

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairman Kenny Wilk at 9:05 a.m. on February 20, 2001, in Room 514-S of the Capitol.

All members were present.

Committee staff present: Alan Conroy, Legislative Research
Robert Chapman, Legislative Research
Amy Kramer, Legislative Research
Carolyn Rampey, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Brad Rayl, Kansas State Fair Board
Bill Ogg, General Manager, Kansas State Fair
Elena Nuss, State Fire Marshall's Office
Representative Mike O'Neal
Representative Jan Pauls

Others attending: ~~See Attachment.~~

Chairman Wilk moved for the introduction of legislation concerning clarification on method of selection of the executive director and members of the board of the Kansas Historical Society. Motion was seconded by Representative Neufeld. Motion carried.

Representative Peterson moved for the introduction of legislation regarding Kansas State University extension agents election into tax-sheltered annuities of TIAA-CREF. Motion was seconded by Representative Spangler. Motion carried.

Representative Spangler moved for the adoption of the minutes of January 30 and 31, and those of February 1 and 9. Motion was seconded by Representative Neufeld. Motion carried.

Hearing on HB 2493—Kansas state fairgrounds repair and reconstruction

Brad Rayl, Kansas State Fair Board, presented testimony supporting the need for updating the infrastructure, the buildings, and the grounds of the Kansas State Fair in Hutchinson (Attachment 1). Also included in the information distributed to the Committee was a phase-in plan for construction and repairs, bonding information, and the long-range master plan adopted by the Kansas State Fair Board.

Bill Ogg, General Manager of the Kansas State Fair and Member of the Kansas State Fair Board, informed the Committee of the necessity of doing the phase-in repair and reconstruction in a well-planned manner as there are 285 non-fair events held on the grounds every year as well as the Kansas State Fair which draws 400,000 persons during the two week period. There are approximately 800,000 visitors to the complex in a year. The support expressed by the City of Hutchinson and Reno County through their willingness to contribute \$300,000 per year for ten years is reflective of their commitment to the Fair. This represents local support through tax dollars for state property. The Kansas State Fair is self-supporting which is unique when compared to other states. The phase-in of projects is scheduled over a six-year period in order to keep the revenue stream in place by accommodating the various events. The National Motor Coach Convention will be held there in 2002 which should bring in \$35 to \$40 million in direct dollars to the state. Sales tax revenues are in the range of \$200,000 per fair season and this does not include those collected through private sales which were estimated to be in the \$12 million range in 1996.

Representative Mike O'Neal related his childhood experiences and memories of the Fair to the Committee describing it as a "rich tradition in Kansas." He stated that the time has come to fix the grounds as it showcases Kansas to the rest of the nation. He requested the Committee to seriously consider the request for funding.

Representative Jan Pauls explained that Hutchinson was named the home of the Kansas State Fair in 1911 and is a good combination of the historical and the modern Kansas. She described the entertainment aspects of the Fair as being outstanding. Having been involved in meetings with the Board and local government

representatives, she praised their commitment and cooperative efforts. She requested the Committee approve the request for \$24 million over a ten, fifteen, or twenty year period.

Elena Nuss of the State Fire Marshal's Office requested the Committee grant the funding for the proposed repairs and reconstruction at the State Fair Grounds. There are some buildings that will not meet the necessary fire and safety codes if electrical issues are not addressed prior to the State Fair planned for this coming fall.

The appraised value of the buildings located on the Fair Grounds is approximately \$70 million which does not include the real estate.

Copies of information prepared by the Kansas Development Finance Authority, on ten, fifteen, and twenty year aggregates of revenue bonds based on a \$29.0 million bond issued at one time rather than bonds in various amounts being issued annually were distributed (Attachment 2). Representatives of the Fair Board said they had structured the bonding incrementally as they thought they had to spend down within two years prior to receiving additional funding through the bonds or be in contempt of arbitrage laws.

Chairman Wilk declared the hearing on **HB 2493** closed.

Representative Pottorff, Chairperson of the 2001 General Government and Human Resources Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Attorney General for FY 2001 and moved for the adoption of the Budget Committee recommendations for FY 2001 (Attachment 3). Motion was seconded by Representative Stone. Motion carried.

Representative Pottorff presented the Budget Committee report on the Governor's budget recommendations for the Attorney General for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 with the noted exceptions (Attachment 3). Motion was seconded by Representative Stone.

Representative Shriver made a substitute motion to amend the Budget Committee report on the Governor's budget recommendations for the Attorney General for FY 2002 to include the objections to the Budget Committee report of the Minority Report as presented (Attachment 1). Motion was seconded by Representative Klein.

Minority Report signing members pointed out their main concerns are with the Attorney General's formation of the Sunflower Foundation with settlement money received from Blue Cross and Blue Shield of Kansas and her appointment of eight of the nine members of the Sunflower Foundation Board of Trustees. Other objections include having insufficient time to review the budget, lack of assistance for a complete audit of the funding shifts within the Attorney General's approved budget that have occurred including funding for litigation on the Sunflower Foundation, general disagreement with the legality of the Sunflower Foundation, and funding shifts of employment from temporary to permanent positions financed from fee funds that may not be supported in the future.

Concerns were expressed regarding who is in charge of the \$75 million and what exactly was the purpose of establishing another board when there were agencies or boards already established which could disseminate the funds for children's health care as established in the settlement. The question of why the Legislature was not involved in the settlement agreement and why only the courts, the Attorney General, Blue Cross and Blue Shield of Kansas, and the Insurance Commissioner were privy to the settlement agreement. Carolyn Rampey, Legislative Research Department, distributed a memo explaining the history of the settlement with Blue Cross and Blue Shield of Kansas and the ultimate incorporation of the Sunflower Foundation (Attachment 4).

Representative Spangler made a priority motion to table the Budget Committee report on the Governor's budget recommendations for the Attorney General for FY 2000 (Attachment 3). Motion was seconded by Representative Nichols. Motion failed with 9 "yes" votes and 11 "no" votes.

Chairman Wilk recessed the meeting at 10:30 a.m. due to the scheduled session of the House of Representatives. The meeting was reconvened at 11:45 a.m.

Representative Nichols moved to table the Budget Committee report on the Governor's budget recommendations for the Attorney General for FY 2000 until a date certain, April 19, 2001 (Attachment 3). Motion was seconded by Representative Klein. Motion carried.

Chairman Wilk referred **HB 2523** to the Budget Committee on General Government and Human Resources.

The meeting was adjourned at 11:50 a.m. The next meeting is scheduled for February 21, 2001.

Long-Range Master Plan

Kansas State Fair

Hutchinson, Kansas



Prepared for:

Kansas State Fair
Hutchinson, Kansas

Architect On-Call:

Landmark Architects & Engineers
Hutchinson, Kansas

Fairground Consultants:

Bullock, Smith & Partners
Knoxville, Tennessee

September 8, 1999

HOUSE APPROPRIATIONS

DATE 9/ 2/20/01
ATTACHMENT #1

1.0 Executive Summary

This master plan for the Kansas State Fair addresses both current and future goals and objectives. It updates the current Kansas State Fairgrounds while taking into consideration the future functions of the facilities, capital construction and maintenance needs, and the overall operation of the facilities. It is intended as a guide for immediate or near-term site improvements, new construction and renovation of existing facilities, as well as for the siting and development of future facilities.

Working with the architectural and engineering firm of Landmark (formerly AEC Architects & Engineering Consultants) of Hutchinson, Kansas, Bullock, Smith & Partners of Knoxville, Tennessee, developed a master plan based on the process described below. First the planners analyzed the existing physical conditions of the facilities and grounds and determine projected programming and space needs. This analysis produced use zones, development areas, circulation patterns, parking, and entrance and edge definition. Then, based on this analysis, the planners recommended a number of concepts and ideas for making the fairgrounds a year-round facility. Using the approved concepts, the planners then developed a preliminary master plan that recommended site and facility improvements and/or renovations and located planned-for buildings and events.

The end result was a final master plan that recommended the following: increasing the Fair's penetration rate and attendance; developing more non-fair events; creating a visual and physical environment in keeping with the reputation of the Kansas State Fair; complying with ADA and code requirements; themed visitor gates; strengthening circulation by using landscape; focal points, graphics and flags and banners; creating a "green;" increasing the number of permanent food pavilions; creating a living history Yesterday/Ethnic Village; improving the Grandstand; remodeling all "historic" buildings; creating an "icon court;" improving livestock barns; relocating RVs and constructing 300 hookups; repairing and expanding site infrastructure; and exploring the construction of a multipurpose arena and a privately developed hotel on the grounds.

Phasing is to be determined by the availability of funds.

2.0 Background

2.1 Project History

In November of 1998, the Kansas State Fair Board selected the architectural and engineering firm Landmark (formerly AEC Architects and Engineering Consultants) of Hutchinson, Kansas, and their consultants, Bullock, Smith & Partners of Knoxville and Nashville, Tennessee, to develop a long-range physical master plan for the Kansas State Fair.

2.2 Design Team

The primary members of the design team for the master plan for the Kansas State Fair includes the following:

- Charles Smith, AIA, NCARB - Bullock, Smith & Partners
- David Forkner, ASLA - Bullock, Smith & Partners
- Ken Moffett, AIA - Bullock, Smith & Partners
- Leah Owens - Bullock, Smith & Partners
- D. Kelly McMurphy, AIA - Landmark Architects & Engineers

2.3 Scope of Study

The major areas of study and issues to be addressed include the following:

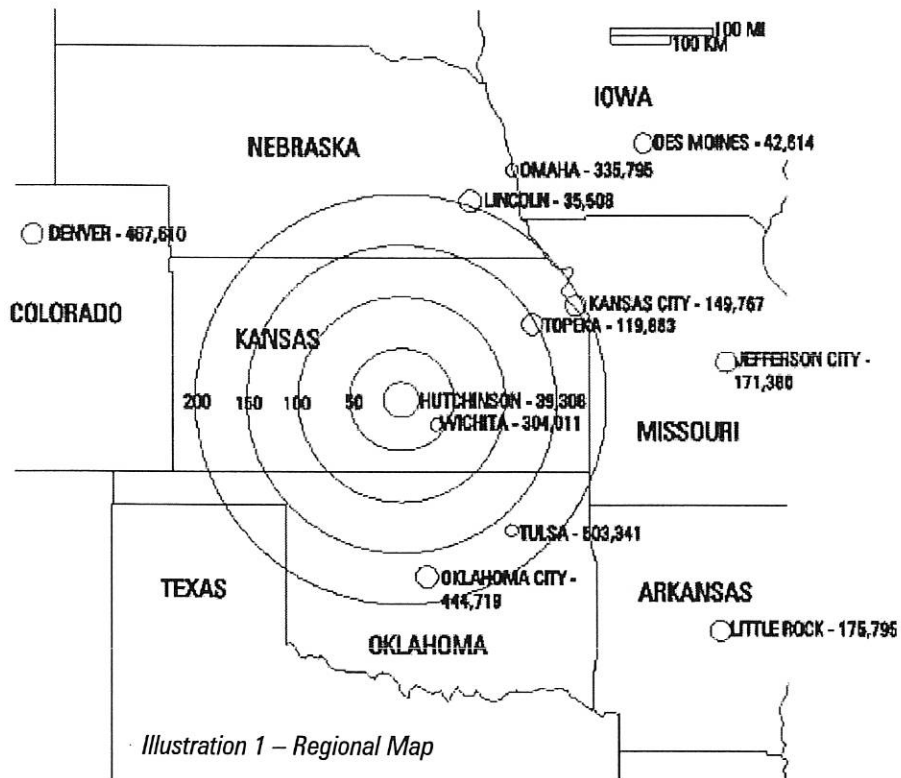
- Growth in attendance to the Fair and non-fair events
- Visitor services and comfort
- Improvement of grounds and buildings
- Construction of new facilities and additions to existing facilities

