Fund). The Governor also recommends to increase the turnover rate from 4.0 percent to 5.1 percent, reducing the School's personnel budget by \$58,713 from the State General Fund.

FY 2001 Enhancements						
Enhancement	Agency Request			Governor's Recommendation		
	SGF	All Funds	FTE	SGF	All Funds	FTE
Decrease Shrinkage Rate from 4.0 % to 3.5%	\$ 34,699	\$ 34,699	0.0	\$ 0	0	0.0
Computer Technology Specialist	53,925	53,925	1.0	0	0	0.0
Vocational Tuition and Interpreters	34,000	34,000	0.0	0	0	0.0
Teacher Salary Equity Adjustment, 2%	92,983	92,983	0.0	0	0	0.0
Expand Mental Health Service	135,000	135,000	0.0	0	0	0.0
TOTAL	\$ 350,607	\$ 350,607	1.0	\$ 0	0	0.0

Enhancements

Decrease Turnover Rate from 4.0% to 3.5% for All Programs and Shift Funds to Instructional Services. The School requests \$34,699 from the State General Fund to be used to fill at least one more supervisory position. The Governor does not recommend this enhancement.

Computer Technology Specialist. The School requests 1.0 additional FTE position and \$53,925 for a computer technician specialist. The Governor does not recommend this enhancement.

Vocational Tuition and Interpreters. The School requests \$34,000 from the State General Fund for vocational tuition and interpreters. The Governor does not recommend this enhancement.

Teacher Salary Equity Adjustment. The School requests \$92,983 for a 2.0 percent teacher salary equity adjustment. The Governor does not recommend this enhancement.

Mental Health Service. The School requests \$135,000 from the State General Fund for a collaborative program between the School and Johnson County Mental Health

Center to provide mental health services for students and their families if they live outside of Johnson County. The Governor does not recommend this enhancement.

Senate Subcommittee Recommendations

The Subcommittee concurs with the Governor's recommendation with the following adjustments, recommendations, and observations.

1. **Reinstate 1.0 FTE** Public Service Administrator position and **add \$47,041** from the State General Fund for the position's salary. While the Governor recommends the elimination of the School's business manager, the Subcommittee believes this position is necessary for the School's financial management.
2. **Reinstate 1.0 FTE** Teacher position and **add \$60,000** from the State General Fund. While the Governor recommends the elimination of a supervisory teacher position, the Subcommittee believes this position, which requires a high level of education and experience, to be necessary for the School's oversight of small, specialized classes.

Approximately \$50,000 could be used by the School for the teacher's salary and benefits. The remaining amount could be used for student tuition and related expenses for classes taken at Johnson County Technical Education Center (JCTEC). Recently students have begun to take advantage of technology-based classes at JCTEC. In the future, an average of six students are expected to enroll on a part-time basis.

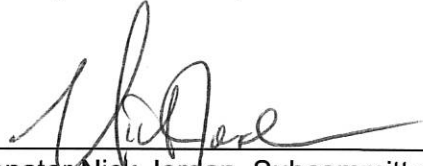
The Subcommittee believes this recommendation will allow the School the necessary flexibility for it to provide the most beneficial education for students.

3. **Delete \$156,219** from the State General Fund based on the recommendation to delete funding for the Governor's pay plan adjustments from individual agency budgets. This includes classified step movement (\$21,664), an unclassified merit pool of 2.5 percent (\$115,388), and the longevity bonus (\$19,167).
4. The Subcommittee notes that the School requests \$135,000 from the State General Fund for a collaborative program between the School and Johnson County Mental Health Center to provide mental health services for students and their families who live outside of Johnson County. This effort would expand services to include all families with deaf children in Kansas. Over the last eight years, the enrollment of severely emotional disturbed children has increased. Approximately 119 students (25 percent of the student population) meets the criteria of Severely Emotionally

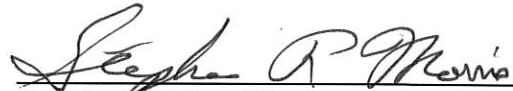
Disturbed (SED) and require multi-disciplined, integrated care to meet their mental health needs.

