

## MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

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

All members were present except: Representative Shultz

Committee staff present: Alan Conroy, Legislative Research  
Rae Anne Davis, Legislative Research  
Amy Kramer, Legislative Research  
Robert Chapman, Legislative Research  
Leah Robinson, Legislative Research  
Julian Efrid, Legislative Research  
Jim Wilson, Revisor of Statutes  
Mike Corrigan, Revisor of Statutes  
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Representative Don Dahl  
Trista Beadles, Legal Counsel for the Governor  
Clint Riley, Wildlife and Parks  
Secretary Dean Carlson, KDOT

Others attending: See Attached

Representative Neufeld moved for the introduction of legislation regarding the Kansas children's cabinet and guidelines and approval for certain expenditures by Sunflower Foundation. Motion seconded by Representative Shriver. Motion carried.

**Action on SB 57—Claims against the state**

Representative Dahl, Chairman of the Joint Committee on Special Claims Against the State, explained the role of the Committee and the method for filing claims. He explained that the agencies involved can recommend payment of the claims or not and the Joint Committee can either approve the agency's recommendation or reject it. Representative Dahl expressed displeasure that the Joint Committee meets, hears testimony, deliberates and examines each claim very carefully, makes their decision, and then it is all subject to final decisions made by the Senate Ways and Means and the House Committee on Appropriations. Representative Dahl walked the Committee through the bill and answered specific questions regarding individual claims.

Representative Landwehr moved that the bill be amended by striking the language on Page 7, Section (b) of Section 11 on the claim of Lester Thomas so approval of the claim is not seen as condoning the behavior of either the inmate or the guard. Motion was seconded by Representative Campbell. Motion failed.

It was pointed out during Committee discussion that the \$500 claim was an attempt to avoid litigation even though the claimant had turned down a larger offer in the past.

Representative Neufeld moved to amend the bill by reinstating the stricken language on Page 7, in Section 11, which is a claim from the Coffey County Sheriff Department. Motion was seconded by Representative Shriver. Motion carried.

Representative Spangler moved to amend the bill by striking the language on Page 7, in Section 10 regarding the Bothwell claim. Motion was seconded by Representative Feuerborn. The motion failed.

It was explained to the Committee that Mr. Bothwell accepted the appointment of Grain Inspector with the knowledge that he would not be covered by KPERS.

Representative Spangler moved to amend the bill by inserting language on Page 8, in Section 12 regarding retirement benefits for claimant Charles L. Kohler (Attachment 1). Motion was seconded by Representative Nichols.

Representative Bethell moved to amend the bill with a substitute motion that SB 57 be re-referred to the Joint Committee on Special Claims Against the State. Motion was seconded by Representative Landwehr.

Claims Committee members explained to the Committee that once a claim cannot be referred to the Claims Committee if the claimant has not filed an application with the Joint Committee. It was explained that KPERS mis-classified Mr. Kohler by inadvertently placing him in a Tier 1 category rather than a Tier 2 category which has a difference in retirement benefits. KPERS has no mechanism to transfer a member from one tier to another absent specific statutory authority. Mr. Kohler is not requesting a lump sum settlement, but rather a payout on an actuarial basis for his 34 years of service to the state. An administrative hearing was held this week with the first set of briefs being filed. The Hearing officers transferred their finding to the KPERS Board of Trustees who remanded them back to the Hearing officers.

Chairman Wilk ruled that the Spangler and Bethell motions were out of order and non-germane to the claims bill and this issue will be brought up during discussion on KPERS issues.

Representative Nichols moved to conceptually amend the bill by switching the funding for the Bothwell claim on deferred compensation in Section 10 from the State General Fund to the Department of Administration. Motion was seconded by Representative Hermes. Motion carried.

Representative Wilk moved to amend the bill by switching the funding for the Botrager claim on excess tax payments in Section 6 from the State General Fund to the Motor Carrier Tax Refund fund. Motion was seconded by Representative Neufeld. Motion carried.

Representative Shriver moved to amend the bill by striking the claim by "The Braidin' Maidens," Debra Jennings and Wendolyn Moody in Section 3. Motion was seconded by Feuerborn. Motion failed.

During Committee discussion, the option of the Attorney General paying part of the assessed amount due to their alleged inaccurate interpretation of the existing law was raised. Also discussed was that the Board of Cosmetology exists for cosmetology issues such as hair cuts, color, perms, etc., and the enforcement of health issues should be the responsibility of the Department of Health and Environment. The original claim was for \$10,500 which included lost earnings but the claim was finally reduced to \$4,521.50 which is the amount of expenses for the attorney's fees only.

Representative Neufeld moved that the bill be reported favorably as amended. Motion was seconded by Representative Bethell. Motion carried. Representative Shriver asked to be recorded as a "No" vote.

The Committee continued their hearing from March 8, 2001, of the Budget Committee report on the Governor's recommendation for the Department of Wildlife and Parks for FY 2002.

The Committee returned to the motion by Representative Schwartz to adopt the Budget Committee report with recommendations on the Governor's budget recommendations for the Department of Wildlife and Parks FY 2002.

Representative Landwehr made a substitute motion to amend the report by adding "The House Budget Committee recommends that the Secretary of the Department of Wildlife and Parks direct the agency law enforcement authority to allow persons found in violation of state law by using the state parks without purchasing an entrance permit to purchase a daily entrance permit and pay the designated fine or purchase an annual entrance permit with no fine" and to make this language part of SB 147. Motion was seconded by Representative Toplikar. Motion carried.

Clint Riley, Counsel for the Department of Wildlife and Parks, requested the suggested change be made statutorily rather than be a recommendation from the Budget Committee.

Representative Stone moved to amend the report by redirecting the \$500,000 requested from EDIF for Local Government Outdoor Recreation Grants to \$330,000 for the Recreation Grants program and \$170,000 for the local libraries budget. Motion was seconded by Representative Light.

The Committee expressed concern that the Recreation Grants program would suffer a loss and this was a match program which has a local match requirement but this appeared to be the only way to fund the local libraries at this time.

