

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS.

The meeting was called to order by Chairperson Steve Morris at 9:40 a.m. on February 27, 2001 in Room 123-S of the Capitol.

All members were present except: Senator Jim Barone - excused
Senator Tim Huelskamp - excused
Senator Dave Kerr - excused

Committee staff present:

Alan Conroy, Chief Fiscal Analyst, Kansas Legislative Research Department
Leah Robinson, Kansas Legislative Research Department
Debra Hollon, Kansas Legislative Research Department
Julian Efird, Kansas Legislative Research Department
Amory Lovin, Kansas Legislative Research Department
Rae Anne Davis, Kansas Legislative Research Department
Amy Kramer, Kansas Legislative Research Department
Audrey Nogle, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Michael Corrigan, Assistant Revisor, Revisor of Statutes Office
Mary Shaw, Committee Secretary

Conferees appearing before the committee:

Representative Lloyd Stone
Senator James Barnett
Bruce Buchanan, comments by Jeff Burhead
Chris Walker, Editor of the Emporia Gazette, Great-grandson of William Allen White
Karen Smith, Professor, Emporia State University
Dr. Ramon Powers, Executive Director, Kansas State Historical Society
Glenn Deck, Executive Secretary, KPERS
Jarold Boettcher, Chairman of the Board of Trustees, KPERS

Others attending: See attached guest list

Subcommittee budget reports on:

Juvenile Justice Authority (Attachment 1)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendation for FY 2001 with adjustment and notations as listed in the subcommittee budget report.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendation for FY 2002 with adjustment and notations as listed in the subcommittee budget report.

Atchison Juvenile Correctional Facility (Attachment 2)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendation for FY 2001 with notations as listed in the subcommittee budget report.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendation for FY 2002 with adjustments and notations as listed in the subcommittee budget report.

Beloit Juvenile Correctional Facility (Attachment 3)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendation for FY 2001 with notations as listed in the subcommittee budget report.

CONTINUATION SHEET

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendation for FY 2002 with adjustments and notations as listed in the subcommittee budget report.

Larned Juvenile Correctional Facility (Attachment 4)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendation for FY 2001 with notations as listed in the subcommittee budget report.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendation for FY 2002 with adjustments and notations as listed in the subcommittee budget report.

Topeka Juvenile Correctional Facility (Attachment 5)

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendation for FY 2001 with notations as listed in the subcommittee budget report.

Senator Adkins reported that the Subcommittee concurs with the Governor's recommendation for FY 2002 with adjustments and notations as listed in the subcommittee budget report.

Senator Adkins moved, with a second by Senator Jackson, to approve the Subcommittee budget report on Juvenile Justice Authority and the Juvenile Correctional Facilities. Motion carried by a voice vote.

Kansas State Library (Attachment 6)

Senator Jordan reported that the Subcommittee concurs with the Governor's recommendation for FY 2001.

Senator Jordan reported that the Subcommittee concurs with the Governor's recommendation for FY 2002 with adjustments and notations as listed in the subcommittee budget report.

Senator Jordan moved, with a second by Senator Schodorf, to approve the Subcommittee budget report on the State Library. Motion carried by a voice vote.

Kansas State Historical Society (Attachment 7)

Senator Jordan reported that the Subcommittee concurs with the Governor's recommendation for FY 2001.

Senator Jordan reported that the Subcommittee concurs with the Governor's recommendation for FY 2002 with adjustments and observations as listed in the subcommittee budget report.

Senator Jordan moved, with a second by Senator Jackson, to approve the Subcommittee budget report on the Kansas State Historical Society. Motion carried by a voice vote.

Kansas Arts Commission (Attachment 8)

Senator Jordan reported that the Subcommittee concurs with the Governor's recommendation for FY 2001.

Senator Jordan reported that the Subcommittee concurs with the Governor's recommendation for FY 2002 with adjustments as listed in the subcommittee budget report.

Senator Jordan moved, with a second by Senator Jackson, to adopt the Subcommittee budget report on the Kansas Arts Commission. Motion carried by a voice vote.

CONTINUATION SHEET

Chairman Morris opened the public hearing on:

SB 309 – Acceptance of certain real property by the state historical society

Staff briefed the Committee on the bill.

Chairman Morris welcomed Representative Lloyd Stone who spoke in support of **SB 309** (Attachment 9). Representative Stone noted that **SB 309** would transfer the ownership of the William Allen White house, located at 927 Exchange Street in Emporia, to the State Historical Society. He mentioned in his testimony that it seems only fitting that the William Allen White home be preserved so that future generations might know of, and remember, this famous Kansan.