3.0 Analysis

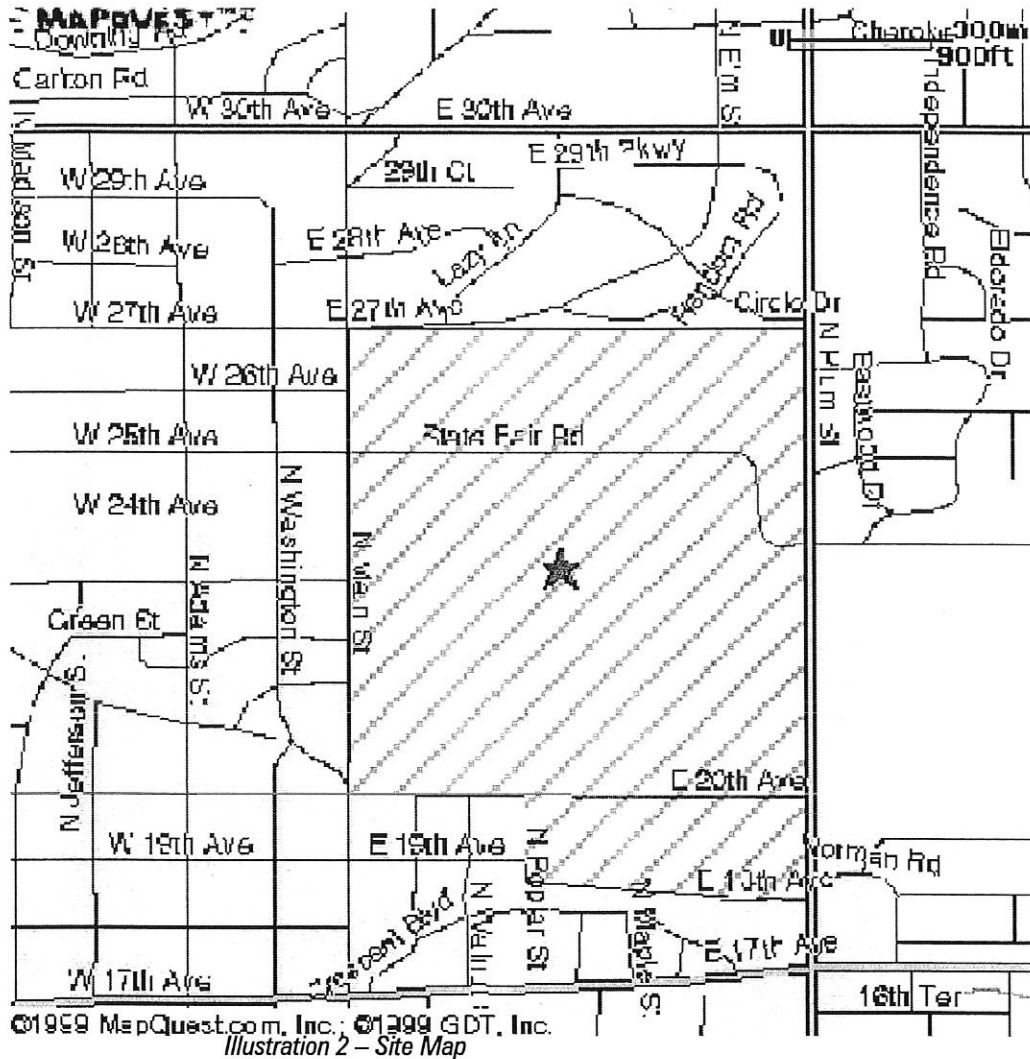
3.1 Physical Conditions

3.1.1 Site Context

The Kansas State Fair is located on 280 acres in Hutchinson, Kansas. The regional map below shows the major cities/markets and their respective populations that surround Hutchinson and the Kansas State Fair.



The fairground is bordered by North Plum Street to the east, residential neighborhoods and 20th Street to the south, North Main Street to the west, and 27th Street to the north. Poplar Street dead ends at the existing Gate 1. 20th Street continues through the southern most portion of the fairground, in front of the livestock buildings. 23rd Street also runs through the fairgrounds to the north of the Lake Talbott area. There are several out-parcels along North Main Street to the west of the Fairgrounds. With the exception of these out-parcels, the only opportunity for expansion is within the fairground since



the surrounding properties are residential and the above mentioned streets serve as permanent boundaries of the fairground. The map above indicates the extents of the fairgrounds and the areas and streets surrounding it.

3.1.2 Use Zones

Use Zones during the fair have been designated as livestock, entertainment, indoor exhibition, outdoor exhibition, concessions and maintenance. The railroad is included in the entertainment category. As the analysis diagram on the following page indicates, the entertainment, indoor exhibition and livestock uses are spread apart throughout the fairgrounds. For example, while most of the livestock area is located in the southern portion of the fairgrounds, there are some areas in the northern section that are used for livestock.

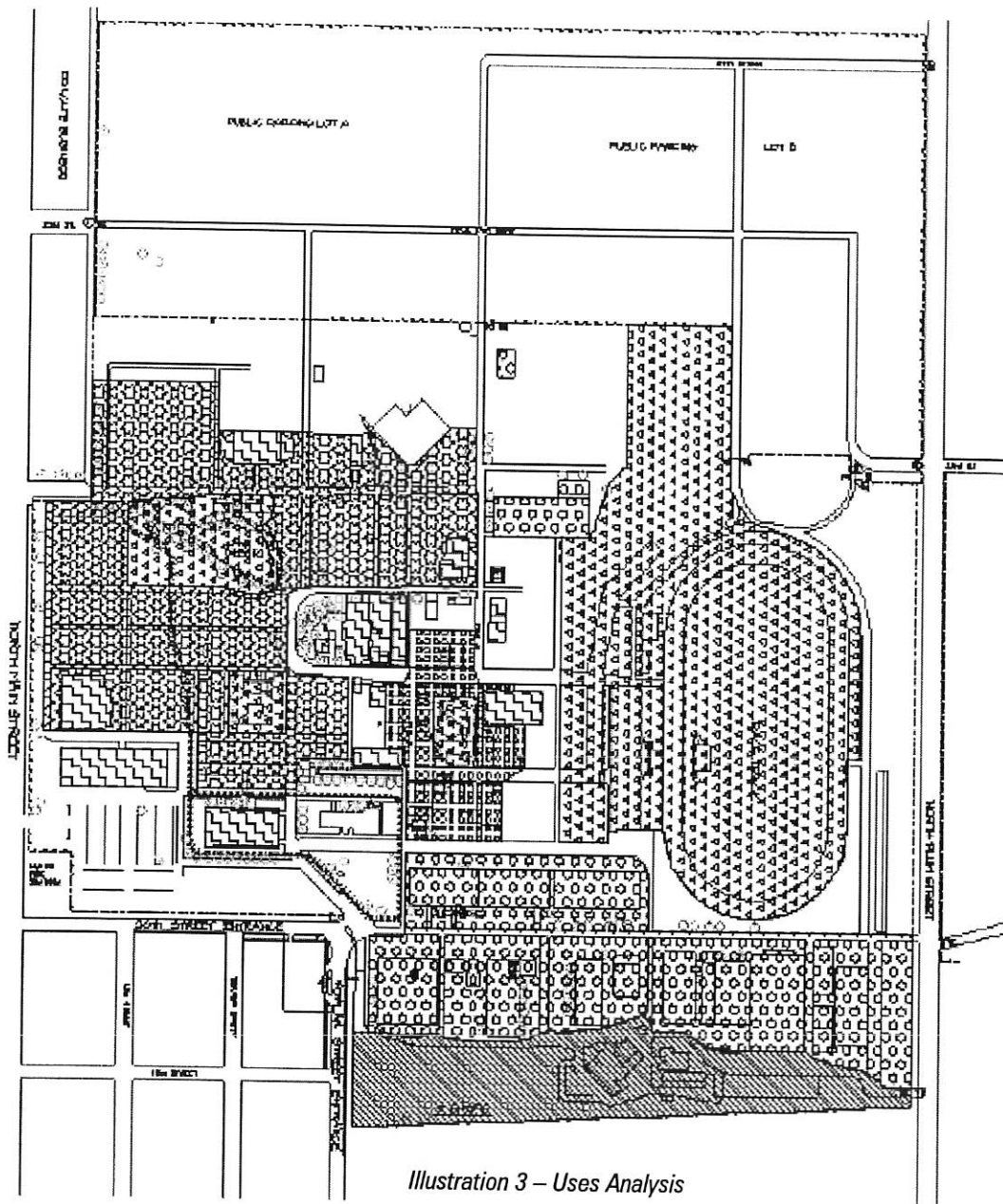
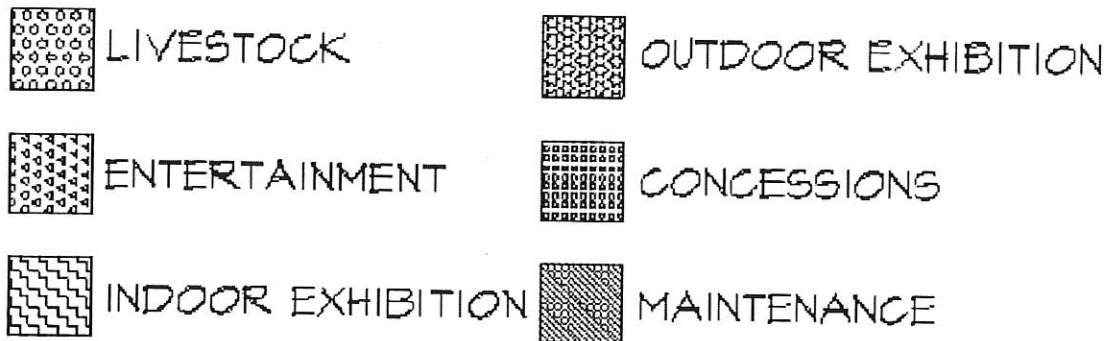


Illustration 3 – Uses Analysis



4.0 Master Plan

4.1 Process

Over a 14 month period, the consultants, Kansas State Fair Staff and the Fair Board met nine (9) times to interview the following groups: the general public, members of the State's county fairs, user groups, participants, exhibitors and vendors. In addition to those meetings held at the fairgrounds in Hutchinson, meetings were held in Oakley, Liberal and Topeka. Over 1,000 individual invitations to the meetings were sent. It is estimated that over 500 people attended the various meetings.

The consultants then took the information obtained from the above analysis, the results of the above interviews, and the information imparted from previous studies (for example, the Kansas State Fair Economic Impact and Marketing Study, Volumes I and II: An Overview of Non-Fair Events by the Institute for Public Policy and Business Research, The University of Kansas) to produce a concept plan. Once the ideas in the concept plan were modified and approved by the Fair Board, a long-range master plan was established.

4.2 Concept Plan

The concept plan, seen on the following page, called for the creation of a Yesterday/Ethnic Village; the demolition of most of the privately owned food buildings and the creation of a new food court; enhancement and renovation of existing buildings; strengthening of the gate system and on-site circulation; creation of a central "Green;" renovation of the livestock buildings; and construction of new livestock space and access.

These proposed conceptual ideas serve as a foundation for improvements proposed in the final long-range master plan. The improvements seek to increase the number of non-fair events days on the fairground; in 1998, there were 337 non-fair event days.