Representative Neufeld made a substitute motion to strike Item 3 from the Budget Committee report. Motion was seconded by Representative Bethell. Motion failed.

Representative Shriver made a substitute motion recommending that all proposed EDIF expenditures be referred to the General Government Budget Committee before any bill is acted upon. The motion died for lack of a second.

Representative Schwartz moved the adoption of the Budget Committee report on the Governor's budget recommendations for the Department of Wildlife and Parks FY 2002 as amended and with the noted adjustments (Attachment 2). Motion was seconded by Representative Peterson. Motion carried.

Representative Neufeld presented the Budget Committee report on the Governor's budget recommendation for the Kansas Human Rights Commission for FY 2001 and moved for the adoption of the Budget Committee recommendations for FY 2001 with the noted adjustment (Attachment 3). Motion was seconded by Representative Peterson. Motion carried.

Representative Neufeld presented the Budget Committee report on the Governor's budget recommendation for the Kansas Human Rights Commission for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 with the noted adjustment (Attachment 3). Motion was seconded by Representative Peterson. Motion carried.

Representative Peterson presented the Budget Committee report on the Governor's budget recommendation for the Department of Transportation for FY 2001 and moved for the adoption of the Budget Committee recommendations for FY 2001 with a notation (Attachment 4). Motion was seconded by Representative Hermes. Motion carried.

Representative Peterson presented the Budget Committee report on the Governor's budget recommendation for the Department of Transportation for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 with noted recommendations (Attachment 4). Motion was seconded by Representative Hermes.

Secretary Carlson explained that by selling the highway bonds earlier, more money is pulled into the revenue stream, thus increasing revenue and interest payments during the first ten-year period. Debt service will still be in effect until 2021. Ninety-one million dollars of sales tax has not been put into the transportation plan at this point. By shifting funds, KDOT can manage their ending balances in order to pay bills in an orderly way. The Secretary noted that 86 percent of the highways in Kansas are in good shape so the routine maintenance budget has been reduced.

Representative Shriver moved to amend the Budget Committee report to include a statement that raiding the State Highway Fund to pay for expenditures from the State General Fund would not be allowed even if there was an overabundance of money within the State Highway Fund. The motion was seconded by Representative Feuerborn. Motion failed.

Representative Peterson moved for the adoption of the Budget Committee report on the Governor's budget recommendation for the Department of Transportation for FY 2002 with the noted recommendations (Attachment 4). Motion was seconded by Representative Hermes. Motion carried.

**Action on HB 2532 – State historical society, clarification of state agency status, executive director selection and appointment**

Staff distributed copies of the Historic Properties, Artifacts, and Documents (Addendum A) of the Giving Program Guidelines of the Kansas State Historical Society in response to a question (Attachment 5).

Representative Bethell moved to amend the bill on Page 2 Line 1 by striking the word "society" and replacing it with "Kansas State Historical Society, Inc." Motion was seconded by Representative Light. Motion carried.

Representative Bethell moved to amend the bill on Page 2 Lines 23 and 24 by striking the word "secretary" on both lines and replacing it with "Executive Director." Motion was seconded by Representative Light. Motion carried.

Representative Bethell moved to amend the bill on Page 2 Line 27 by placing a period after Kansas and striking "except when acting as the Kansas state historical society, inc., a not-for-profit corporation organized under the incorporation laws of Kansas." Motion was seconded by Representative Light. Motion failed.

Representative Bethell moved to amend the bill on Page 2 Line 39 by striking the word "shall" and replacing it with the word "may." Motion was seconded by Representative Wilk. Motion carried.



Representative Bethell moved to amend the bill on Page 3, Lines 16, 17, 18, and 19 by placing a period after “thereto” and striking “, except that no person who has retired from state service under any retirement system or plan administered by the board of trustees of the Kansas public employees retirement system shall be qualified to serve as executive director of the state historical society.” Motion was seconded by Representative Hermes. Motion carried.

Representative Bethell moved to amend the bill on Page 3 on the end of Line 37 by adding “Section (h) On and after the effective date of this act, whenever the state historical society or words of like effect is referred to or designated by a statute, contract or other document, such reference or designation shall be deemed to apply to the state agency within the executive branch of state government and shall not be deemed to refer to the Kansas state historical society, inc., a not-for-profit corporation organized under the corporation laws of Kansas, unless the reference is specifically to that corporation or within the context of the reference clearly refers to that corporation.” Motion was seconded by Representative Neufeld. Motion carried.

Representative Campbell moved to conceptually amend the bill on Page 2, Line 27 by placing a period after “Kansas” and striking “except when acting as” and inserting “is” at the end of the line. Motion was seconded by Representative Nichols. Motion carried.

Representative Shriver moved to amend the bill on Page 3, Line 6 by placing a period after governor and striking “, subject to approval by the executive committee of the Kansas state historical society, inc.” in Lines 6 and 7.

Representative Nichols moved to amend the bill by inserting language on Page 3, Line 6 stating that “The executive director of the Kansas state historical society shall serve at the pleasure of the Governor. Motion was seconded by Representative Toplikar. Motion failed.

During Committee discussion regarding the annual evaluation process of the executive director described by the bill, Trista Beadles, Legal Counsel for the Governor, explained that although an annual evaluation is required by the bill and even a special evaluation if cause exists, in her opinion, there is still no mechanism provided for dismissal of this unclassified employee. Trista Beadles stated her opinion that the state can find cause to dismiss but cannot dismiss the executive director as the bill currently is written.

Representative Neufeld moved to conceptually amend the bill on Page 3, Line by adding language on Line 27 stating “that the executive director is subject to removal for cause.” Motion was seconded by Representative Nichols. Motion carried.

Representative Neufeld moved to amend **HB 2532** by reconciling the bill with the conflicting amendments to KSA 75-2701 and technical amendments which were enacted by passage of **SB 15** and to amend the bill by substituting a new bill as Substitute for **HB 2532**. Motion was seconded by Representative Klein. Motion carried.