Chairman Morris welcomed Senator James Barnett who spoke in support of **SB 309** (Attachment 10). In Senator Barnett's testimony, it was noted that this project has broad support and he asks for approval of this collaborative effort that will benefit Kansans.

Chairman Morris welcomed Jeff Burkhead, Executive Director of the Kansas Press Association, who presented comments for Bruce Buchanan, Harris Enterprises, Inc., Hutchinson, in support of **SB 309** (Attachment 11).

Chairman Morris welcomed Chris Walker, Editor of the Emporia Gazette and Great-grandson of William Allen White. Mr. Walker noted that the City of Emporia is very supportive of this project as is the Emporia Chamber of Commerce. He noted that one of the most requested items is William Allen White's editorial written when his daughter died. (No written testimony was submitted.)

Chairman Morris welcomed Karen Smith, Emporia State Professor, who spoke in support of **SB 309**. Ms. Smith distributed copies of the editorial, Mary White, by William Allen White regarding his daughter's death (Attachment 12) and a list of quotations about William Allen White (Attachment 13). She presented historical information regarding William Allen White. (No written testimony was submitted.)

Chairman Morris welcomed Dr. Ramon Powers, Executive Director, Kansas State Historical Society (Attachment 13). Dr. Powers mentioned that he was asked by Senator Barnett to appear before the Committee to comment on two matters as follows:

- the process by which properties become part of the state's historic sites system; and
- the assessment of William Allen White's importance in Kansas history.

Detailed explanation is found in Dr. Powers' testimony.

The Chairman thanked the conferees for appearing before the Committee. There being no further conferees, the Chairman closed the public hearing on **SB 309**.

Chairman Morris opened the public hearing on:

SB 322 – KPERS board of trustees, assignment of certain positions

Staff briefed the Committee on the bill.

Chairman Morris welcomed Glen Deck, Executive Secretary, Kansas Public Employees Retirement System (KPERS) who spoke in support of **SB 322** (Attachment 14). Mr. Deck explained the background, flexibility proposals and proposed changes of **SB 322**. Mr. Deck noted that the Board believes **SB 322** provides it with the authority it needs to organize and staff the agency to carry out its fiduciary responsibilities.

CONTINUATION SHEET

Chairman Morris welcomed Jarold Boettcher, Chairman of the Board of Trustees, KPERS. Mr. Boettcher noted that KPERS has no existing staff for the specific management of these monies. The process requires them to go through a lengthy process. (No written testimony was submitted.)

The Chairman thanked the conferees for appearing before the Committee. There being no further conferees, the Chairman closed the public hearing on **SB 322**.

Chairman Morris opened the public hearing on:

SB 330 – Professional services sunshine act, exemptions

Staff briefed the Committee on the bill.

Chairman Morris welcomed Glenn Deck, Executive Secretary, Kansas Public Employees Retirement System (KPERS) who spoke in support of **SB 330** (Attachment 15). Mr. Deck explained the background and proposed exception to the Professional Services Sunshine Act in Attachment A listed The Board of Trustees' Existing Statutory Authority and in Attachment B, Statement of Investment Policy, Objectives and Guidelines. Mr. Deck noted that **SB 330** would exempt any contract for professional or consultant services entered into by KPERS from the requirements of the Professional Services Sunshine Act.

Chairman Morris welcomed Jarold Boettcher, Chairman of the Board of Trustees, KPERS. Mr. Boettcher mentioned that from a Trustee's perspective there have been different interpretations of the statutes and all they are really asking for is restoration of the authority they thought they had and exercised for eight years. (No written testimony was submitted.)

The Chairman thanked the conferees for appearing before the Committee. The Chairman closed the public hearing on **SB 330**.

The meeting was adjourned at 10:55 a.m. The next meeting is scheduled for February 28, 2001.

**SENATE WAYS AND MEANS COMMITTEE
GUEST LIST**

DATE February 27, 2001

NAME	REPRESENTING
Julie Thomas	DOB
Melinda Gaul	DOB
Kyle Kessler	DOB
SCOTT SCHNEIDER	GIABA
JB Seay	SFS
Wayne Stone	House Keys
Chris Walker	Emporia Gazette
Pat Benzinger	Kansas Press Association
Ramon Powers	Kansas State Historical Society
David Wilson	Kansas Arts Commission
Manoia Cott	KS Humanities Council
DUANE JOHNSON	STATE LIBRARY
Teresa Schwab	KCSL
Ken Adley	JJA
Scott Muegler	JJA
Albert Munnay	JJA
Karen Smith	Emporia State University
Glenn Deck	KPER
Jarold Boettcher	KPER's Trustee
David A. Hauer	KSHS
Marie Brockway	KSHS
Terry W Marmet	KS St Hist Soc