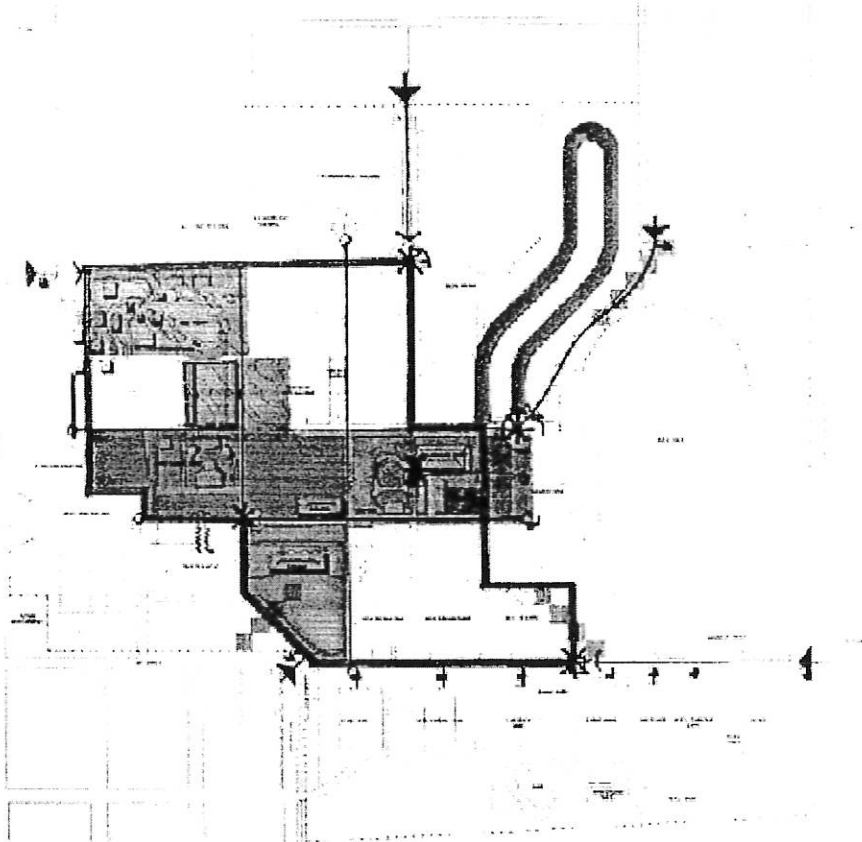


Illustration 8 – Concept Plan

4.3 **Illustrative Long-Range Master Plan**

The long-range master plan (see the following page) reflects the major recommendations from the user group interviews, analysis and concept plan.

These major recommendations include the following:

- “ Increase the Fair’s penetration rate and increase attendance.
- “ Continue to develop non-fair uses.
- “ Create a physical and visual environment which is supportive of and equal to the reputation of the Kansas State Fair.
- “ Comply with all building and site ADA and code requirements.
- “ “Theme” visitor gates to Kansas agricultural and industrial products.
- “ Strengthen primary visitor circulation.
- “ Create a “Green” as a major public space.
- “ Create a permanent food pavilions.
- “ Create a technology center.
- “ Create a living history Yesterday/Ethnic Village.
- “ Improve the Grandstand.

- “ Remodel all “historic” buildings and enhance other buildings.
- “ Create an “icon court.”
- “ Improve the livestock barns.
- “ Add administrative space and remodel the maintenance.
- “ Relocate RVs and construct 300 hookups.
- “ Repair and expand site infrastructure.
- “ Explore the construction of a multipurpose arena and privately developed hotel on the grounds.

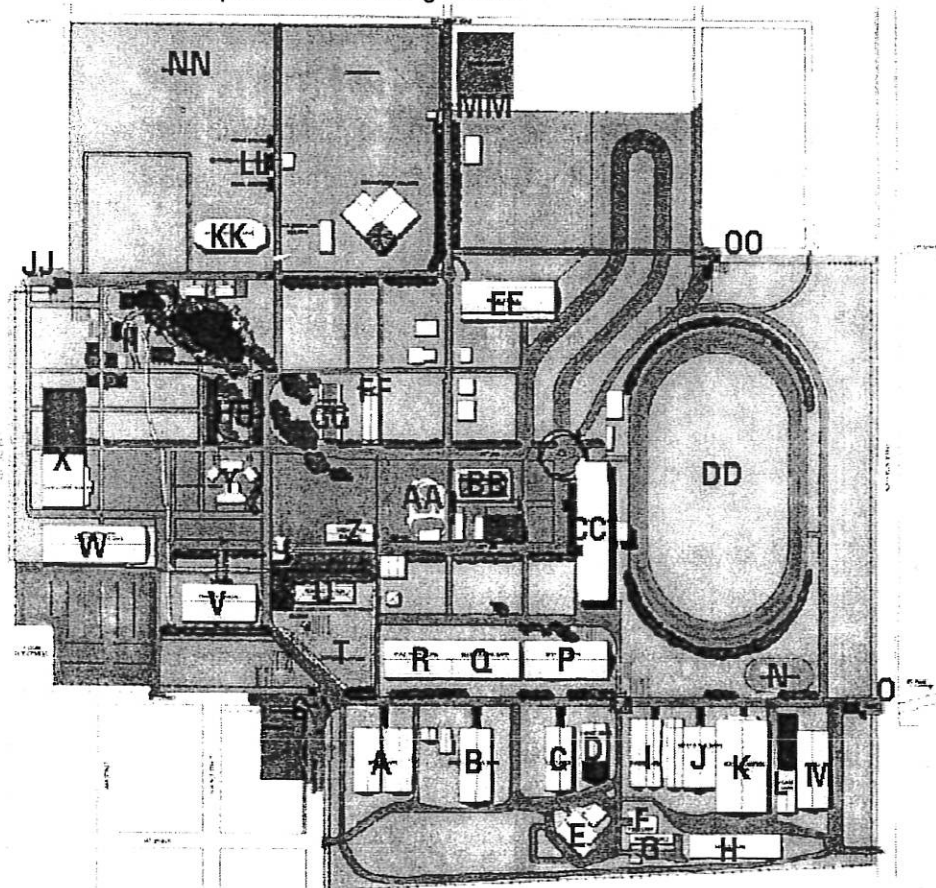


Illustration 9 – Illustrative Long Range Master Plan

Legend:	N - Warm-Up Arena	BB - Cottonwood Court
A - Dairy Barn	O - Gate 2	CC - Grandstand
B - Dairy Judging Barn	P - Beef Tie Barn	DD - Racetrack
C - Livestock Annex	Q - Beef Judging Barn	EE - Bison Arena
D - Rabbit Barn	R - Oz Poultry Barn	FF - Fine Arts Building
E - Shop	S - Gate 1	GG - Honeybee Domestic Arts
F - Feed Barn	T - Gottschalk Park	HH - Food Pavilion
G - Maintenance Shed	U - Administration Building	II - Yesterday/Ethnic Building
H - Horse Barn	V - Pride of Kansas	JJ - Gate 5
I - Swine Barn	W - Meadowlark Industrial Building	KK - 4-H Exhibit Building
J - Sheep/Stall Barn	X - Sunflower Building	LL - Picnic Shelters and Restrooms
K - Horse Exhibition Barn	Y - Farm Bureau Arena	MM - Gate 4
L - Horse Barn	Z - Eisenhower Building	NN - Camping
M - Arena	AA - Old Mill	OO - Gate 3

4.3.1 Gates Improvements

Currently, gates 1,3,5,6,7,9 and 12 control the entrances into the fairground proper. This long-range master plan proposes that the fairground has five (5) main visitor gates. These five gates would each have a different theme consisting of Kansas agriculture and industrial products. Towers would be added for visual emphasis (see Illustration 11 for detail). In order to reduce the number of current gates from seven to five, Gates 1, 12, 6 and 3 would be renovated renamed as Gate 1, Gate 2, Gate 4 and Gate 5, respectively. Gates 7 and 9 would be combined into one gate and renamed as Gate 5. The illustrations below reflect the typical design for these gates.

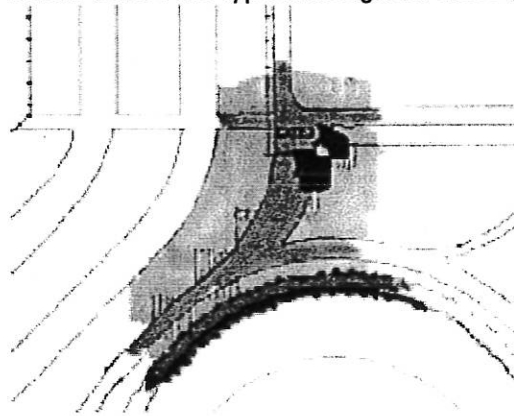


Illustration 10 – Typical Gate Plan



Illustration 11 – Typical Gate Detail

4.3.2 *The Green*

This long-range master plan proposes a “green” for a central gathering/identification area in the central area of the fairground. This area will hold outdoor exhibitions and concessions during fair times and serve as another park area for non-fair times. The old mill would be incorporated into this green. The edges of this green would be enhanced with street trees and landscaping. This area could also be used for outdoor performances, dog obedience classes, picnic area, etc. See the illustrations below for more detail.

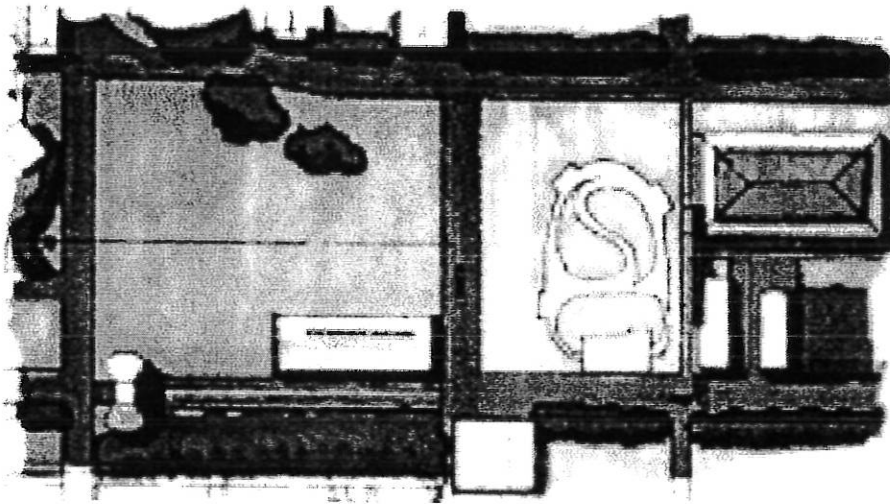


Illustration 12 – The Green Plan

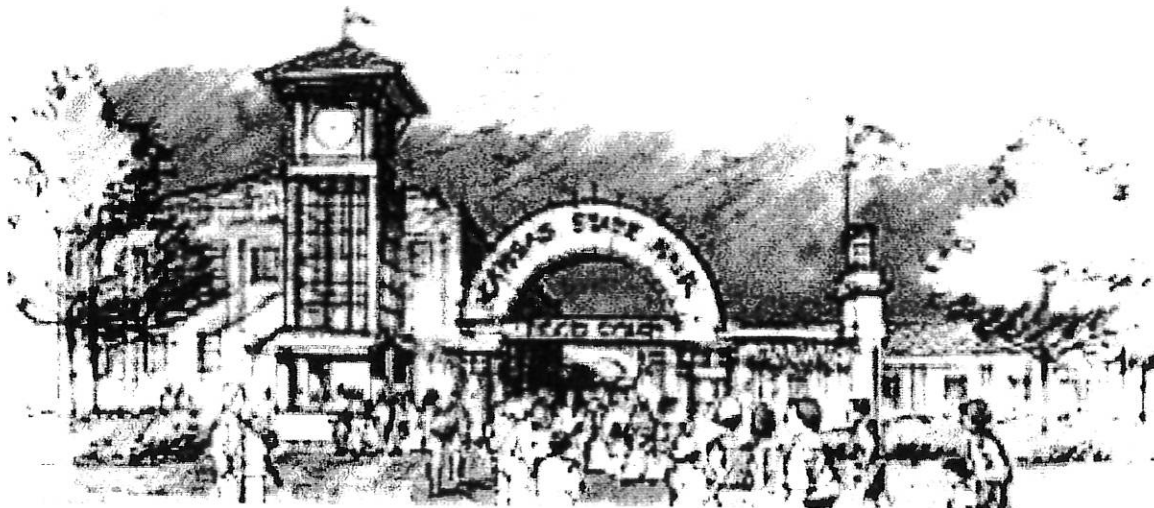


Illustration 13 – The Green Detail

4.3.3 Cottonwood Court

All of the existing food booths around the Commercial Building and the Old Mill, except the two buildings shown in Illustration 14 below, are to be removed. The Commercial Building, then, will be remodeled and converted into a food arcade called Cottonwood Court. In the now vacant area around Cottonwood Court and the Old Mill, full hookups will be provided for temporary food booths and concessions during fair and non-fair events.