Representative Bethell moved to report **Substitute HB 2532** favorably. Motion was seconded by Representative Feuerborn. Motion carried.

Representative Pottorff, Chairman of the General Government and Human Resources Budget Committee presented Report # 2 on KPERS issues moved for the House Appropriations Committee to accept the report (Attachment 6). Motion was seconded by Representative Stone. Motion carried.

The Chairman adjourned the meeting and the next meeting will be held at on Monday, March 12, 2001.





1 ment of sick leave under a temporary amendment to personnel regulation  
2 K.A.R. 1-9-14, requested documentation for which was processed in an  
3 untimely manner, to the following claimant:  
4 Robert J. Hendricks, 401 N. Emporia, El Dorado, KS

5 67042 ..... \$1,775.00

6 Sec. ~~12~~ (a) Except as otherwise provided by this act, the director of  
13] 7 accounts and reports is hereby authorized and directed to draw warrants  
8 on the state treasurer in favor of the claimants specified in this act, upon  
9 vouchers duly executed by the state agencies directed to pay the amounts  
10 specified in such sections to the claimants or their legal representatives  
11 or duly authorized agents, as provided by law.

12 (b) The director of accounts and reports shall secure prior to the pay-  
13 ment of any amount to any claimant, other than amounts authorized to  
14 be paid pursuant to section 2 as motor-vehicle fuel tax refunds or as  
15 transactions between state agencies as provided by this act, a written  
16 release and satisfaction of all claims and rights against the state of Kansas  
17 and any agencies, officers and employees of the state of Kansas regarding  
18 their respective claims.

14] 19 Sec. ~~13~~ This act shall take effect and be in force from and after its  
20 publication in the Kansas register.

Sec. 12. The Kansas public employees retirement system is hereby authorized and directed to pay the following amount from the Kansas public employees retirement fund for the cost of allowing an active member of the Kansas police and firemen's retirement system to retire under tier 2 rather than tier 1 under the Kansas policy and firemen's retirement system, to the following claimant:  
Charles L. Kohler, 1313 N. 76th St., Kansas City, KS 66112-2425. . . . . \$107,290.17

HOUSE APPROPRIATIONS

DATE 3/9/01  
ATTACHMENT # 1

**AGRICULTURE AND NATURAL  
RESOURCES BUDGET COMMITTEE**

**FY 2001 and FY 2002**

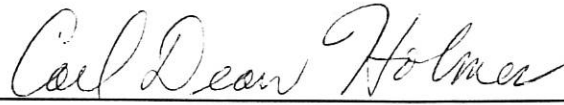
Department of Wildlife and Parks



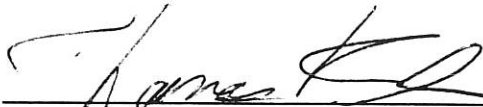
Representative Sharon Schwartz, Chairperson



Representative Vaughn Flora



Representative Carl Holmes



Representative Tom Klein



Representative Bruce Larkin



Representative Bill McCreary



Representative Don Myers

HOUSE APPROPRIATIONS

DATE 3/9/01

ATTACHMENT # 2



## House Budget Report

Agency: Kansas Department of Wildlife and Parks Bill No. --

Bill Sec. --

Analyst: Nogle

Analysis Pg. No. 461

Budget Page No. 81

Expenditure Summary	Agency Est. FY 01	Governor's Recommendation FY 01	House Budget Adjustments
<b>Operating Expenditures</b>			
State Operations	\$ 32,869,606	\$ 32,567,308	\$ 0
Aid to Local Units	1,914,596	1,914,596	0
Other Assistance	35,000	35,000	0
Sub-Total—Operating	\$ 34,819,202	\$ 34,516,904	\$ 0
Capital Improvements	11,291,128	11,291,128	0
<b>TOTAL</b>	<b>\$ 46,110,330</b>	<b>\$ 45,808,032</b>	<b>\$ 0</b>
<b>State General Fund</b>			
Other Funds	42,155,881	41,843,582	0
<b>TOTAL</b>	<b>\$ 46,110,330</b>	<b>\$ 45,808,032</b>	<b>\$ 0</b>
<b>FTE Positions</b>			
	394.5	397.5	0.0
Unclassified Temp. Positions	56.0	53.0	0.0
<b>TOTAL</b>	<b>450.5</b>	<b>450.5</b>	<b>0.0</b>

### Agency Est./Governor's Recommendation

The **agency estimate** for FY 2001 operating expenditures of \$34,819,202 is an increase of \$117,361 (0.3 percent) more than the amount approved by the 2000 Legislature. The increase is due to an increase in federal funds for FY 2001.

The **Governor recommends** \$34,516,904 for FY 2001 operating expenditures. This is a decrease of \$184,937 (0.5 percent) from the amount approved by the 2000 Legislature and a reduction of \$282,296 from the agency's revised estimate.

### House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation.

## House Budget Report

**Agency:** Kansas Department of Wildlife and Parks **Bill No. --**

**Bill Sec. --**

**Analyst:** Nogle

**Analysis Pg. No. 461**

**Budget Page No. 81**

Expenditure Summary	Agency Est. FY 02	Governor's Recommendation FY 02	House Budget Adjustments
<b>Operating Expenditures</b>			
State Operations	\$ 36,390,200	\$ 35,750,266	\$ 0
Aid to Local Units	1,735,000	1,735,000	500,000
Other Assistance	0	0	0
Sub-Total—Operating	\$ 38,125,200	\$ 37,485,266	\$ 500,000
Capital Improvements	6,252,500	5,834,000	(50,000)
<b>TOTAL</b>	<b>\$ 44,377,700</b>	<b>\$ 43,319,266</b>	<b>\$ 450,000</b>
<b>State General Fund</b>			
Other Funds	4,931,184	4,375,369	0
<b>TOTAL</b>	<b>\$ 44,377,700</b>	<b>\$ 43,319,266</b>	<b>\$ 450,000</b>
<b>FTE Positions</b>			
Unclassified Temp. Positions	406.5	406.5	0.0
<b>TOTAL</b>	<b>462.5</b>	<b>460.5</b>	<b>0.0</b>

### Agency Est./Governor's Recommendation

The **agency requests FY 2002** operating expenditures of \$38,056,714, an increase of \$3,237,512 or 9.3 percent above the revised FY 2001 estimate.