2001-2002 PUBLIC SAFETY SUBCOMMITTEE

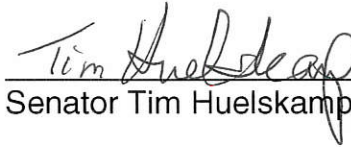
Juvenile Justice Authority
Atchison Juvenile Correctional Facility
Beloit Juvenile Correctional Facility
Larned Juvenile Correctional Facility
Topeka Juvenile Correctional Facility



Senator Paul Feleciano, Jr.



Senator David Adkins, Chairman



Senator Tim Huelskamp

Senate Ways and means
2-27-01
Attachment 1

Senate Subcommittee Report

Agency: Juvenile Justice Authority

Bill No. --

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. 951

Budget Page No. 283

Expenditure Summary	Agency Est. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 4,643,827	\$ 4,486,684	\$ 1,000,000
Aid to Local Units	52,107,308	49,649,126	0
Other Assistance	0	0	0
TOTAL	<u>\$ 56,751,135</u>	<u>\$ 54,135,810</u>	<u>\$ 1,000,000</u>
State General Fund:			
State Operations	\$ 3,940,196	\$ 3,783,053	\$ 0
Aid to Local Units	34,978,226	32,009,319	0
Other Assistance	0	0	0
TOTAL	<u>\$ 38,918,422</u>	<u>\$ 35,792,372</u>	<u>\$ 0</u>
FTE Positions	34.0	36.0	0.0
Other Unclassified Positions	10.0	8.0	0.0
TOTAL	<u>44.0</u>	<u>44.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency estimates FY 2001 operating expenditures of \$56,751,135 (\$38,918,422 SGF). The estimate includes \$2,163,565 for salaries and wages, \$1,788,486 for contractual services, \$184,748 for commodities, \$507,028 for capital outlay, and \$52,107,308 for Aid to Local Units. The estimate includes a supplemental request of \$2,599,434 (\$2,421,049 SGF) which includes \$2,356,535 SGF for increased Purchase of Services (community non-residential and residential services).

The Governor recommends \$54,135,810 (\$35,792,372 SGF) for FY 2001 operating expenditures. The recommendation includes \$2,137,128 for salaries and wages, \$1,757,398 for contractual services, \$85,130 for commodities, \$507,028 for capital outlay, and \$49,649,126 for Aid to Local Units. The Governor's recommendation is a decrease of \$15,891 from the budget approved by the 2000 Legislature.

Senate Subcommittee Recommendations

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

1. The Subcommittee adds a proviso which would allow \$1,000,000 from the Juvenile Detention Facilities Fund to be used to restore funding reduced from the Juvenile Intake and Assessment System. The Governor's recommendation included the reduction based upon an anticipated agreement between the Juvenile Justice Authority and the Department of Social and Rehabilitation Services on payment for assessments conducted for non-offender juveniles who could potentially be determined to be Children in Need of Care. While the two agencies are continuing discussions, no agreement has as yet been reached. The Subcommittee is especially concerned by the effect this reduction would have on the community partners given that it would be taken entirely from the last quarter grant payment. The Juvenile Intake and Assessment Center was a cornerstone of the 1996 Kansas Juvenile Justice Reform Act. The Subcommittee believes funding at the present level should be preserved.

Senate Subcommittee Report

Agency: Juvenile Justice Authority

Bill No. ----

Bill Sec. ----

Analyst: Hollon

Analysis Pg. No. 951

Budget Page No. 283

Expenditure Summary	Agency Req. FY 02	Gov. Rec. FY 02	Senate Subcommittee Adjustments*
All Funds:			
State Operations	\$ 6,694,671	\$ 4,342,708	\$ (50,960)
Aid to Local Units	55,817,112	49,948,672	0
Other Assistance	0	0	0
TOTAL	<u>\$ 62,511,783</u>	<u>\$ 54,291,380</u>	<u>\$ (50,960)</u>
State General Fund:			
State Operations	\$ 5,184,352	\$ 3,238,265	\$ (46,251)
Aid to Local Units	37,693,146	31,824,706	0
Other Assistance	0	0	0
TOTAL	<u>\$ 42,877,498</u>	<u>\$ 35,062,971</u>	<u>\$ (46,251)</u>
FTE Positions	43.0	36.0	0.0
Other Unclassified Positions	11.0	8.0	0.0
TOTAL	<u>54.0</u>	<u>44.0</u>	<u>0.0</u>

* Entire reduction for the Governor's salary adjustments.