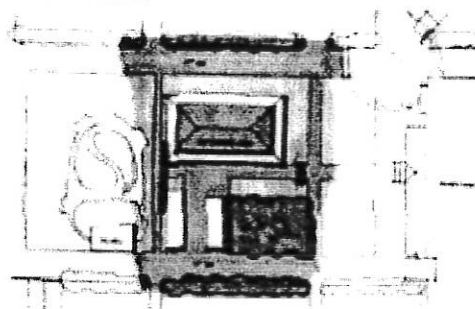


Illustration 14 – Cottonwood Court Plan

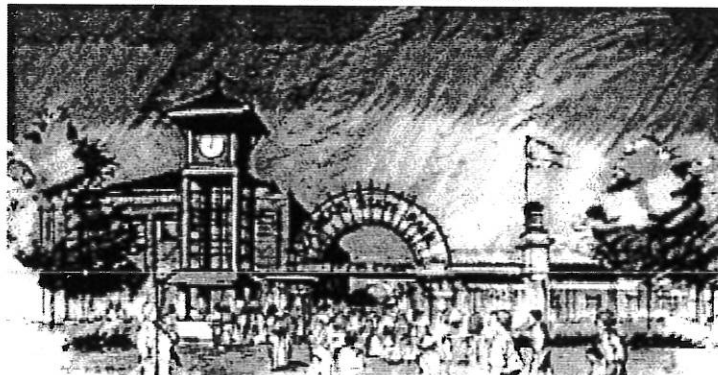


Illustration 15 – Sketch of Outside View of Cottonwood Court

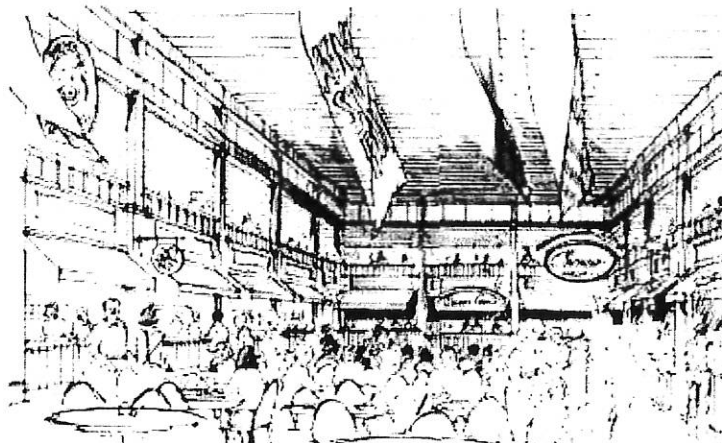


Illustration 16 – Sketch of Inside View of Cottonwood Court

4.3.4 Food Pavilions

The long-range master plan proposes that the area west of the Domestic Arts Building be used for two food pavilions and an eating area. Two long buildings housing food and beverage vendors would enclose the area on the east and west sides. In between the buildings would be a heavily shaded area for picnic tables and eating. By splitting the food concession areas up into two places, the Cottonwood Court and the Food Pavilions, even distribution of food booths and vendors is assured.

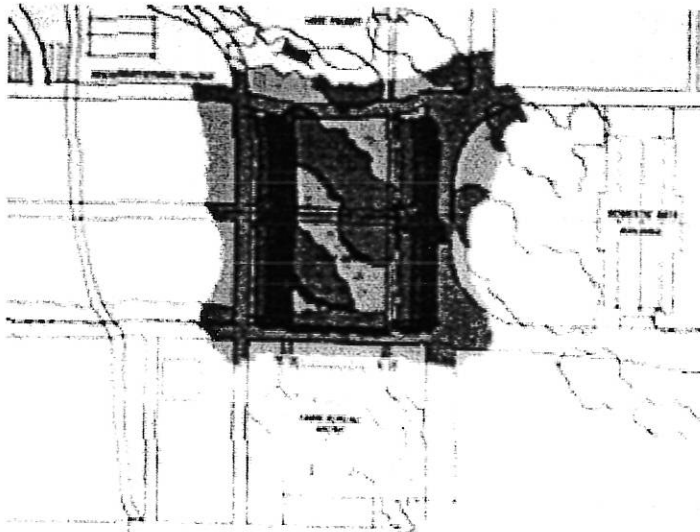


Illustration 17 – Food Pavilion Plan

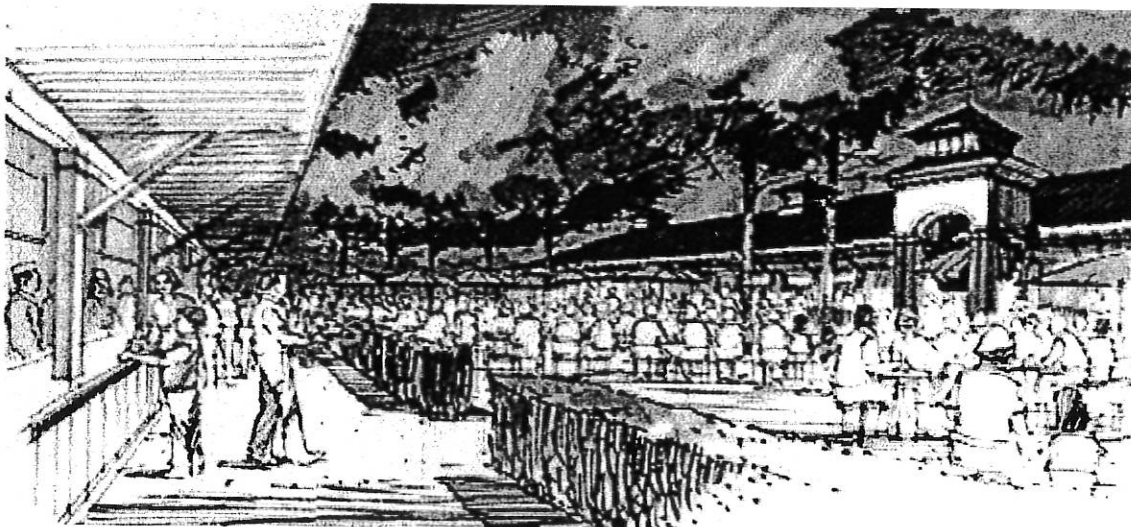


Illustration 18 – Food Pavilion Detail

4.3.5 *Bison Arena*

The building currently named the 4-H Livestock Building is proposed to be renovated and turned into a technology center. The building will be renamed Bison Arena. The illustrations below show these changes in more detail.

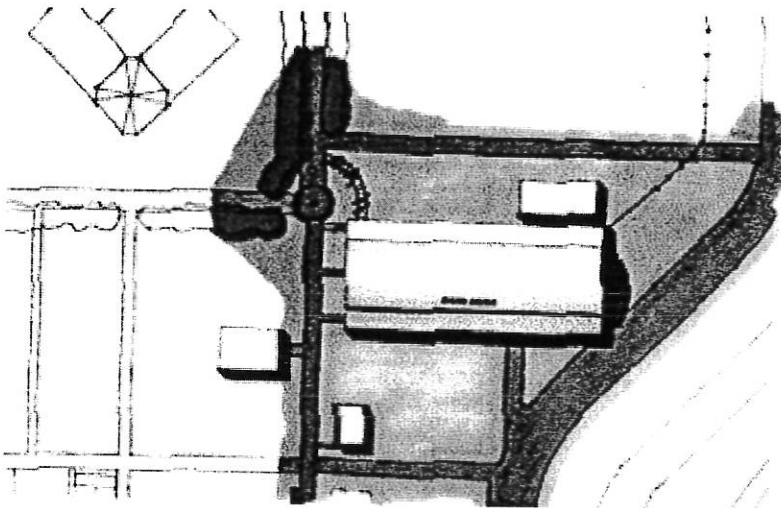


Illustration 19 – Bison Arena Plan

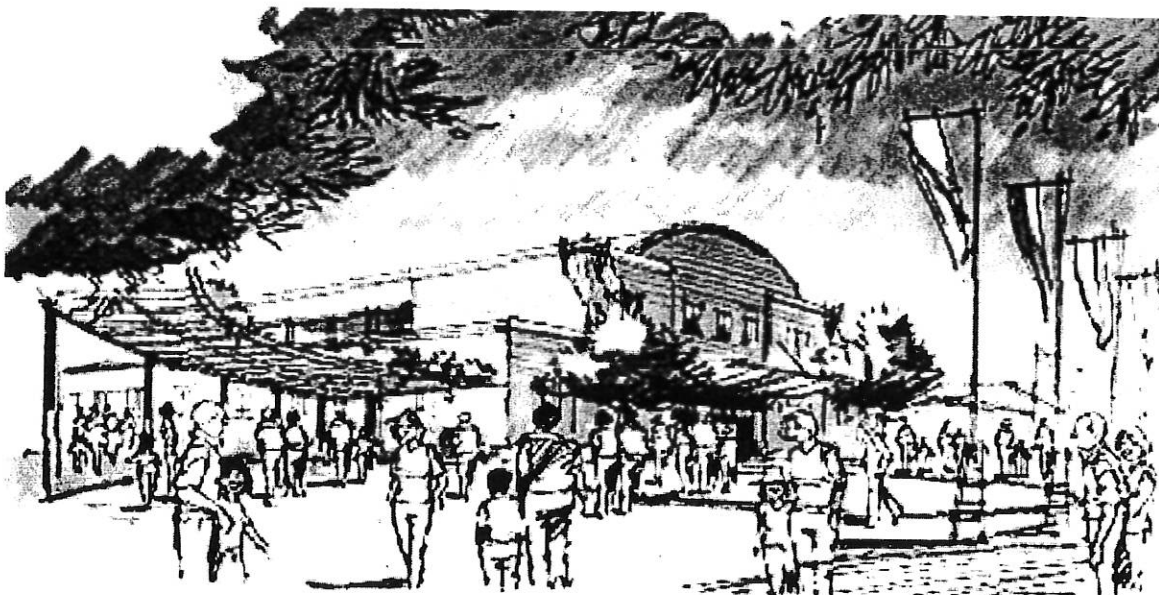


Illustration 20 – Bison Arena Detail

4.3.6 Yesterday/Ethnic Village

The Talbot Lake area will be expanded to include a living history village called the Yesterday/Ethnic Village. This area will have buildings that appear as if from a specific period of time in Kansas history. There will also be demonstration plots of how agriculture products were grown and harvested. This area can be used for fair and non-fair times. The illustrations below show more detail of this area.

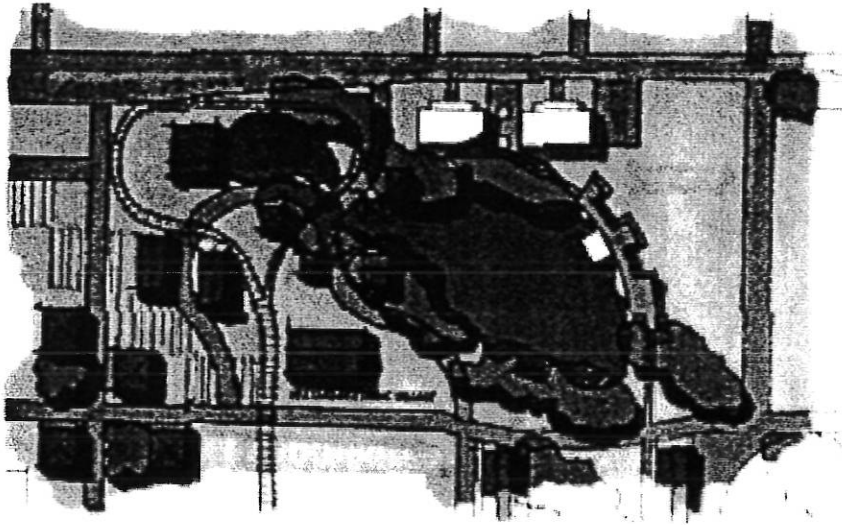


Illustration 21 – Yesterday/Ethnic Village Plan



Illustration 22 – Yesterday/Ethnic Village Detail

4.3.7 *Grandstand*

Improvements to the Grandstand include the following: renovation, addition of restrooms and concessions to the exterior and the addition of a theme tower and rotunda for emphasis and orientation.