The Governor recommends FY 2002 operating expenditures of \$37,485,266, an increase of \$2,968,362 (8.6 percent) from the FY 2001 recommendation and a decrease of \$639,934 (1.7 percent) from the agency's FY 2002 request.

### House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation with the following adjustments:

1. Add a proviso allowing the expenditure of \$200,000 from the Boating Fee Fund for Kansas and Missouri river access.

2. The House Budget Committee recommends the addition of the following proviso regarding river access on the Kansas and Missouri Rivers: ( ) ***During the fiscal year ending June 30, 2002, no expenditures shall be made from any moneys appropriated for the department of wildlife and parks from the state general fund or any special revenue fund for construction of any new river access on the Kansas River or Missouri River unless the secretary of wildlife and parks has obtained (1) the prior written permission for the proposed river access from each owner of each parcel of real property on the river which is immediately adjacent to the real property upon which the new river access project is to be constructed, and (2) if a parcel of an such immediately adjacent real property is being leased, then the secretary of wildlife and parks also shall obtain the prior written permission for the proposed new river access from lessor of such immediately adjacent real property.***
3. Add \$500,000 from the Economic Development initiatives fund for Local Government Outdoor Recreation Grants.
4. Delete \$250,000 Wildlife Conservation Fund (WCF) to limit expenditures for Land Acquisition from the WCF to \$250,000 for FY 2002.
5. The House Budget Committee recommends the addition of a proviso limiting wetlands acquisition to wetlands located within 1.1 mile of state owned property.
6. The House Budget Committee recommends the addition of a proviso limiting Playa Lake purchases to property within 1.1 miles of state owned property and prohibiting pumping of groundwater into the lake, leaving it fed only by rainwater.
7. The House Budget Committee recommends passage of SB 86, which amends KSA 32-1001 section 1(b) to increase the late fee charged to persons using state park facilities without paying the user fees from \$5 to \$15.
8. The House Budget Committee recommends passage of SB 147, which relates to certain fees collected by the Department of Wildlife and Parks; amending KSA 32-988 and 32-1172 and repealing the existing sections. The bill would increase the statutory minimum and maximum amounts charged by the agency for various fees.
9. The House Budget Committee commends the Department for its progress on dam repair across the state. By the end of FY 2001, 80 percent of the state's dams will have been repaired.

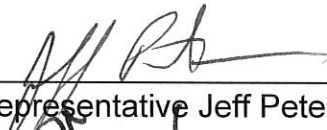


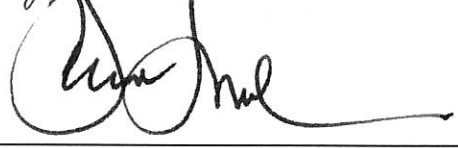
**2001 GENERAL GOVERNMENT AND HUMAN  
RESOURCES BUDGET COMMITTEE**

**FY 2001 and FY 2002**

Kansas Human Rights Commission

  
\_\_\_\_\_  
Representative Doug Spangler

  
\_\_\_\_\_  
Representative Jeff Peterson, Chairperson

  
\_\_\_\_\_  
Representative Ward Loyd

  
\_\_\_\_\_  
Representative Dan Thimesch

  
\_\_\_\_\_  
Representative Melvin Neufeld

HOUSE APPROPRIATIONS  
DATE 3/9/01  
ATTACHMENT #3

**House Budget Committee Report**

**Agency:** Kansas Human Rights Commission **Bill No. --**

**Bill Sec. --**

**Analyst:** Nogle

**Analysis Pg. No. 1351**

**Budget Page No.**

<u>Expenditure Summary</u>	<u>Agency Est. FY 01</u>	<u>Governor's Recommendation FY 01</u>	<u>House Budget Committee Adjustments</u>
State General Fund	\$ 1,470,143	\$ 1,470,143	\$ (15,595)
All Funds	416,000	416,000	0
<b>TOTAL</b>	<b><u>\$ 1,886,143</u></b>	<b><u>\$ 1,886,143</u></b>	<b><u>\$ (15,595)</u></b>
FTE Positions	36.0	36.0	0.0
Unclassified Temp. Positions	1.0	1.0	0.0
<b>TOTAL</b>	<b><u>37.0</u></b>	<b><u>37.0</u></b>	<b><u>0.0</u></b>

**Agency Est./Governor's Recommendation**

The **agency estimate for FY 2001** is an increase of \$43,565 (2.4 percent) from the amount approved by the 2000 Legislature. There are no capital improvement requests and all of the request is for state operations. Of the total estimate, \$1,470,143 (77.9 percent) is from the State General Fund, with the remaining \$416,000 (22.1 percent) from federal and special revenue funds. The State General Fund increase includes a request to expend \$22,257 in Kansas Savings Incentive Program (KSIP) funds and \$21,308 from a limited reappropriation of State General fund moneys from FY 2000 to FY 2001.

**The Governor** concurs with the agency FY 2001 estimate.

The Budget Committee Concurs with the Governor's recommendation and recommends with the following adjustment:

1. \$15,595 SGF be reappropriated to FY 2002 from the agency's unexpended balance at the end of FY 2001 for computer enhancements requested by the agency for FY 2002 but not funded by the Governor.

# House Budget Committee Report

Agency: Kansas Human Rights Commission Bill No. --

Bill Sec. --

Analyst: Nogle

Analysis Pg. No. 1351

Budget Page No.