The Subcommittee does not recommend additional funds for this new project, but encourages the School to work with the Department of Social and Rehabilitation Services or the Department of Education to find the necessary financial resources to meet the needs of deaf students.

5. Finally, the Subcommittee observes, on a larger scale, that there is an absence of close cooperation between the School and other state agencies concerned with the education and welfare of children. The School for the Deaf is one of the older agencies of the State; it was recognized by the Legislature as a state school in 1877. It is usually believed by other state agencies that since the School can appeal directly to the Legislature for funding that they don't have give as much consideration to the School's requests. At the same time, the School may have been reluctant to request assistance, financial or otherwise, from other agencies. The Subcommittee believes this should not be the case; if agencies' objectives are the same, then they should cooperate with each other.



Senator Nick Jordan, Subcommittee Chair



Senator Stephen Morris



Senator Marge Petty

Senate Subcommittee Report

Agency: Kansas State Library

Bill No.

Bill Sec.

Analyst: Chapman

Analysis Pg. No. 286

Budget Page No. 340

<u>Expenditure Summary</u>	<u>Agency Request FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Senate Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,659,243	\$ 1,971,784	\$ 1,234*
Aid to Local Units	6,386,407	4,486,110	0
Other Assistance	113,860	90,779	0
Subtotal - Operating	<u>\$ 9,159,510</u>	<u>\$ 6,548,673</u>	<u>\$ 1,234</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 9,159,510</u></u>	<u><u>\$ 6,548,673</u></u>	<u><u>\$ 1,234</u></u>
State General Fund:			
State Operations	\$ 2,148,339	\$ 1,452,353	\$ (1,622)*
Aid to Local Units	5,410,905	3,510,608	0
Other Assistance	113,860	90,779	0
Subtotal - Operating	<u>\$ 7,673,104</u>	<u>\$ 5,053,740</u>	<u>\$ (1,622)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 7,673,104</u></u>	<u><u>\$ 5,053,740</u></u>	<u><u>\$ (1,622)</u></u>
FTE Positions			
FTE Positions	28.0	27.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	<u><u>28.0</u></u>	<u><u>27.0</u></u>	<u><u>0.0</u></u>

* Includes deletion (\$18,111 from the State General Fund) of the Governor's recommended employee pay plan.

Agency Request/Governor's Recommendation

The agency requests \$9,159,510 for FY 2001 to provide \$2,659,243 for state operations and \$6,386,407 in grants to public libraries and regional library systems. The FY 2001 request reflects a State General Fund increase of \$2,260,342 (41.8 percent) from the current year. This includes \$2,224,451 for a total enhancement package, of which \$1,600,297 is requested for grants-in-aid to local libraries. Of the total FY 2001 request, \$7,673,104 is financed from the State General Fund, and \$1,486,406 is financed from other funds. **Absent requested FY 2001 enhancements**, the agency's request would represent an increase of \$27,147 (0.4 percent) above the FY 2000 revised estimate.

The Governor recommends funding of \$6,548,673, a reduction of \$2,610,837 (39.9 percent) from the agency's request (which includes all enhancement requests). The Governor's recommendation includes \$5,053,740 from the State General Fund and

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Attachment # *3*

\$1,494,933 from other funds. The Governor's recommended reductions from the agency's all funds request (excluding enhancements) total \$386,386. The significant reductions include a decrease in aid to local libraries by \$300,000 from the State General Fund, and an increase in shrinkage from 1.0 to 5.0 percent, resulting in a reduction of \$32,977 from the State General Fund.