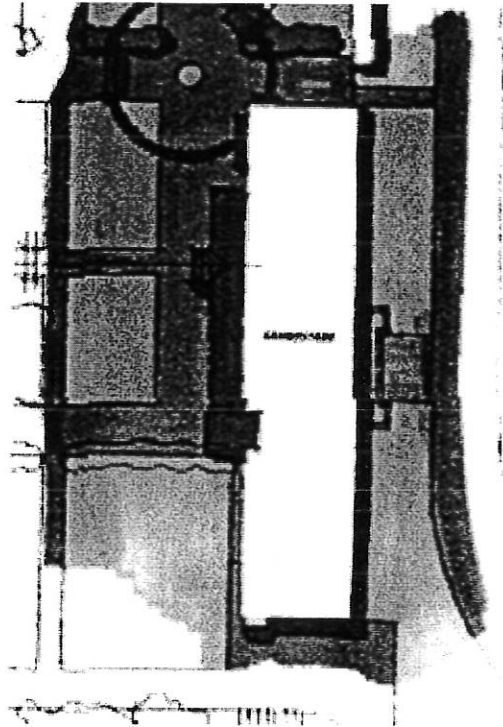


Illustration 23 – Grandstand Plan

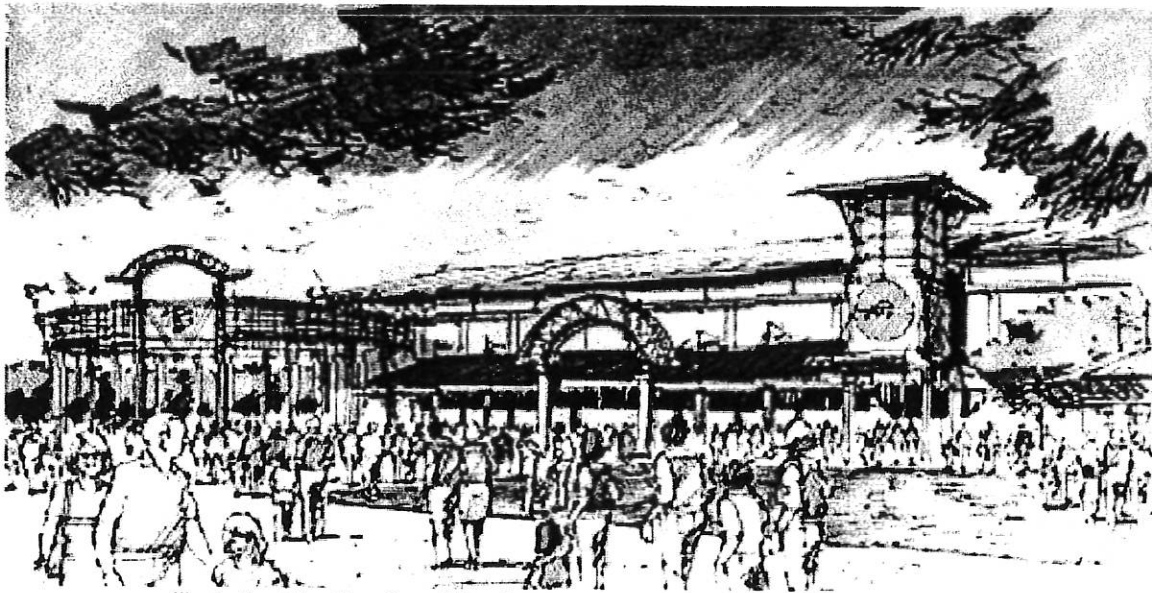


Illustration 24 – Grandstand Detail

4.3.8 Pride of Kansas Building

It is proposed that the Pride of Kansas Building be renovated to include the creation of an "icon court" that depicts major agricultural and industrial innovations and interests. This court can be used during the fair for demonstrations and exhibits as well during non-fair times for school field trips and things of that nature.

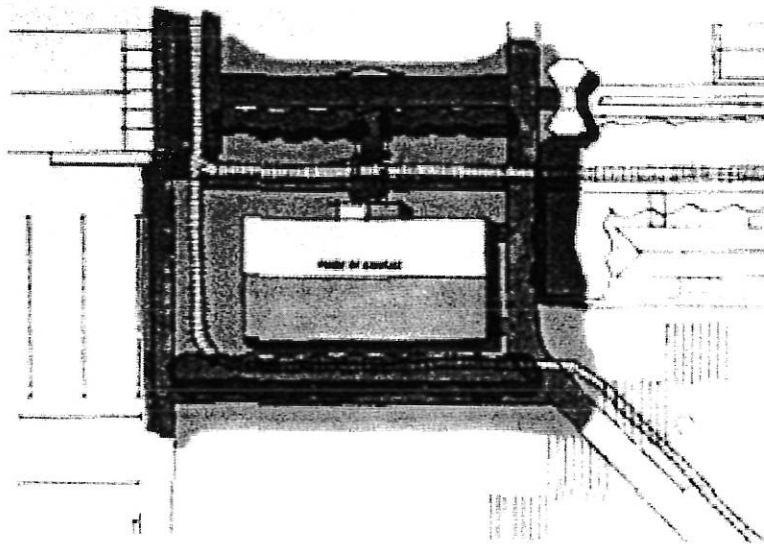


Illustration 25 –Pride of Kansas Plan



Illustration 26 –Pride of Kansas Detail

4.3.9 Livestock Buildings

The final improvement proposed in this long-range master plan is to the livestock buildings. Additional buildings include a Horse Barn and Rabbit Barn. The existing outdoor arena will be enclosed and an additional warm-up arena will be constructed. Wash racks will be added to existing buildings/barns. A service drive and gate will be developed for improved circulation and visitor safety.

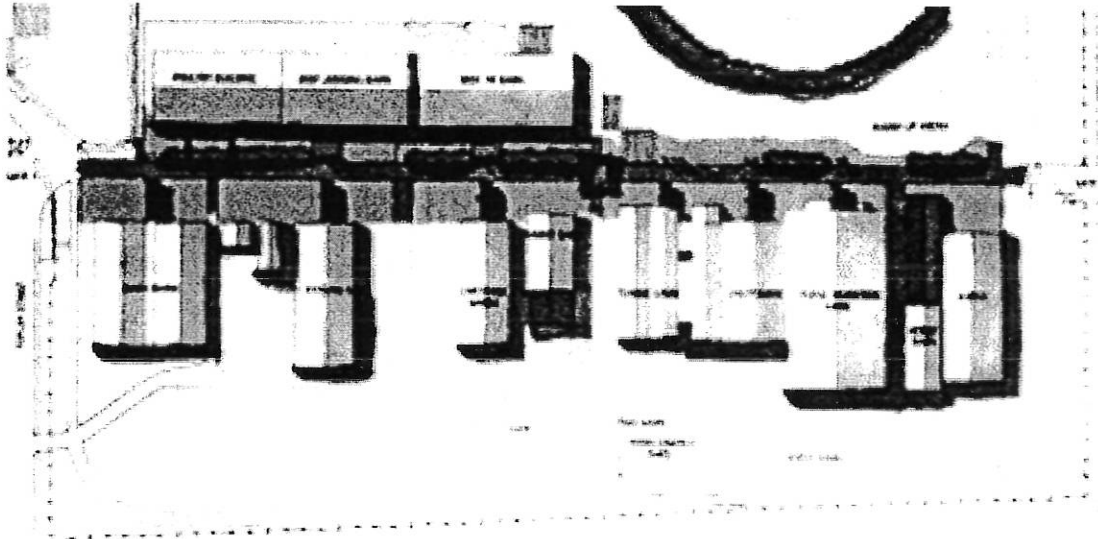


Illustration 27 – Livestock Buildings Plan



Illustration 28 – Livestock Buildings Detail

4.3 Order of Probable Magnitude Cost Estimate

The following estimates are based on historic information, allowances, and national trends. They are intended to be "order of magnitude" only. The items of work to be performed are general in nature and based on cursory field observations only. With the exception of those contained in the On Call Fire Safety and ADA Survey and for the Domestic Arts Building, no detailed architectural or engineering studies were undertaken since such work was outside the scope of the master planning effort. Actual items of work and their costs may vary.

ADA and Fire Safety Code Compliance

As identified in the On Call Fire Safety and ADA Survey =	\$2,514,000
Subtotal	\$2,514,000

Building and Site Demolition

Select food and commercial vendor buildings -	
70,000 s.f. @ \$2/s.f. =	\$140,000
Miscellaneous areas of site demolition (Allowance)	\$100,000
Subtotal	\$240,000

Building Construction, Expansions and Renovations

Renovation of Commercial Building to Cottonwood Court (a food arcade)

- General renovation
- Door and window replacement
- Replacement of electrical and plumbing systems
- Add heating and power ventilation systems
- Improvements and additions to restrooms
- Repairs to floors and resurfacing
- Addition of balcony
- Vendor equipment "rough ins" only; fixtures, equipment, finish out by vendor
- Select interior architectural enhancements
- 21,600 s.f @ \$75/s.f. = \$1,620,000

Renovation of the 4H Livestock (Bison) Arena to technology building

- General renovation
- Add concrete floor

Door and window replacement	
Replace electrical and plumbing systems	
Add heating and air conditioning	
Improvements and additions to restrooms	
Select interior architectural enhancements	
64,800 s.f. @ \$65/s.f. =	\$4,212,000
<i>Expansion and renovation of the Administration Building</i>	
General renovation	
Add general office space of existing quality level	
5,000 s.f. @ \$90/s.f. and 6,400 s.f. @ \$30/s.f. =	\$642,000
<i>Expansion of the Sunflower Building</i>	
Add exhibition and support space of existing quality level	
18,000 s.f. @ \$65/s.f. =	\$1,170,000
<i>Renovation of the Gates/Ticket Booths (4)</i>	
General renovation	
Add tower structure	
\$75,000 allowance each =	\$300,000
<i>Construction of the Food Pavilions (2)</i>	
Standard masonry construction	
Fixtures, equipment and finish out by vendors	
11,400 s.f. @ \$80/s.f. =	\$912,000
<i>Construction of the Corporate Pavilions (4)</i>	
Standard open-sided wood frame construction	
3,600 s.f. @\$25/s.f. =	\$90,000
<i>Renovations of animal buildings</i>	
General renovation	
Select reroofing	
Enhanced electrical, lighting and ventilation	
Add washracks and fit out areas	
255,000 s.f. @ \$15/s.f. =	\$3,825,000
<i>Addition to Horse Stall Barn</i>	
Pre-engineered metal building system w/ appropriate utilities	
Earth flooring	
Stalls	

6,600 s.f. @ \$30 s.f. =	\$198,000
<i>Addition to Rabbit Barn</i>	
Pre-engineered metal building system w/ appropriate utilities	
Concrete Flooring	
4,200 s.f. @ \$40 s.f. =	\$168,000
<i>Construction of Roof Over Warm-Up Arena</i>	
Pre-engineered metal building system	
Electrical and lighting	
19,800 s.f. @ \$23/sf=	\$455,400
<i>Yesterday Day Ethnic Village</i>	
Walkways, fencing, landscape and lighting	
Structures by others	
Allowance =	\$200,000
<i>Renovation of the Domestic Arts</i>	
Per previous study =	\$1,100,000
<i>Renovation of the Fine Arts Building</i>	
General renovation	
Enhancements to electrical, lighting, plumbing & ventilation	
Improvements to restrooms	
12,000 s.f. @ \$50/s.f. =	\$600,000
<i>Renovation of the Pride of Kansas and Industrial Building</i>	
Add masonry base	
Add air-conditioning and heating systems	
Architectural enhancements to entrances	
57,000 s.f. @ \$35/s.f. =	\$1,995,000
<i>Renovation of Maintenance Complex</i>	
Complete renovation including demolition and reconstruction	
22,000 s.f. @ \$60/s.f. =	\$1,320,000
<i>General renovation of Eisenhower, 4H Exhibition, 4H Showcase,</i>	
<i>4H Plant Science and other miscellaneous buildings</i>	
General renovation	
Enhanced power ventilation	
Add masonry base	
46,000 s.f. @ \$25/s.f.=	\$1,150,000