<u>Expenditure Summary</u>	<u>Agency Req. FY 02</u>	<u>Governor's Recommendation FY 02</u>	<u>House Budget Committee Adjustments</u>
State General Fund	\$ 1,605,391	\$ 1,477,897	\$ 15,595
All Other Funds	403,500	458,500	0
TOTAL	<u>\$ 2,008,891</u>	<u>\$ 1,936,397</u>	<u>\$ 15,595</u>
FTE Positions	37.0	37.0	0.0
Unclassified Temp. Positions	1.0	0.0	0.0
TOTAL	<u>38.0</u>	<u>37.0</u>	<u>0.0</u>

## Agency Req./Governor's Recommendation

The **agency requests** \$2,008,891 for FY 2002, an increase of \$122,748 (6.5 percent) from the agency's FY 2002 estimate. Of the total request, \$1,605,391 (79.9 percent) is from the State General Fund and \$403,500 (20.1percent) is from other funds. The increase is primarily due to enhancements totaling \$53,643 State General Fund listed below.

**The Governor recommends** \$1,936,397 for FY 2002, an increase of \$50,254 from the FY 2002 recommendation. Of the total recommendation, \$1,477,897 (76.3 percent) is from the State General Fund and \$458,500 (23.7 percent) is from other funds. The Governor recommends enhancements totaling \$38,048 (State General Fund).

## House Budget Committee Recommendation

The Budget Committee concurs with the Governor's recommendation and recommends the following adjustments:

1. Reappropriate \$15,595 SGF from the agency's unexpended balance for FY 2001 for the agency's computer enhancement request in FY 2002.
2. Notes with concern that the balance in the agency's Equal Employment Opportunity Commission (EEOC) fund is being spent down. The fund contains federal money from Commission contracts with the federal government to investigate dually filed cases alleging violations of the Kansas Act Against Discrimination and federal civil rights and discrimination laws.



**2001 TAX, JUDICIAL, AND TRANSPORTATION  
BUDGET COMMITTEE**

FY 2001 and FY 2002

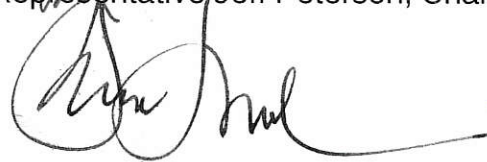
Kansas Department of Transportation



Representative Cindy Hermes



Representative Jeff Peterson, Chairperson



Representative Ward Loyd



Representative Doug Spangler



Representative Dan Thimesch

HOUSE APPROPRIATIONS

DATE 3/09/01  
ATTACHMENT # 4

## House Budget Committee Report

**Agency:** Kansas Department of  
Transportation

**Bill No.**

**Bill Sec.**

**Analyst:** Chapman

**Analysis Pg. No.** 725

**Budget Page No.** 419

Expenditure Summary	Agency Request FY 01	Gov. Rec. FY 01	Budget Committee Adjustments
Agency Operations	\$ 214,966,945	\$ 214,966,945	\$ 0
Debt Service	113,425,347	113,425,347	0
Aid to Local Units	177,818,389	177,818,389	0
Other Assistance	400,000	400,000	0
Other Operations	624,480,180	624,480,180	0
Subtotal—Reportable	<u>\$ 1,131,090,861</u>	<u>\$ 1,131,090,861</u>	<u>\$ 0</u>
Nonreportable Expenses	307,500,000	307,500,000	0
Total—Operations	<u><u>\$ 1,438,590,861</u></u>	<u><u>\$ 1,438,590,861</u></u>	<u><u>\$ 0</u></u>
 <u>Financing Summary</u> 			
State General Fund	\$ 62,051,788	\$ 62,051,788	\$ 0
State Highway Fund	945,228,726	945,228,726	0
All Other Funds	123,810,347	123,810,347	0
Subtotal—Reportable	<u>1,131,090,861</u>	<u>1,131,090,861</u>	<u>0</u>
Nonreportable Funds	307,500,000	307,500,000	0
Total—All Funds	<u><u>\$ 1,438,590,861</u></u>	<u><u>\$ 1,438,590,861</u></u>	<u><u>\$ 0</u></u>
FTE Positions	3,247.5	3,247.5	0.0
Unclassified Temp. Positions	3.0	3.0	0.0
TOTAL	<u><u>3,250.5</u></u>	<u><u>3,250.5</u></u>	<u><u>0.0</u></u>

### Agency Request/Governor's Recommendation

The agency's revised FY 2001 reportable budget reflects an increase of \$201,732,061 in other funds from the approved budget. A decrease of \$875,554 in state local aid expenditures and of \$53,840,352 in agency operations is offset by an increase of \$256,447,967 in other operations. The increase is due partly to bond revenues being \$95,000,000 less than anticipated in the approved budget. To account for the reduced bond expenditures, the agency used other State Highway Fund revenues, moving the \$95,000,000 from a non-reportable to a reportable expenditure. The remaining portion of the increase results from a reordering of projects within the agency, increasing state

projects expenditures by \$139,809,000. The increases are offset by decreases in debt service expenditures, discussed below, and \$6,491,000 in substantial maintenance, \$2,000,000 in inspection contracts, and \$854,000 in local construction.

1. For agency operations, the following changes in the revised budget are noted:
  - No change in salary expenditures (\$126,544,100) or in the approved FTE level is requested by the agency.
  - Other operating expenditures increase from \$84,728,649 to \$88,422,845.
  - The agency adds \$4,683,306 in KSIP funding for other operating expenditures.
  - The agency's net adjustments would increase the Agency Operations expenditure limitation from \$211,266,469 to \$214,966,945.
2. For debt service, the agency estimates a decrease of \$25,610,581 in payments from \$139,035,928 to \$113,425,347, due to not issuing as many bonds as anticipated during FY 2001.
3. For other operations, the revised budget includes a net increase of \$51,117,142 in reportable expenditures, from the approved amount of \$573,363,038 to the revised amount of \$624,480,180.