Agency Request/Governor's Recommendation

The agency requests FY 2002 operating expenditures of \$62,511,783 (\$42,877,498 SGF). The request includes \$3,830,316 for salaries and wages, \$1,298,156 for contractual services, \$186,418 for commodities, \$218,528 for capital outlay, \$1,161,253 for debt service, and \$55,817,112 for Aid to Local Units. The request includes enhancements in:

- Salaries and Wages - \$1,628,316 and 9.0 FTE positions;
- Other Operating Expenditures - \$173,875; and
- Aid to Local Units - \$5,565,220.

The Governor recommends \$54,291,380 (\$35,062,971 SGF) for FY 2002 operating expenditures. The recommendation includes \$2,218,507 for salaries and wages, \$1,076,781 for contractual services, \$73,665 for commodities, \$189,328 for capital outlay, \$784,427 for debt service, and \$49,948,672 for Aid to Local Units. The Governor recommends partial funding of a requested enhancement of additional Purchase of Services funding.

Senate Subcommittee Recommendations

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

1. Delete \$50,960 (\$46,251 SGF) for the Governor's pay plan adjustments.
2. The Subcommittee notes that the Governor's recommendation for Purchase of Services funding is tied to revised caseload estimates by the agency. Additional savings could be realized should the estimates change again. The Subcommittee also notes that placement matrix and purchase of service caseload estimates have in the past been compiled by the Sentencing Commission and the National Council on Crime and Delinquency. The Subcommittee recommends that the agency develop a standardized, objective method for determining caseload estimates and that further consideration be given to incorporating such caseload projections into the consensus revenue estimating process.
3. The Subcommittee expresses concern regarding the Governor's budget recommendation reducing funding for the Juvenile Intake and Assessment System by \$1,000,000. The recommendation reflects an anticipated agreement between the Juvenile Justice Authority and the Department of Social and Rehabilitation Services on payment for assessments conducted on non-offender juveniles. The Subcommittee directs the two agencies to resolve the problem and report at Omnibus a shared responsibility for making available resources to restore funding at the Current Services level. The Subcommittee also notes its continuing investigation of the Juvenile Accountability Incentive Block Grant and the Juvenile Detention Facilities Fund as potential resources.
4. The Subcommittee expresses its appreciation of the collaboration between the Juvenile Justice Authority, the Department of Social and Rehabilitation Services, the Department of Health and Environment, the Department of Education, the Children's Cabinet, Regional Prevention Centers and others represented on the Governor's Prevention Council in their efforts to collaborate on program delivery and to develop standards for evaluating the effectiveness of prevention programs. The Subcommittee encourages the continuation of the collaboration with the goal that those agencies will develop a methodology to demonstrate proven results to policymakers and justify continued appropriations of funds for prevention programs. The Subcommittee requests the agencies report at Omnibus on their plans to address the problem and report during the next legislative session the tracking mechanism and reporting method for data analysis.

Senate Subcommittee Report

Agency: Atchison Juvenile Correctional Facility **Bill No. --**

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. 974

Budget Page No. 67

Expenditure Summary	Agency Est. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 6,198,785	\$ 6,180,584	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 6,198,785	\$ 6,180,584	\$ 0
State General Fund:			
State Operations	\$ 6,017,192	\$ 5,987,991	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 6,017,192	\$ 5,987,991	\$ 0
FTE Positions	120.0	120.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	120.0	120.0	0.0

Agency Estimate/Governor's Recommendation

The agency estimates FY 2001 operating expenditures of \$6,198,785 (\$6,017,192 SGF). The estimate includes \$3,905,820 for salaries and wages, \$2,011,879 for contractual services, \$261,622 for commodities, and \$19,464 for capital outlay.

The Governor recommends \$6,180,584 (\$5,987,991 SGF) for FY 2001 operating expenditures. The recommendation includes \$3,902,343 for salaries and wages, \$2,001,876 for contractual services, \$259,240 for commodities, and \$17,125 for capital outlay.

Senate Subcommittee Recommendations

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

1. The Subcommittee notes the agency's appreciation concerning the transition of Youth Service Specialists to Juvenile Corrections Officers. The agency testified that the change has helped a great deal in staff recruitment and retention.