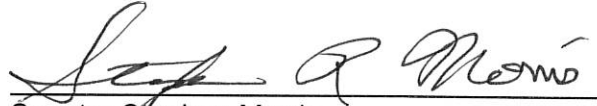
Senate Subcommittee Recommendation

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

1. Add \$19,345 from all funding sources, which includes \$16,489 from the State General Fund, to decrease the Governor's recommended shrinkage rate (from 5.0 to 3.0 percent). According to the agency, the Governor's recommended increase in the shrinkage rate will impact the agency's ability to maintain the current number of FTE positions, due to the agency's conclusion that it experiences hardly any turnover and has few funding resources from which to draw to make up the decrease in funds. The positions that may be affected would come from the public service staff and affect the agency's capability to effectively deliver public service. The Subcommittee recommends that the agency try to utilize any unused funds to make up the difference and maintain current staffing levels.
2. Delete \$18,111 (all from the State General Fund) based on the recommendation to delete funding for the Governor's recommended employee pay plan adjustments (2.5 percent unclassified merit pool, 2.5 percent classified step movement, and longevity bonus payments).
3. Recommend that the agency, in order to common need for technology support, utilize a collaborative creative effort to draw part-time technical computer assistance to help maintain the agency's excellent computer services from the Legislature's various computer technical staffs, such as Legislative Post-Audit, Legislative Research, Revisor of Statutes Office, and Computer Services.
4. Acknowledge the importance of state assistance to local libraries and note that although the Subcommittee concurs with the Governor's recommended reduction in aid to local libraries by \$300,000 from the State General Fund, the total amount recommended for aid to local libraries can still be of assistance to improving libraries and their services in Kansas. It is important to note that the total amount recommended for FY 2001 is \$4,486,110 from all funding sources, which is \$192,223 (4.1 percent) less than the FY 2000 recommendation and \$295,365 more than the FY 1999 actual amount.



Senator Nick Jordan, Subcommittee Chair



Senator Stephen Morris



Senator Marge Petty

Senate Subcommittee Report

Agency: Kansas State Historical Society Bill No. --

Bill Sec.--

Analyst: Nogle

Analysis Pg. No. 309 Budget Page No. 229

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 6,391,594	\$ 5,847,386	\$ (90,432)
Special Revenue Funds	1,974,014	1,806,479	(15,473)
TOTAL	\$ 8,365,608	\$ 7,653,865	\$ (105,905)
FTE Positions	140.5	137.5	0.0
Unclassified Temp. Positions	10.0	10.0	0.0
TOTAL	150.5	147.5	0.0

* Includes the deletion of the Governor's pay plan adjustments which total \$121,905, including \$106,432 from the State General Fund.

Agency Req./Governor's Recommendation

The agency request for FY 2001 is \$8,365,608, a \$273,796 (3.4 percent) increase from the FY 2000 estimate. The increase is due to enhancements totaling \$310,093.

Governor's Recommendation. The Governor recommends \$7,653,865, a decrease of \$338,841 (4.2 percent) from the FY 2000 recommendation. The Governor does not recommend the enhancement requests.

Senate Subcommittee Recommendation

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

1. Delete the Governor's recommended pay plan adjustments which total \$121,905, including \$106,432 from the State General Fund.
2. Add \$16,000 from the State General Fund for the Kansas Humanities Council for the Kansas Chautauqua feasibility study and the Yesterday's Tomorrow Smithsonian traveling exhibit. The Subcommittee notes the tremendous success of the Barn Again! exhibit both as a federal, state, and local partnership and in increasing tourism and visibility for the state.

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Attachment # *4*

The Kansas Humanities Council projected a visitation of 25,000, but with four months remaining in the tour, total visitation has already topped 20,000. The hosting communities have experienced a variety of benefits:

- Lindsborg doubled its visitorship over the seven week run of the exhibit for the same period in 1998 and the local museum gift shop increased its sales by 232 percent from the same period last year.
 - Colby had 5,654 visitors over the seven-week run of the exhibit, over half of its visitors for all of 1998 and of those who completed the museum's formal survey, 53 percent had traveled more than 100 miles to visit the museum and 31 percent had traveled more than 500 miles.
 - Fredonia increased its visitation 15 fold over the seven week run of the exhibit which coincided with homecoming weekend and had visitors from tour buses en route to Branson, Missouri.
 - Arkansas City/Winfield officially opened the exhibit on December 3, 1999 and tripled the local museum's normal December attendance.
3. The Subcommittee recommends \$77,400 from the Visitor Donation Fund and \$31,000 from the General Fees Fund be allocated for repairs and rehabilitation at the First Territorial Capital and Historic Fort Hays for a total of \$108,400. The funding is recommended to replace the EDIF funding that was lapsed in SB39. The EDIF dollars were originally appropriated for Americans with Disabilities Act (ADA) compliance projects and reinterpretation of the site exhibits at the First Territorial Capital (\$71,000), and for rehabilitation and repair projects at Historic Fort Hays (\$50,000) by the 1997 Legislature for FY 1998. The money was lapsed because it had not yet been used by the agency. The Subcommittee believes that the historical significance of the sites, the need for repair (in particular at the First Territorial Capital), and the local commitment to the sites warrant the reallocation of these funds. The Subcommittee further recommends that the remaining \$12,600 necessary to complete the projects be shifted from elsewhere in the agency's budget.