**The Governor concurs.**

### House Budget Committee Recommendations

The Budget Committee concurs with the Governor's recommendations in FY 2001 and makes the following notation:

1. The Budget Committee notes the total dollars spent and miles contracted for FY 1999, 2000, and 2001 (estimated) for routine and substantial maintenance as reflected in the table below:

#### KDOT Maintenance Cash Payments (Thousands)

Fiscal Year	Regular *		Substantial **	
	Cost	Cost	Miles	Bridges
1999 Actual	\$101,951	\$164,399	1,142	32
2000 Actual	\$102,428	\$172,432	1,496	71
2001 Estimate	\$103,731	\$153,533	1,095	81

\* Cost of KDOT workforce at an area level within six districts throughout the state. Efforts are focused on offsetting effects of weather, organic growth, deterioration, traffic wear, damage, and vandalism, i.e., replacing signs, pot hole patching, snow removal, weed and grass control, etc.

\*\* Efforts are focused on preserving, repairing and restoring the roadways to the designed or accepted standards, i.e., resurfacing, bridge deck overlays, bridge painting, and culvert repairs. These actions are performed by contract providers.



## House Budget Committee Report

**Agency:** Kansas Department  
of Transportation

**Bill No. --**

**Bill Sec. --**

**Analyst:** Chapman

**Analysis Pg. No. 725**

**Budget Page No. 419**

Expenditure Summary	Agency Request FY 02	Governor's Recommendation FY 02	House Budget Committee Adjustments
Agency Operations	\$ 225,158,822	\$ 216,874,370	\$ 0
Debt Service	132,188,363	132,188,363	0
Aid to Local Units	180,977,756	181,816,393	0
Other Assistance	400,000	400,000	0
Other Operations	418,456,602	420,837,788	0
Subtotal—Reportable	<u>\$ 957,181,543</u>	<u>\$ 952,116,914</u>	<u>\$ 0</u>
Nonreportable Expenses	257,500,000	257,500,000	0
Total—Operations	<u><u>\$ 1,214,681,543</u></u>	<u><u>\$ 1,209,616,914</u></u>	<u><u>\$ 0</u></u>
<b>Financing Summary:</b>			
State General Fund	\$ 158,925,674	\$ 132,290,474	\$ 0
State Highway Fund	655,382,506	676,953,077	0
All Other Funds	142,873,363	142,873,363	0
Subtotal—Reportable	<u>\$ 957,181,543</u>	<u>\$ 952,116,914</u>	<u>\$ 0</u>
Nonreportable Funds	257,500,000	257,500,000	0
Total—All Funds	<u><u>\$ 1,214,681,543</u></u>	<u><u>\$ 1,209,616,914</u></u>	<u><u>\$ 0</u></u>
FTE Positions	3,247.5	3,247.5	0.0
Unclassified Temp. Positions	3.0	3.0	0.0
TOTAL	<u><u>3,250.5</u></u>	<u><u>3,250.5</u></u>	<u><u>0.0</u></u>

### Agency Request/Governor's Recommendation

The agency's FY 2002 reportable budget request is \$957,181,543 and reflects an increase of \$10,191,877 (4.7 percent) in agency operations, \$18,763,016 (16.5 percent) in debt service expenditures, \$3,159,367 (1.8 percent) in aid to local units, and a decrease of \$206,023,578 (33.0 percent) in other operations.

For agency operations, the following FY 2002 items are noted when compared with the current fiscal year: the agency requests a 5.2 percent increase in salary expenditures from \$126,544,100 to \$133,102,068; no change in FY 2002 staffing levels is requested; the agency requests an increase in other operating expenditures from \$88,422,845 to \$92,056,754, exclusive of any KSIP savings that might be available next fiscal year; the agency requests a 4.7 percent increase in the agency operations expenditure limitation from \$214,966,945 to \$225,158,822.

For debt service, an increase in payments from \$113,425,347 to \$132,188,363 is estimated by the agency. For other operations, the following items in the budget are noted as changing from the current fiscal year: a decrease in state construction projects from \$388,916,000 to \$167,766,000;

an increase in Special City/County Highway aid payments from \$158,418,000 to \$160,813,000; an increase in substantial maintenance from \$84,925,000 to \$90,259,000; an increase in local construction from \$101,827,700 to \$102,932,800; an increase for building projects from \$7,811,480 to \$9,498,802; an increase in categorical aid to local units from \$16,040,389 to \$16,804,756.

**The Governor recommends** \$952,116,914 in FY 2002, which is \$5,064,629 below the agency's request. From the current fiscal year, the recommendation reflects an increase of \$1,907,425 (0.9 percent) in agency operations, an increase of \$3,998,004 (2.2 percent) in aid to local units, an increase of \$18,763,016 (16.5 percent) in debt service expenditures, and a decrease of \$203,642,392 (32.6 percent) in other operations.

For agency operations, the Governor recommends the following adjustments to the agency's request: a decrease in salary expenditures of \$2,392,267; no change in FY 2002 staffing levels is recommended; a decrease in other operating expenditures of \$5,892,185; an agency operations expenditure limitation of \$216,874,370, a decrease of \$8,284,452.

For other operations, the Governor recommends the following adjustments to the agency's request: a \$4.6 million increase in state construction projects from \$167,766,000 to \$172,372,186; an increase in Special City-County Highway aid payments from \$177,617,756 to \$178,456,393; a decrease in building projects from \$9,498,802 to \$7,273,802.

The following table summarizes the agency's request and Governor's recommendations for KDOT in FY 2002. The nonreportable portion of the KDOT budget is reflected in the following table, although in the *Governor's Budget Report FY 2002*, the amounts are not included in the summary tables of GBR Volume 2. Some of the nonreportable information is found in GBR Volume 1. Most of the nonreportable expenditures is bond money that is spent for construction projects. When the principal and interest payments are made for the bonds, then the expenditures are reported as expenses in the Governor's summary tables.