Renovation of the Old Mill

General renovation	
Life Safety compliance	
Allowance =	\$604,000
Subtotal	\$20,561,400

Building Enhancements

Theme tower and gateway at the Cottonwood Court (Allowance) =	\$300,000
Rotunda, Tower, Restrooms and Concessions at the Grandstand (Allowance) =	\$500,000
Icons and facade for the Pride of Kansas Building (Allowance) =	\$400,000
Graphic towers in the livestock area (6) - \$25,000 allowance each =	\$150,000
Entry structures Building Enhancements \$15,000 allowance each =	\$30,000
Theme tower and gateway at the Cottonwood Court (Allowance) =	\$300,000
Rotunda, Tower, Restrooms and Concessions at the Grandstand (Allowance) =	\$500,000
Icons and facade for the Pride of Kansas Building (Allowance) =	\$400,000
Graphic towers in the livestock area (6) - \$25,000 allowance each =	\$150,000
Entry structures at Farm Bureau Arena (2) - \$15,000 allowance each =	\$30,000
Pergola and entry court at Bison Arena (Allowance) =	\$75,000
Subtotal	\$1,455,000

Infrastructure Renovations

Renovation and additions to site infrastructure	
Replacement of selected infrastructure including water, sanitary sewer, drainage, site electrical and site lighting	

110 acres @ \$30,000 ac (Allowance) =	\$3,300,000
Subtotal	\$3,300,000

Site Enhancements

Landscaping, graphics, banners, specialty paving, decorative

fencing, site features and furniture - 110 acres @

20,000 ac = \$2,200,000

Livestock gate and service road (Allowance) = \$25,000

RV Park - 300 units @ \$5,000 each = \$1,500,000

Warm-up arena = \$25,000

Track conversion = \$50,000

Subtotal **\$3,800,000**

Subtotal \$31,870,400

Contingency \$1,593,520

A/E Fees & Testing \$2,684,000

Total \$36,147,920

**Kansas State Fair Master Plan
State of Kansas Bond Payments for \$24 Million Investment**

Fiscal Year	Bond Term		
	10 yrs	15 yrs	20 yrs
2002	\$0	\$0	\$0
2003	\$1,060,656	\$800,775	\$686,465
2004	\$1,653,580	\$1,253,385	\$1,070,466
2005	\$2,755,273	\$2,104,466	\$1,801,845
2006	\$3,226,417	\$2,464,989	\$2,117,777
2007	\$3,222,485	\$2,453,155	\$2,101,345
2008	\$3,220,140	\$2,456,720	\$2,107,350
2009	\$3,230,380	\$2,460,775	\$2,105,325
2010	\$3,226,975	\$2,459,980	\$2,110,430
2011	\$3,239,935	\$2,469,155	\$2,107,060
2012	\$3,242,700	\$2,467,400	\$2,110,390
2013	\$2,190,000	\$2,469,795	\$2,114,800
2014	\$1,588,735	\$2,475,635	\$2,119,895
2015	\$487,140	\$2,479,215	\$2,115,280
2016	\$0	\$2,484,995	\$2,121,100
2017	\$0	\$2,487,235	\$2,126,385
2018	\$0	\$1,691,175	\$2,131,170
2019	\$0	\$1,228,870	\$2,124,835
2020	\$0	\$377,365	\$2,138,270
2021	\$0	\$0	\$2,139,365
2022	\$0	\$0	\$2,138,875
2023	\$0	\$0	\$1,471,450
2024	\$0	\$0	\$1,063,525
2025	\$0	\$0	\$324,825
2026	\$0	\$0	\$0

FAIR FACTS

Wisconsin State Fair Park Announces Final Redevelopment Plans

Wisconsin Gov. Tommy Thompson announced at a press conference on Aug. 9 his final master plan for the redevelopment of the Wisconsin State Fair Park, according to officials. The four-phase plan will be implemented over the next three years and is based on recommendations for the overall improvement of the park from the appointed strategic development committee. The announcement came six months after phase one of the master plan was originally announced. **The master plan is expected to cost approximately \$100 million.**

Phase one of the plan, which started in late January of this year, was completed in time for the start of the Wisconsin State Fair, which ran Aug. 3-13. Improvements included the Grand Entry Way on the north side of the park, which serves as the "front door" of the grounds and houses visitor restrooms

and several ticket windows. Other improvements included the relocation of the mid-way from the south end of the grounds to the north and a pedestrian entry gate with a decorative fence. The RV park was moved to the east side of the park and a \$2 million restoration of the Dairy Cattle Barn — the oldest building in the park — was completed. The restoration returned the building to its original look, which dates back to the early 1900s. New roofs were added to the livestock barns, and the old youth dorm and poultry barn were razed. The former Trade Mart has been renamed the Wisconsin Products Pavilion and hosts Wisconsin commodities.

Phase two development, which began after the 2000 fair, will include the construction of a 200,000-square-foot exposition hall, which will be located on the southwest corner of the park and will replace exhibit space currently on the grounds. Phase two is scheduled for completion in August 2001, prior to the start of the fair.

Phase three development is scheduled to begin at the completion of the 2001 fair and include the construction of a new multi-purpose grandstand. The two-level grand-

stand will feature classic architecture and an open air design and will expand vendor space. Outside the grandstand will be a five-acre park called the Great Lawn. The park will include ornate landscaping and a sculpted water fountain. Phase three will also mark the first phase development of Wisconsin Heritage Hall, which will include the Marketplace, a facility that will allow visitors to sample and purchase Wisconsin products year-round. An official Welcome Pavilion is also being planned for the north end of the park just south of the Grand Entry Way. Final plans for phase three include the development of multi-purpose agricultural facilities that will allow for expanded animal capacity along with a new milking parlor. Phase three development is scheduled for completion in August 2002, prior to the start of the fair.

Phase four will mark the final phase of the master plan and is scheduled to begin at the completion of the 2002 fair. In this phase, the Wisconsin Heritage Hall will be completed and will include the addition of a beer hall, a ballroom/banquet facility, an interactive museum, and a 60-foot high-definition theater. Also scheduled for construction will be an agriculture-themed education and play center — Moo-U — in the Agriculture Village. Moo U will be open year-round and will include hands-on educational programming for children and families. Phase four development is scheduled for completion in August 2003, prior to the start of the fair.

Pennsylvania Governor Announces \$90 Million Commitment to Agriculture

Pennsylvania Gov. Tom Ridge announced at the Pennsylvania Farm Show Complex, Harrisburg, on Aug. 9 the largest-ever state investment in Pennsylvania agriculture — \$90 million — for three capital projects. The three projects are a new exposition center and major renovations to the Pennsylvania Farm Show Complex, a new Teaching and Research Center at the University of Pennsylvania's School of Veterinary Medicine in Philadelphia, and a new Department of Agriculture Livestock Evaluation Center in Centre County.

Gov. Ridge committed \$66.2 million to the Farm Show Complex, which will give the nearly 70-year-old facility a "facelift" on its existing historic buildings as well as a new exposition center. The exposition center will be 250,000 square feet and will include a trade show exhibit hall, meeting rooms, and conference support facilities, which will be interconnected by a covered bridge with the existing arena and exhibit halls. A new parking garage will also be built with interconnections linking it to the new exposition center and the existing complex.

Design of the new exposition center will begin later this year, with construction to begin by summer 2001. The center is scheduled to be complete by December 2002, in time for the 2003 Pennsylvania Farm Show.

MARCH 2001

1-26

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2 Girl Scout Troop #1365 ENCAMPMENT DORM Lankford Rodeo-----> EXPO CENTER	3 Parks Wedding Reception ENCAMPMENT DILLON HALL
4 Flea Market MEADOWLARK BUILDING	5	6 HCC Horsemanship Class EXPO CENTER	7 Kansas Beef Expo BEEF PAVILION - TIE BARNS -AND OTHER BUILDINGS-----> LIVESTOCK ANNEX - EXPO CENTER - BIRTHING CENTER	8	9 Home & Garden Expo-----> MEADOWLARK & SUNFLOWER BUILDINGS KLETC Graduation HANSEN AUDITORIUM Baker Antique Auction KANSAS FAIRS HALL ENCAMP----->	10
11 Home and Garden Expo MEADOWLARK & SUNFLOWER HCC Fire Science Training	12 ENCAMPMENT BUILDING ROTUNDA ROOMS----->	13 HCC Horsemanship Class EXPO CENTER	14 Alltel Phone Fair ENCAMPMENT BUILDING	15 Western Supply BEEF PAVILION	16 Girl Scout Troop#645 ENCAMP DORM Boy Scout Troop #105 ENCAMP DORM	17 Heartland Miniature Horse Show BEEF PAVILION Team Penning EXPO CENTER ----- HCC Fire Science
18 HCC Fire Science Training	19 ENCAMPMENT ROTUNDA ROOMS----->	20 HCC Horsemanship Class EXPO CENTER	21	22	23	24 Team Penning EXPO CENTER Brown - Dudley Wedding Recp. DILLON HALL
25 Team Penning EXPO CENTER	26	27	28 JR. Duck Stamp KSFA HALL ENCAMPMENT	29 Bureau of Land Management EXPO CENTER	30 Wild Horse & Burro Adoption-----> Boy Scout Troop #324 ENCAMPMENT DORM	31 Smoky Valley Poultry Club Show POULTRY BUILDING Thru April 1st. Good Sam Meeting DILLON HALL

Kansas Development Finance Authority
Lease Revenue Bonds, Series to be designated
Kansas State Fair at Hutchinson - Capital Improvement Project
Ten Year Aggregate
SOURCES & USES

Dated 12/15/2001

Delivered 01/01/2002

SOURCES OF FUNDS

Par Amount of Bonds.....	\$24,690,000.00
Accrued Interest.....	55,570.89
 TOTAL SOURCES.....	 \$24,745,570.89

USES OF FUNDS

Total Underwriter's Discount.....	185,175.00
Costs of Issuance.....	493,800.00
Deposit to Debt Service Fund.....	55,570.89
Deposit to Project Construction Fund.....	24,000,000.12
Rounding Amount.....	11,024.88
 TOTAL USES.....	 \$24,745,570.89

These projections should be used for estimation purposes only. Assumptions made for these projections are based on the best available information at the time. No representation is made that these assumptions will prevail for the proposed transaction. Changes to these assumptions may have a material impact on the proposed transaction.