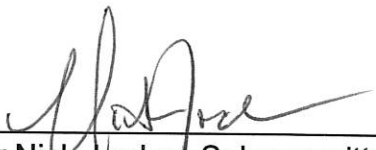
The agency Visitor Donation Fund was originally created to provide a dollar for dollar match to visitor donations collected at the site (up to \$100,000) as the EDIF Visitor Donation Match Fund. The Society's policy has been to allow the dollars collected at the sites to remain with the individual sites while the match dollars are pooled for projects befitting the entire system, such as publicity and brochures. Because of the lack of match funding in the FY 2001 budget, the Society believes the policy must change. The Society has indicated that one option is to put half of every visitor dollar contributed towards the individual site with the other half going towards statewide projects. The FY 2001 request includes \$70,000 EDIF

for the match, which was not recommended by the Governor. However, the agency estimates total available funding of \$154,802 for FY 2001. This would give the sites a total of \$77,801 and the systemwide projects a total of \$77,801. The Subcommittee recommends that the \$77,801 that would likely go to statewide projects be used for rehabilitation and repair at the First Territorial Capital and Historic Fort Hays.


4. The Subcommittee recommends that the agency's EDIF Visitor Donation Match Fund be appropriated as the Visitor Donation Fund with no expenditure limitation. The Subcommittee notes that a Governor's Budget amendment is pending regarding this change.
5. The Subcommittee expresses concern about rehabilitation and repair of historic sites. While the Legislature does set some priority through appropriations, once the money is appropriated it may not necessarily be spent in the way the Legislature intended.
 - a. The Subcommittee expresses concern about the planning process for rehabilitation and repair of the sites.
 - b. The Subcommittee expresses concern about priority setting for rehabilitation and repair of the sites.

The Subcommittee recognizes that HB 2605, which provides for changes in the organization and structure of the State Historical Society is currently in the House and hopes that the passage of the bill will yield a beneficial result through a clearer definition of the roles of the state and private society and better fund raising.

6. The Subcommittee recommends the development of a preventative maintenance plan for the historic sites in which the state and the agency should share responsibility.
7. The Subcommittee encourages the agency to aggressively pursue fund-raising for the historic sites at a statewide level.
8. The Subcommittee encourages the Division of Travel and Tourism of the Department of Commerce and Housing and the agency to work together to expand the cooperation between them.



Senator Nick Jordan, Subcommittee Chair



Senator Stephen R. Morris



Senator Marge Petty

Senate Subcommittee Report

Agency: Kansas Arts Commission **Bill No.** _____ **Bill Sec.** _____
Analyst: Nogle **Analysis Pg. No.** 297 **Budget Page No.** 69

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments*
Operating Expenditures:			
State General Fund	\$ 3,135,533	\$ 1,524,603	\$ (6,611)
Special Revenue Funds	490,042	490,042	(1,389)
TOTAL	\$ 3,625,575	\$ 2,014,645	\$ (8,000)
FTE Positions	11.0	8.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	11.0	8.0	0.0

* The entire adjustment reflects the removal of the Governor's pay plan.

Agency Req./Governor's Recommendation

The agency request for FY 2001 is \$3,625,575, a \$1,475,022 (68.6 percent) increase from the FY 2000 request. The increase is due to enhancement requests totaling \$1,503,736.

The Governor recommends \$2,014,645 for FY 2001, a decrease of \$119,110 (5.6 percent) from the FY 2000 recommendation. The Governor does not recommend the enhancement requests.