### Summary of Operating Budget FY 2002

	FY 2002 Request	FY 2002 Gov. Rec.	FY 2002 Gov. Adj.
<b>By Program:</b>			
Maintenance	\$ 202,176,930	\$ 199,970,456	\$ (2,206,474)
Construction	518,384,844	519,427,070	1,042,226
Local Support	183,832,096	184,556,471	724,375
Management	52,787,673	48,162,917	(4,624,756)
TOTAL - Reportable	<u>\$ 957,181,543</u>	<u>\$ 952,116,914</u>	<u>\$ (5,064,629)</u>
Maintenance	\$ 75,000,000	\$ 75,000,000	\$ 0
Construction	180,000,000	180,000,000	0
Local Support	0	0	0
Management	2,500,000	2,500,000	0
TOTAL - Nonreportable	<u>\$ 257,500,000</u>	<u>\$ 257,500,000</u>	<u>\$ 0</u>
<b>GRAND TOTAL</b>	<b>\$ 1,214,681,543</b>	<b>\$ 1,209,616,914</b>	<b>\$ (5,064,629)</b>
<b>By Major Object of Expenditure:</b>			
Salaries and Wages	\$ 133,102,068	\$ 130,709,801	\$ (2,392,267)
Contractual Services	35,699,818	35,699,818	0
Commodities	29,576,858	28,526,858	(1,050,000)
Capital Outlay	26,780,078	21,937,893	(4,842,185)
Subtotal - Agency Operations	<u>\$ 225,158,822</u>	<u>\$ 216,874,370</u>	<u>\$ (8,284,452)</u>
Aid to Local Units	180,977,756	181,816,393	838,637
Other Assistance	400,000	400,000	0
Debt Service	132,188,363	132,188,363	0
Other Operations	418,456,602	420,837,788	2,381,186
TOTAL - Reportable	<u>\$ 957,181,543</u>	<u>\$ 952,116,914</u>	<u>\$ (5,064,629)</u>
Nonreportable	\$ 257,500,000	\$ 257,500,000	\$ 0
<b>GRAND TOTAL</b>	<b>\$ 1,214,681,543</b>	<b>\$ 1,209,616,914</b>	<b>\$ (5,064,629)</b>
<b>Financing:</b>			
State General Fund	\$ 158,925,674	\$ 132,290,474	\$ (26,635,200)
State Highway Fund	655,382,506	676,953,077	21,570,571
Other Funds	142,873,363	142,873,363	0
TOTAL - Reportable	<u>\$ 957,181,543</u>	<u>\$ 952,116,914</u>	<u>\$ (5,064,629)</u>
Bond Proceeds	\$ 255,000,000	\$ 255,000,000	\$ 0
Shortline RR Loans	2,500,000	2,500,000	0
TOTAL - Nonreportable	<u>\$ 257,500,000</u>	<u>\$ 257,500,000</u>	<u>\$ 0</u>
<b>GRAND TOTAL</b>	<b>\$ 1,214,681,543</b>	<b>\$ 1,209,616,914</b>	<b>\$ (5,064,629)</b>

## House Budget Committee Recommendations

The Budget Committee concurs with the Governor's recommendations in FY 2002 and makes the following additional recommendations:

1. The Budget Committee notes that KDOT reports that actual sales to date of bonds have resulted in the bonds being sold at a slight premium which has been sufficient to pay the issue costs. KDOT reports that the net premium on bond sales to date is \$4,835,000 over the par amount. In developing the CTP, KDOT assumed that bonds would be sold at par with issued costs of 1.5 percent.
2. The Budget Committee notes that local payments, or local participation or contribution amounts, have changed much over the ten-year projected period, from an approved amount of \$200,170,000 to a new projected amount of \$583,348,000 for the ten-year period. This is an increase of \$383,178,000, or 191.4 percent, and is due to the competitiveness of local bidding. Any increases in local contributions also increase expenditures by the same amount.
3. The Budget Committee had considerable discussion on the Comprehensive Transportation Plan (CTP) and provides the following information as an attachment that was partially included in the *Governor's Budget Report FY 2002* and further enumerated and clarified by KDOT during hearings on the revised cashflow detail in the plan for revenues and expenditures associated with the CTP.

## ATTACHMENT

**Summary.** A summary of the projected revenues and expenditures is shown in the following table in order to answer questions about ending balances and reserves for other commitments.

### Changes in CTP Projected Revenues and Expenditures (Budget Basis – in Thousands)

	Approved	Gov. Rec.	Difference
Revenues (incl. carryover)	\$ 13,141,410	\$ 13,958,317	\$ 816,907
Expenditures*	12,859,803	13,656,683	796,880
Net Difference	\$ 281,607	\$ 301,634	\$ 20,027
Less Required Ending Balance	220,236	362,648	142,412
Available Resources	\$ 61,371	\$ (61,014)	\$ (122,385)

\* Expenditures, net of federal aid, also include funding to complete system enhancements, major modifications and priority bridges after FY 2009 that will be encumbered during the 10-year CTP.

**Revenues.** In order to finance the CTP, the 1999 Legislature approved new resources: \$995 million in bonds; a series of motor fuels tax increases totaling \$0.04 per gallon; and increased transfers of State General Fund receipts to the State Highway Fund. The Secretary of Transportation issued \$350 million in bonds during the current fiscal year. Additional bonds (\$320 million) are anticipated to be issued in FY 2002. Motor fuels taxes rose \$0.02 per gallon on July 1, 1999, \$0.01 on July 1, 2000, and are scheduled to rise another \$0.01 on July 1, 2003.

**The Governor's recommended financing includes an SGF reduction in FY 2002 of \$26.6 million.** The transfers from the State General Fund to the State Highway Fund were capped at 1.7 percent increases in FY 2000 and FY 2001. Beginning in FY 2002, the statutory transfer rate is scheduled to be raised from 7.628 percent to 9.5 percent on July 1, 2001. Additional increases are scheduled on July 1, 2002, to 11.0 percent; on July 1, 2003, to 11.25 percent; and on July 1, 2004, to 12.0 percent for the statutory rate of transfers from the State General Fund to the State Highway Fund. While the Governor concurs with the 9.5 percent transfer in FY 2002, the Governor recommends savings generated through reduction to salaries and wages, commodities, capital outlay, and capital improvements.

Additional revenues are anticipated in the revised KDOT budget for the 10-year CTP as reflected in the following table when compared with the estimates provided at the end of the 1999 Legislature. State revenue reflects a net increase from the approved amount of \$816.9 million, as shown in the table below.