Todd Fraizer, Financial Analyst II
 Kansas Development Finance Authority

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HOUSE APPROPRIATIONS

DATE 2/20/01

ATTACHMENT #2

Kansas Development Finance Authority
Lease Revenue Bonds, Series to be designated
Kansas State Fair at Hutchinson - Capital Improvement Project
Ten Year Aggregate
TOTAL DEBT SERVICE

DATE	\$8.0M in FY03	\$4.5M in FY04	\$8.0M in FY05	\$3.5M in FY06	TOTAL	FISCAL TOTAL
7/01/2002	201,033.39	-	-	-	201,033.39	201,033.39
1/01/2003	859,622.50	-	-	-	859,622.50	-
7/01/2003	171,122.50	125,802.06	-	-	296,924.56	1,156,547.06
1/01/2004	871,122.50	485,532.50	-	-	1,356,655.00	-
7/01/2004	156,772.50	107,207.50	246,205.94	-	510,185.94	1,866,840.94
1/01/2005	886,772.50	492,207.50	866,107.50	-	2,245,087.50	-
7/01/2005	141,442.50	98,352.50	210,107.50	107,702.00	557,604.50	2,802,692.00
1/01/2006	901,442.50	503,352.50	885,107.50	378,910.00	2,668,812.50	-
7/01/2006	125,102.50	88,835.00	192,895.00	91,910.00	498,742.50	3,167,555.00
1/01/2007	920,102.50	513,835.00	902,895.00	386,910.00	2,723,742.50	-
7/01/2007	107,612.50	78,635.00	174,435.00	84,387.50	445,070.00	3,168,812.50
1/01/2008	937,612.50	523,635.00	919,435.00	394,387.50	2,775,070.00	-
7/01/2008	88,937.50	67,732.50	154,692.50	76,327.50	387,690.00	3,162,760.00
1/01/2009	958,937.50	537,732.50	944,692.50	401,327.50	2,842,690.00	-
7/01/2009	68,927.50	55,982.50	133,362.50	67,715.00	325,987.50	3,168,677.50
1/01/2010	978,927.50	545,982.50	963,362.50	412,715.00	2,900,987.50	-
7/01/2010	47,542.50	43,487.50	110,537.50	58,400.00	259,967.50	3,160,955.00
1/01/2011	1,002,542.50	563,487.50	990,537.50	423,400.00	2,979,967.50	-
7/01/2011	24,622.50	29,967.50	85,897.50	48,362.50	188,850.00	3,168,817.50
1/01/2012	1,029,622.50	574,967.50	1,015,897.50	433,362.50	3,053,850.00	-
7/01/2012	-	15,525.00	59,392.50	37,582.50	112,500.00	3,166,350.00
1/01/2013	-	590,525.00	1,044,392.50	442,582.50	2,077,500.00	-
7/01/2013	-	-	30,827.50	26,040.00	56,867.50	2,134,367.50
1/01/2014	-	-	1,075,827.50	456,040.00	1,531,867.50	-
7/01/2014	-	-	-	13,570.00	13,570.00	1,545,437.50
1/01/2015	-	-	-	473,570.00	473,570.00	-
7/01/2015	-	-	-	-	-	473,570.00
Total	10,479,820.89	6,042,784.56	11,006,608.44	4,815,202.00	32,344,415.89	-

PAR AMOUNTS OF SELECTED ISSUES

\$8.0M in FY03	8,230,000.00
\$4.5M in FY04	4,630,000.00
\$8.0M in FY05	8,230,000.00
\$3.5M in FY06	3,600,000.00
TOTAL.....	24,690,000.00

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Kansas Development Finance Authority
Lease Revenue Bonds, Series to be designated
Kansas State Fair at Hutchinson - Capital Improvement Project
Ten Year Aggregate
TOTAL PRIMARY PURPOSE FUND CASH FLOW

Date	Principal	Rate	Interest	Total P+I	-Transfers	Receipts	Disbursements	Cash Balance
1/01/2002	666,666.67	4.6131098%	-	666,666.67	-	666,666.67	666,666.67	-
2/01/2002	666,666.67	4.6131098%	27,924.05	694,590.72	(27,924.05)	666,666.67	666,666.67	0.01
3/01/2002	666,666.67	4.6131098%	25,385.50	692,052.17	(25,385.50)	666,666.67	666,666.67	0.01
4/01/2002	666,666.67	4.6131098%	22,846.95	689,513.62	(22,846.95)	666,666.67	666,666.67	0.01
5/01/2002	666,666.67	4.6131098%	20,308.40	686,975.07	(20,308.40)	666,666.67	666,666.67	0.02
6/01/2002	666,666.67	4.6131098%	17,769.85	684,436.52	(17,769.85)	666,666.67	666,666.67	0.02
7/01/2002	666,666.67	4.6131098%	15,231.30	681,897.97	(15,231.30)	666,666.67	666,666.67	0.02
8/01/2002	666,666.67	4.6131098%	12,692.75	679,359.42	(12,692.75)	666,666.67	666,666.67	0.03
9/01/2002	666,666.67	4.6131098%	10,154.20	676,820.87	(10,154.20)	666,666.67	666,666.67	0.03
10/01/2002	666,666.67	4.6131098%	7,615.65	674,282.32	(7,615.65)	666,666.67	666,666.67	0.03
11/01/2002	666,666.67	4.6131098%	5,077.10	671,743.77	(5,077.10)	666,666.67	666,666.67	0.04
12/01/2002	666,666.67	4.6131098%	2,538.55	669,205.22	(2,538.59)	666,666.67	666,666.67	-
1/01/2003	375,000.00	5.1142624%	-	375,000.00	-	375,000.00	375,000.00	-
2/01/2003	375,000.00	5.1142624%	17,395.84	392,395.84	(17,395.84)	375,000.00	375,000.00	-
3/01/2003	375,000.00	5.1142624%	15,814.40	390,814.40	(15,814.40)	375,000.00	375,000.00	-
4/01/2003	375,000.00	5.1142624%	14,232.96	389,232.96	(14,232.96)	375,000.00	375,000.00	-
5/01/2003	375,000.00	5.1142624%	12,651.52	387,651.52	(12,651.52)	375,000.00	375,000.00	-
6/01/2003	375,000.00	5.1142624%	11,070.08	386,070.08	(11,070.08)	375,000.00	375,000.00	-
7/01/2003	375,000.00	5.1142624%	9,488.64	384,488.64	(9,488.64)	375,000.00	375,000.00	-
8/01/2003	375,000.00	5.1142624%	7,907.20	382,907.20	(7,907.20)	375,000.00	375,000.00	-
9/01/2003	375,000.00	5.1142624%	6,325.76	381,325.76	(6,325.76)	375,000.00	375,000.00	-
10/01/2003	375,000.00	5.1142624%	4,744.32	379,744.32	(4,744.32)	375,000.00	375,000.00	-
11/01/2003	375,000.00	5.1142624%	3,162.88	378,162.88	(3,162.88)	375,000.00	375,000.00	-
12/01/2003	375,000.00	5.1142624%	1,581.44	376,581.44	(1,581.44)	375,000.00	375,000.00	-
1/01/2004	666,666.67	5.6157552%	-	666,666.67	-	666,666.67	666,666.67	-
2/01/2004	666,666.67	5.6157552%	33,923.75	700,590.42	(33,923.75)	666,666.67	666,666.67	0.01
3/01/2004	666,666.67	5.6157552%	30,839.77	697,506.44	(30,839.77)	666,666.67	666,666.67	0.01
4/01/2004	666,666.67	5.6157552%	27,755.80	694,422.47	(27,755.80)	666,666.67	666,666.67	0.01
5/01/2004	666,666.67	5.6157552%	24,671.82	691,338.49	(24,671.82)	666,666.67	666,666.67	0.02
6/01/2004	666,666.67	5.6157552%	21,587.84	688,254.51	(21,587.84)	666,666.67	666,666.67	0.02
7/01/2004	666,666.67	5.6157552%	18,503.86	685,170.53	(18,503.86)	666,666.67	666,666.67	0.02
8/01/2004	666,666.67	5.6157552%	15,419.89	682,086.56	(15,419.89)	666,666.67	666,666.67	0.03
9/01/2004	666,666.67	5.6157552%	12,335.91	679,002.58	(12,335.91)	666,666.67	666,666.67	0.03
10/01/2004	666,666.67	5.6157552%	9,251.93	675,918.60	(9,251.93)	666,666.67	666,666.67	0.03
11/01/2004	666,666.67	5.6157552%	6,167.95	672,834.62	(6,167.95)	666,666.67	666,666.67	0.04
12/01/2004	666,666.67	5.6157552%	3,083.98	669,750.65	(3,084.02)	666,666.67	666,666.67	-
1/01/2005	291,666.67	5.6160637%	-	291,666.67	-	291,666.67	291,666.67	-
2/01/2005	291,666.67	5.6160637%	14,842.45	306,509.12	(14,842.45)	291,666.67	291,666.67	0.01
3/01/2005	291,666.67	5.6160637%	13,493.13	305,159.80	(13,493.13)	291,666.67	291,666.67	0.01
4/01/2005	291,666.67	5.6160637%	12,143.82	303,810.49	(12,143.82)	291,666.67	291,666.67	0.01
5/01/2005	291,666.67	5.6160637%	10,794.51	302,461.18	(10,794.51)	291,666.67	291,666.67	0.02
6/01/2005	291,666.67	5.6160637%	9,445.19	301,111.86	(9,445.19)	291,666.67	291,666.67	0.02

These projections should be used for estimation purposes only. Assumptions made for these projections are based on the best available information at the time. No representation is made that these assumptions will prevail for the proposed transaction.

Changes to these assumptions may have a material impact on the proposed transaction.

**Kansas Development Finance Authority
Lease Revenue Bonds, Series to be designated
Kansas State Fair at Hutchinson - Capital Improvement Project
Ten Year Aggregate**

TOTAL PRIMARY PURPOSE FUND CASH FLOW

Date	Principal	Rate	Interest	Total P+I	-Transfers	Receipts	Disbursements	Cash Balance
7/01/2005	291,666.67	5.6160637%	8,095.88	299,762.55	(8,095.88)	291,666.67	291,666.67	0.02
8/01/2005	291,666.67	5.6160637%	6,746.57	298,413.24	(6,746.57)	291,666.67	291,666.67	0.03
9/01/2005	291,666.67	5.6160637%	5,397.25	297,063.92	(5,397.25)	291,666.67	291,666.67	0.03
10/01/2005	291,666.67	5.6160637%	4,047.94	295,714.61	(4,047.94)	291,666.67	291,666.67	0.03
11/01/2005	291,666.67	5.6160637%	2,698.63	294,365.30	(2,698.63)	291,666.67	291,666.67	0.04
12/01/2005	291,666.67	5.6160637%	1,349.31	293,015.98	(1,349.35)	291,666.67	291,666.67	-
Total	24,000,000.12	-	564,516.52	24,564,516.64	(564,516.64)	24,000,000.12	24,000,000.00	-

FUNDS INCLUDED IN TOTAL CASH FLOW

Primary Purpose Fund

These projections should be used for estimation purposes only. Assumptions made for these projections are based on the best available information at the time. No representation is made that these assumptions will prevail for the proposed transaction. Changes to these assumptions may have a material impact on the proposed transaction.


Todd Fraizer, Financial Analyst II
Kansas Development Finance Authority

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**2001 GENERAL GOVERNMENT AND HUMAN
RESOURCES BUDGET COMMITTEE**

FY 2001 and FY 2002

Attorney General



Representative Jo Ann Pottorff, Chairperson

Representative Richard Alldritt



Representative Annie Kuether




Representative Ralph Ostmeyer

Representative Joe Shriver



Representative Lloyd Stone



Representative Lee Tafanelli

HOUSE APPROPRIATIONS
DATE 2/20/01
ATTACHMENT 3

House Budget Committee Report

Agency: Attorney General

Bill No. ---

Bill Sec. —

Analyst: Rampey

Analysis Pg. No. 1496

Budget Page No. 69

Expenditure Summary	Agency Estimate FY 01	Governor's Recommendation FY 01	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 9,443,467	\$ 9,443,466	\$ 0
Aid to Local Units	8,799,383	0	0
Other Assistance	4,000,000	12,799,383	0
Subtotal - Operating	\$ 22,242,849	\$ 22,242,849	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 22,242,849	\$ 22,242,849	\$ 0
State General Fund:			
State Operations	\$ 5,747,820	\$ 5,747,820	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	\$ 5,747,820	\$ 5,747,820	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 5,747,820	\$ 5,747,820	\$ 0
FTE Positions	90.0	90.0	0.0
Other Unclass. Positions	16.0	16.0	0.0
TOTAL	106.0	106.0	0.0

Agency Estimate/Governor's Recommendation

The Attorney General's estimate for the current year of \$22,242,849 from all funds is a net decrease of \$499,338 from the approved amount of \$22,742,187. The decrease is accounted for by a reduction in special revenue funds that totals \$944,768. The two main funds that decreased from approved amounts are the Violence Against Women Fund, which decreased by \$328,522 (from \$2,058,000 originally estimated to \$1,729,478 currently estimated) and the Victims of Crime Act which decreased by \$1,848,003 (from \$4,957,840 to \$3,109,837). The reduction in special revenue funds from the approved amount is offset by an increase in estimated State General Fund expenditures of \$445,430, made possible by the fact that, by policy of the Governor and the Legislature, statewide elected officials are authorized to carry forward and spend savings from the prior fiscal year. Carry-forward amounts are comprised of the following:

- \$65,786 for agency operations that resulted when non-State General Fund money became available on a one-time basis and was used in place of State General Fund dollars. The savings were used to replace old computers.