Senate Subcommittee Recommendation

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

1. The Subcommittee recommends granting the agency authority to spend \$4,000 for official hospitality out of current appropriations. The agency currently has the authority to spend \$300.
2. The Subcommittee recommends the revision of language in the appropriations bill that allows the agency to account for state and local dollar matches to federal money in the aggregate when reviewed by Legislative Post Audit. Prior appropriation bill language forced the agency to account

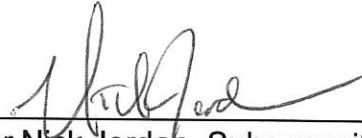
Senate Ways and Means Committee

Date *February 16, 2000*

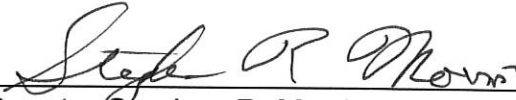
Attachment # *5*

for the match dollars on a program by program basis. This change will not affect the accounting process of the agency, but it will simplify the auditing process and put it in line with the National Endowment of the Arts requirements.

3. The Subcommittee recommends the removal of the Governor's pay plan adjustments totaling \$8,000.



Senator Nick Jordan, Subcommittee Chair



Senator Stephen R. Morris



Senator Marge Petty

Senate Subcommittee Report

Agency: State Corporation Commission **Bill No. ---**

Bill Sec. ---

Analyst: Severn

Analysis Pg. No. 1526 Budget Page No. 117

Expenditure Summary	Agency Req. FY 01	Gov. Rec. FY 01	Sub. Adjustments
Special Revenue Funds			
State Operations	\$ 16,407,976	\$ 15,223,799	\$ (246,538)
Aid to Local Units	700,000	700,000	0
Other Assistance	0	0	0
TOTAL	\$ 17,107,976	\$ 15,923,799	\$ (246,538)
FTE Positions	210.0	208.0	0.0
Unclassified Temp. Positions	0.0	0.0	0.0
TOTAL	210.0	208.0	0.0

* The reduction of \$246,538 from special revenue funds is entirely for the Governor's employee salary adjustment.

Agency Request/Governor's Recommendation

The State Corporation Commission requests total expenditures of \$16,407,976 in FY 2001, a decrease of \$344,271 from the FY 2000 estimate.

The Governor recommends total expenditures of \$15,923,799, a decrease of \$158,177 from the FY 2000 recommendation, and \$1,184,177 below the agency request. The Governor includes \$246,538 for the employee salary adjustment. The Governor recommends staffing of 208.0 FTE, a reduction of 1.0 FTE from the recommended FY 2000 staffing.

Senate Subcommittee Comments and Recommendation

The Senate Subcommittee concurs with the recommendation of the Governor with the following adjustments and observations:

1. Delete \$246,538 (from special revenue funds) based on the recommendation to delete funding for the Governor's recommended employee salary plan.

Senate Ways and Means Committee

Date *February 16, 2000*

Attachment # *6*

2. Transfer \$400,000 from the State General Fund to the Abandoned Oil and Gas Well Fund.
3. The Subcommittee notes with concern the large Kansas Savings Incentives Program (KSIP) balances carried by the agency. At the end of FY 1999, the agency had KSIP balances totaling \$652,541. In FY 2000, the Governor recommended shifting \$176,913 from the agency's fee funds to its KSIP accounts, as follows:

Kansas Savings Incentives Program (KSIP) Expenditures. The agency estimate for FY 2000 includes no KSIP expenditures. The Governor recommends KSIP expenditures totaling \$176,913.

Program	Salary Bonuses	Professional Dev. Training	Technology Equipment	TOTAL
Administrative Services	\$ 0	\$ 79,642	\$ 20,218	\$ 99,860
Utilities Program	0	0	35,600	35,600
Conservation Program	0	0	37,495	37,495
Transportation Program	0	0	3,958	3,958
Energy Program	0	0	0	0
Total	<u>\$ 0</u>	<u>\$ 79,642</u>	<u>\$ 97,271</u>	<u>\$ 176,913</u>

For FY 2001, the Governor recommended shifting \$298,503 from the agency's fee funds to its KSIP accounts, as follows:

Kansas Savings Incentives Program (KSIP) Expenditures. The agency estimate for FY 2001 includes no KSIP expenditures. The Governor recommends KSIP expenditures totaling \$298,503.