Nonstate revenues are projected to increase \$524.5 million. Net bonds proceeds also are estimated to yield an additional \$19.7 million, or 2.0 percent.

### Projected Ten-Year CTP Revenues

FY 2000 - FY 2009	Approved May - 1999	Revised Jan. - 2001	\$ Change from Approved	% Change from Approved
Cash Beginning Balance	\$ 475,189	\$ 559,875	\$ 84,686	17.8%
Motor Fuels Taxes	3,930,400	4,016,269	85,869	2.2
SGF Sales Tax Transfer	1,830,010	1,691,476	(138,534)	(7.6)
Quarter Cent	1,071,513	1,055,107	(16,406)	(1.5)
Registration Fees	1,315,000	1,421,289	106,289	8.1
Interest	251,900	369,581	117,681	46.7
Transfers in	156,762	156,784	23	0.0
Other Sources	117,608	150,616	33,008	28.1
Subtotal—State	\$ 9,148,382	\$ 9,420,997	\$ 272,616	3.0%
Federal Payments	2,812,784	2,954,136	141,353	5.0
Local Payments	200,170	583,348	383,178	191.4
Subtotal—Nonstate	\$ 3,012,954	\$ 3,537,484	\$ 524,531	17.4%
Bonds	980,075	999,835	19,760	2.0
Total Revenues	<u>\$ 13,141,411</u>	<u>\$ 13,958,316</u>	<u>\$ 816,907</u>	<u>6.2%</u>

**Expenditures.** The CTP budget includes expenditures for maintenance, including regular and substantial maintenance; construction and reconstruction, including major modifications and priority bridges; system enhancement projects; and a highway demonstration project to evaluate guarantees by a contractor. The CTP budget also provides for enhanced assistance to local units of government and other entities, including increased aid from the Special City and County Highway Fund, increased state payments for city connecting links, new state assistance for communities with railroad crossings not on the state highway system, a railroad loan program with new state funding, state financing for general aviation airports, and additional state aid for public transit. Revisions in the proposed 10-year expenditures are noted in the following table.

**Projected CTP Expenditures**  
(In Thousands)

FY 2000 - FY 2009	Approved May-1999	Revised Jan-2001	\$ Change from Approved	% Change from Approved
Routine Maintenance	\$ 1,226,149	\$ 1,191,657	\$ (34,492)	(2.8)%
Substantial Maintenance	2,061,731	1,901,779	(159,952)	(7.8)%
Major Mod. and Priority Bridges*	3,332,584	3,776,957	444,373	13.3%
System Enhancements*	968,867	1,322,469	353,602	36.5%
General Aviation	30,000	30,000	-	0.0%
Public Transit	104,495	104,495	-	0.0%
Rail Assistance	43,738	43,634	(104)	(0.2)%
Special City/County Highway Fund	1,599,821	1,625,556	25,735	1.6%
Local Aid	1,041,867	1,009,019	(32,848)	(3.2)%
KLINK Payments	33,600	33,024	(576)	(1.7)%
Management and Other	729,604	769,177	39,573	5.4%
Transfers Out	489,312	488,006	(1,306)	(0.3)%
Debt Service (Existing and New)	1,198,035	1,360,910	162,875	13.6%
<b>Total Expenditures</b>	<b>\$ 12,859,803</b>	<b>\$ 13,656,683</b>	<b>\$ 796,880</b>	<b>6.2%</b>

**Required or Committed Funds in Ending Balance\*\***

Major Mod. and Priority Bridges	\$ 155,150	\$ 152,329	\$ (2,821)	(1.8)%
System Enhancements	81,139	96,657	15,518	19.1%
Federal Aid Adjustments	(125,816)	(12,139)	113,677	(90.4)%
SC&CHF Fund	33,627	39,869	6,242	18.6%
Aviation, Transit, Rail Loan Funds	2,490	7,745	5,255	211.0%
Debt Service Fund	48,646	53,187	4,541	9.3%
Required for orderly bill payment	25,000	25,000	-	0.0%
<b>Total Required Ending Balance</b>	<b>\$ 220,236</b>	<b>\$ 362,648</b>	<b>\$ 142,412</b>	<b>64.7%</b>
<b>Total Exp. plus Req. Ending Bal.</b>	<b>\$ 13,080,039</b>	<b>\$ 14,019,331</b>	<b>\$ 939,292</b>	<b>7.2%</b>

\* Some transactions will occur after the ten-year CTP period of FY 2000 to FY 2009.

\*\* The required ending balance includes payments on major modifications and system enhancement projects, net of federal aid reimbursement, after FY 2009, on projects which will be encumbered during the 10-year CTP. Also included is an amount needed to meet the daily operating expenses of the State Highway Fund and the anticipated June 30, 2009 balance in the Debt Service Fund, Special City and County Highway Fund and other funds. The balance of these funds are not available for use to pay other CTP commitments.

## ADDENDUM A

### HISTORIC PROPERTIES, ARTIFACTS AND DOCUMENTS

The acquisition of historic properties by the Kansas State Historical Society is subject to K.S.A. 75-2721 (a) (4), which requires submission of a petition, preparation of a thorough review, and legislative action prior to acceptance as a state historic site. Historic properties may not be acquired by the Kansas State Historical Society, Inc., outside of the procedures outlined in this statute. Historic properties, defined as those eligible for national or state register listing, donated to the Society, Inc., for resale must be sold prior to acceptance by the Society, Inc.

Historic artifacts, and documents donated to the Society, Inc., unless otherwise provided for, are to be reviewed for possible accessioning into the collections of the Society. If, following this review, the items are not accepted for the collections of the Society or for other usage by the Society and the donor wishes to donate the proceeds of the sale of such items to the Society, Inc., then arrangements for the sale of the items should be made by the donor. Items may be accepted with the understanding that they will be sold. Proceeds will go to the unrestricted endowment fund unless the donor specifies otherwise.

*Accepted by Executive Committee - June 5, 1998*

HOUSE APPROPRIATIONS

DATE 3/9/01

ATTACHMENT #5