- \$25,064 for special litigation expenses that was not used in FY 2000. The money is being used to help fund litigations costs in the current year.
- \$28,842 in funding for Colorado water litigation (out of \$1,552,713 that was available), which is helping to fund activities in FY 2001. That amount, added to the appropriation for FY 2001 of \$723,500, is still \$288,861 short of the \$1,041,203 the agency estimates it will need. One option would be to request a supplemental appropriation, but the option proposed by the Attorney General is to transfer savings from water litigation against Nebraska to Colorado.
- \$330,205 in funding for Nebraska water litigation (out of \$1,271,539 that was available). As explained above, the Attorney General proposes to use part of the savings in the Colorado case. The remainder (\$41,344) is being used to finance Nebraska litigation costs in FY 2001.

The Governor concurs with the Attorney General's estimated expenditures for FY 2001.

House Budget Committee

The House Budget Committee concurs with the recommendations of the Governor.

House Budget Committee Report

Agency: Attorney General

Bill No. ---

Bill Sec. ---

Analyst: Rampey

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Expenditure Summary	Agency Request FY 02	Governor's Recommendation FY 02	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 9,703,164	\$ 9,178,542	\$ (162,542)
Aid to Local Units	8,669,133	0	50,000
Other Assistance	4,000,000	12,669,133	0
Subtotal - Operating	<u>\$ 22,372,297</u>	<u>\$ 21,847,675</u>	<u>\$ (112,542)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 22,372,297</u></u>	<u><u>\$ 21,847,675</u></u>	<u><u>\$ (112,542)</u></u>
State General Fund:			
State Operations	\$ 6,309,494	\$ 5,760,642	\$ (112,542)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal - Operating	<u>\$ 6,309,494</u>	<u>\$ 5,760,642</u>	<u>\$ (112,542)</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 6,309,494</u></u>	<u><u>\$ 5,760,642</u></u>	<u><u>\$ (112,542)</u></u>
FTE Positions	95.0	96.0	(1.0)
Other Unclass. Positions	14.0	15.0	--
TOTAL	<u><u>109.0</u></u>	<u><u>111.0</u></u>	<u><u>1.0</u></u>

Agency Request/Governor's Recommendation

The Attorney General requests a total of \$22,372,297 for FY 2002, a net increase of \$129,448 over the estimate for the current year. The change consists of an increase of \$561,674 from the State General Fund and a reduction of \$432,226 from other funds.

Requested expenditures from the State General Fund total \$6,309,494 and represent 28.2 percent of the budget. The increase in State General Fund spending over the current year is accounted for in part by increased expenditures for water litigation (a net increase of \$146,894), shifting funding for the Drug Abuse Resistance Education (DARE) program from special revenue funds to the State General Fund (\$160,954), and shifting funding for some of the operating expenditures of the consumer protection division back to the State General Fund. (Unusually large receipts of consumer protection recouped fees in the last several years have been used to offset expenditures from the State General Fund.)

The Governor recommends expenditures of \$21,847,675, of which \$5,760,642 would be from the State General Fund. The Governor funds the DARE program with \$160,954 from the State General Fund, as requested, and concurs with all of the Attorney General's enhancements requests, except for one, for a total of \$218,136 from special revenue funds. The recommended enhancements add 3.0 new FTE positions, plus convert 2.0 other unclassified positions currently on the staff to permanent status, for a total increase of 5.0 FTE positions. The Governor adds \$112,542 from the State General Fund for the salary and associated operating costs for a Criminal Justice Information System (CJIS) Coordinator, a position the Attorney General did not request, and recommends \$870,000 for water litigation against Colorado and \$715,000 for water litigation against Nebraska. The Colorado recommendation is \$100,000 less than requested and the Nebraska recommendation is \$400,000 less than requested.

House Budget Committee Recommendations

The House Budget Committee concurs with the recommendations of the Governor, with the following exceptions:

1. Delete 1.0 FTE position and \$112,542 from the State General Fund for the salary and associated operating costs for the Criminal Justice Information System (CJIS) Coordinator, a position the Attorney General did not request. The CJIS Coordinator serves as staff to the Criminal Justice Coordinating Council, which supervises the implementation of the CJIS. The 2000 Legislature made the decision to move the CJIS Coordinator from the Office of the Attorney General to the Sentencing Commission and the Governor's recommendation would move the position back. The Budget Committee believes the Legislature correctly located the position with the Sentencing Commission a year ago and sees no merit in moving it again.
2. Use the \$50,000 remaining of the \$188,453 in drug forfeiture funds the Attorney General received in FY 2001 for grants of \$10,000 each to the five counties that have the most illegal methamphetamines activity (Allen, Cowley, Saline, Sedgwick, and Shawnee). The money would be for one-time enhancements and not normal operating expenditures pertaining to law enforcement activities and could be used at the discretion of the county commissions in each county.
3. The Budget Committee notes that the Governor recommended \$100,000 less than the Attorney General requested for water litigation with Colorado (\$870,000 instead of \$970,000) and \$400,000 less than requested for water litigation with Nebraska (\$715,000 instead of \$1,115,000). The Budget Committee also notes that the Attorney General reported to the Committee that, since the budget was submitted, the possibility of additional costs associated with water litigation have arisen, making it possible that as much as \$600,000 in additional funding could be necessary.

The Budget Committee notes the Attorney General's concern and observes that, if specific information about actual, and not possible, costs becomes available as litigation activity proceeds, the General will have the opportunity to bring that information to the Legislature's attention for inclusion in the Omnibus Bill or as a supplemental appropriation requested during the 2002 Session.

Minority Report

2001 General Government and Human Resources Budget Committee

FY 2001 and FY 2002

I wish to voice my objection to the agreement reached August 21, 2001, between the Attorney General and the Insurance Commissioner, representing the State of Kansas, and Blue Cross and Blue Shield of Kansas, Inc.

Under the agreement, Blue Cross and Blue Shield of Kansas, Inc., agreed to pay \$75.0 million to an appropriate charitable entity under terms and conditions provided by the settlement agreement.

My objection is that the Judicial Branch of government has determined that an elected state official in the Executive Branch will have virtual control of setting up an organization that will decide how to spend \$75.0 million, plus interest, without input from the Legislature. The Attorney General's appointment authority for all but one member of the Board of Trustees gives one person in state government control over the direction the Foundation will take. In addition, state employees on the Attorney General's staff worked on the litigation with state dollars and presently are employed with the Sunflower Foundation.


- The Attorney General is responsible for incorporating the Sunflower Foundation, which will receive the money and make charitable distributions, and for organizing the first meeting of trustees and helping the Foundation qualify as a tax-exempt charitable organization.
- The Attorney General is responsible for appointing eight of the nine members of the Sunflower Foundation Board of Trustees.

I understand that a distinction is being made between "state" money, which is subject to appropriation, and "public" money, which belongs to residents of Kansas in general and not to state government, but my argument is that the Legislature and other governmental entities were excluded from the mediation process that led to the agreement. My objection is that the district court, in fashioning the agreement, ignored the Legislative Branch of government and its subordinate governmental units and deprived them of the opportunity to raise issues and to question other benefits Blue Cross and Blue Shield of Kansas, Inc., may have obtained.

I also wish to voice my objection to the Attorney General's budget for the following reasons:

- The Budget Committee has had insufficient time to fully review the activity in this budget.
- The Budget Committee should receive assistance for a more complete audit of the funding shifts that have occurred with this budget.

- Because of staff time, the Budget Committee was only able to meet with assigned research staff on a limited basis.
- The Committee limited debate on this budget and requested all questions to be submitted in writing to the Attorney General.
- Further research into this budget should be focused on what appears to be use of funds for one purpose dedicated for use by the Legislature and used by the agency on the litigation of the Sunflower Foundation and then reimbursed by the agency upon the settlement agreement.
- Further research should focus on contracts offered by the agency to employees of the agency to litigate and/or operate the Sunflower Foundation while under state employment.
- An employee of the Attorney General is operating the Sunflower Foundation as reported by the Attorney General when she gave the budget report to the Committee.
- This budget has a number of funding shifts from fee funds to the State General Fund.
- This budget contains a trend from the past few years that funding shifts of employment from temporary to permanent employment from fee funds that may or may not support the positions in the future.


Representative Joe Shriver

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November 14, 2000

To: Legislative Budget Committee
From: Carolyn Rampey, Principal Analyst
Re: Major Points of Settlement Agreement Involving Blue Cross and Blue Shield of Kansas, Inc.

The predecessor organizations to Blue Cross and Blue Shield were incorporated under Kansas law in the 1940s as "charitable and benevolent" corporations. The designation as a "charity" occurred at a time nationally when commercial health insurance was not widely available and was part of a national social movement that resulted in Blue Cross and Blue Shield becoming established in other states as nonprofit financial companies that made health care affordable to all. In Kansas, the predecessor organizations evolved into mutual insurance companies over the years and the statutes that gave them charitable status were repealed in 1969.

In recent years, the issue arose as to whether Blue Cross and Blue Shield continued to have charitable obligations, based on assets they had acquired during the time they were statutorily designated charitable and benevolent corporations. (This question has been raised in a number of other states in connection with Blue Cross and Blue Shield and in cases involving the assets of charitable hospitals that change ownership and become private entities.)

In Kansas (and in other states), the Attorney General is the official who generally is responsible for ensuring that charitable organizations operate within applicable guidelines. When Attorney General Stovall raised the issue that Blue Cross and Blue Shield of Kansas, Inc., had money it had acquired when it was a charity that should be disposed of for charitable purposes, Blue Cross and Blue Shield filed an action against the Attorney General in the District Court of Shawnee County contending that it, in fact, had not been a charity and did not hold any charitable assets. The Attorney General filed a counterclaim and was joined by the Kansas Insurance Commissioner, whose role in the action was to ensure that, whatever the outcome, Blue Cross and Blue Shield would remain financially solvent and customers of the insurance company would not be adversely affected.

On August 21, 2000, a settlement agreement was reached between Attorney General Stovall and Insurance Commissioner Sebelius, acting for the state, and Blue Cross and Blue Shield of Kansas, Inc. Main points of the agreement are the following:

- Blue Cross and Blue Shield of Kansas, Inc., agreed to pay \$75.0 million to an appropriate charitable entity on the terms and conditions provided by the settlement agreement.

HOUSE APPROPRIATIONS

DATE 2/20/01
ATTACHMENT 4

- The immediate disposition of the money (within 30 days after execution of the agreement) was that it was transferred to the Wichita Community Foundation, where it will be held until the "Sunflower Foundation: Health Care for Kansas" is created as a tax-exempt charitable organization. The Attorney General is responsible under terms of the settlement to incorporate the Sunflower Foundation, organize its first meeting of incorporators or trustees, and apply for its tax exemption.
- The Sunflower Foundation's assets will be managed by a nine-member Board of Trustees, eight of whom will be appointed by the Attorney General. The ninth member will be appointed by Blue Cross and Blue Shield and may not be a current officer or employee of the company. All Trustees are to serve staggered three-year terms and can be reappointed to two additional consecutive terms. In making their appointments, the Attorney General and Blue Cross and Blue Shield are to give consideration to ensuring that the Board as a whole represents the geographic, ethnic, gender, age, socioeconomic, and professional diversity of the state. Trustees will be paid expenses for serving on the Board, but not compensation, and no member of the Board may be an elected official or a candidate for elective office. Following appointment of the initial Trustees, subsequent members of the Board will be selected by the Attorney General from among at least three names submitted for each vacancy by the Community Advisory Committee, a nine-member committee appointed by the Attorney General. Terms of appointment and qualifications of the Community Advisory Committee are identical to those of members of the Board of Trustees.
- The settlement agreement requires the Sunflower Foundation to make annual charitable distributions that are equal to at least 5 percent of its assets. Under terms of the settlement, the Sunflower Foundation's charitable purpose is "to serve the health needs of Kansans including providing health care and health care information to indigent, uninsured and underinsured persons; promoting preventive health care including, but not limited to, activities aimed at reducing the number of Kansas adults and youth who use and are addicted to tobacco products; and other health-related services."