Program	Salary Bonuses	Professional Dev. Training	Technology Equipment	TOTAL
Administrative Services	\$ 0	\$ 81,900	\$ 82,922	\$ 164,822
Utilities Program	0	0	61,562	61,562
Conservation Program	0	0	67,000	67,000
Transportation Program	0	0	4,519	4,519
Energy Program	0	0	600	600
TOTAL	<u>\$ 0</u>	<u>\$ 81,900</u>	<u>\$ 216,603</u>	<u>\$ 298,503</u>

The Subcommittee notes that even after these shifts, the agency will have \$177,125 in KSIP funds, as summarized in the following table:

Beginning Balance FY 2000	\$ 652,541
FY 2000 Expenditures	<u>176,913</u>
Beginning Balance FY 2001	\$ 475,628
FY 2001 Expenditures	<u>298,503</u>
Ending FY 2001 Balance	<u><u>\$ 177,125</u></u>

The Subcommittee is of the opinion that even this balance is too high and the agency should seek to reduce it.

4. The Subcommittee registers its growing concern over the slow development and implementation of the well-plugging program. The Legislature's heightened emphasis on well-plugging created the program in 1996. Each year this Subcommittee has heard that the "learning curve" has been part of the reason for delay; in addition, weather problems, a lack of contractors and difficulties with contract language have been cited. These delays are unacceptable, given the vast number of unplugged wells, the substantial amount of funding that has been provided, and the high level of Legislative concern and support. The Legislature, having heard these same reasons for several years, will be skeptical of anything short of clear-cut success in the future. More wells must be plugged in a more timely manner.

Specifically, the Subcommittee urges the agency to enhance efforts to publicize the bidding procedure. Also, the agency should take measures so as not to restrict eligible bidders to resident contractors.

The Subcommittee suggests that the well-plugging program be the subject of a post audit or interim study. The Subcommittee notes that the 1998 K-GOAL audit of the Conservation Division (98-35, "Reviewing the Activities of the Corporation Commission's Conservation Division, a K-GOAL Audit," February 20, 1998), recommended improvements in the bidding process, and the Commission responded that it would streamline its procedures at that time.

The Subcommittee intends to continue to study the well-plugging issue in the hope of refining its recommendation for this program either prior to Committee action on an appropriations bill or omnibus.

As an indication of the importance that the Subcommittee ascribes to this program, the Subcommittee recommends that the \$400,000 transferred from the Abandoned Oil and Gas Well Fund to the State General Fund in FY 2000 be returned to that fund from the SGF in FY 2001.

5. The Subcommittee also will continue to review the Commission's Energy Program. It is possible that other agencies or departments may be able to

dispense the federal grant dollars, thereby making the program more effective and efficient.

Abandoned Oil and Gas Well Fund Analysis

The status of the Abandoned Oil and Gas Well Plugging Fund, from FY 1997 to FY 2002, based upon the Subcommittee's recommendation, is reflected in the table below. The Subcommittee wishes to note that expenditures for FY 1999 are estimates based on moneys expended during FY 1999 or upon FY 1999 encumbrances as of January 31, 2000, and includes an estimate of approximately \$10,000 yet to be expended on FY 1999 encumbrances. Also, FY 2000 expenditures are estimated based on expenditures or pending contracts totaling \$1,951,465 to date.

Abandoned Oil and Gas Well Fund						
	<u>FY 1997</u>	<u>FY 1998</u>	<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>
Beginning Balance	\$ 0	\$ 764,899	\$ 1,602,342	\$ 1,507,260	\$ 839,000	\$ 1,324,000
Receipts						
Transfers In	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Royalties	676,552	613,484	424,668	425,000	425,000	425,000
Interest*	27,324	87,646	112,516	105,000	60,000	90,000
Other	13,414	25,690	12,553	1,740	0	0
Total Available	\$ 1,917,290	\$ 2,691,719	\$ 3,352,079	\$ 3,239,000	\$ 2,524,000	\$ 3,039,000
Less: Expenditures	1,152,391	1,089,376	1,844,819	2,000,000	1,600,000	1,600,000
Less: Transfer to (from) SGF	0	0	0	400,000	(400,000)	0
Ending Balance	\$ 764,899	\$ 1,602,343	\$ 1,507,260	\$ 839,000	\$ 1,324,000	\$ 1,439,000


 Senator Larry Salmans, Chair


 Senator Christine Downey