*Senate Ways and Means
2-27-01
Attachment 2*

2. The Subcommittee expresses concern regarding the rising costs of natural gas and the facility's ability to absorb the unexpected increases in utilities expenditures.
3. The Subcommittee commends the superintendent of the facility for his leadership in the position and in ensuring the facility's continued accreditation with the American Correctional Association.
4. The Subcommittee notes the impact of the Placement Matrix on bed space at the facility. The facility is currently experiencing a short period during which the actual population is below capacity. The population at the end of January was 73 compared with a capacity of 100. The population will begin to grow steadily as more offenders are sentenced under the Placement Matrix. The Subcommittee requests the agency report to the Committee at Omnibus concerning potential savings to be gained in the short term due to the decreased population.

Senate Subcommittee Report

Agency: Atchison Juvenile Correctional Facility **Bill No. --**

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. 974

Budget Page No. 67

Expenditure Summary	Agency Req. FY 02	Gov. Rec. FY 02	Senate Subcommittee Adjustments*
All Funds:			
State Operations	\$ 6,998,601	\$ 6,507,647	\$ (188,396)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 6,998,601	\$ 6,507,647	\$ (188,396)
State General Fund:			
State Operations	\$ 6,806,008	\$ 6,305,054	\$ (188,396)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 6,806,008	\$ 6,305,054	\$ (188,396)
FTE Positions	136.0	120.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	136.0	120.0	0.0

* Entire reduction for the Governor's salary adjustments.

Agency Request/Governor's Recommendation

The agency's request for FY 2002 operating expenditures is \$6,998,601 (\$6,806,008 SGF). The request includes \$4,487,045 for salaries and wages, \$2,165,382 for contractual services, \$287,514 for commodities, and \$58,660 for capital outlay. The request includes enhancements of:

- Salaries and Wages - \$486,912 and 16.0 FTE positions; and
- Other Operating Expenditures - \$78,811.

The Governor recommends \$6,507,647 (\$6,305,054 SGF) for FY 2002 operating expenditures. The recommendation includes \$4,139,757 for salaries and wages, \$2,089,551 for contractual services, \$262,989 for commodities, and \$15,350 for capital outlay. The Governor does not recommend the requested enhancements, but does include \$57,066 SGF for a 2.5 percent base salary increase for Juvenile Corrections Officers.

Senate Subcommittee Recommendations

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

1. Delete \$188,396 SGF for the Governor's pay plan adjustments.

2. The Subcommittee expresses concern regarding the increased costs of pharmaceuticals (particularly the psychotropic medications used to treat juveniles with a mental health diagnosis) and the fact that the line items in the Governor's budget recommendation for the facility have not accommodated that increase. The facility indicated that over 50 percent of its juvenile offenders are currently taking psychotropic medications. In light of nationwide studies which indicate that more than 60 percent of juvenile offenders have some form of mental illness and that 20 percent are seriously mentally ill, the Subcommittee recommends that the Joint Committee on Corrections and Juvenile Justice Oversight study the issue during the 2001 interim and investigate the reason behind the varying percentages among the facilities of offenders taking psychotropic medications.
3. The Subcommittee notes the agency's concern regarding the effect of the Placement Matrix on the incentive for offenders to participate in rehabilitation programs. The length of sentences under the matrix is specified and controlled by the sentencing court not the facility. Consequently, there is no chance for an offender to reduce his or her sentence by successful completion of a rehabilitation program. The Subcommittee recommends that the Joint Committee on Corrections and Juvenile Justice Oversight review the Placement Matrix and examine the efficacy of integrating a "good time" credit into the matrix.
4. The Subcommittee notes that the Sentencing Commission no longer calculates the population projections for the juvenile correctional facilities and that these duties are not statutorily assigned to any agency. The Juvenile Justice Authority is currently contracting with an outside agency to calculate the projections.
5. The Subcommittee acknowledges the changing population of the juvenile correctional facilities under the Placement Matrix. As was the intent behind the matrix, space in the facilities will be reserved exclusively for serious, chronic, and violent offenders while less serious offenders will be placed in the community. The Subcommittee encourages the agency to monitor security issues within the facility to ensure it has the adequate tools to protect both the staff and the offender population.
6. The Subcommittee acknowledges the requested enhancements for additional Juvenile Corrections Officers which were not funded in the Governor's budget recommendation and, while not providing additional funding at this time, expresses concern regarding the impact of staffing deficiencies on public safety and the safety of the staff and juvenile offenders at the facility.

Senate Subcommittee Report

Agency: Beloit Juvenile Correctional Facility **Bill No. --**

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. 993

Budget Page No. 87

Expenditure Summary	Agency Est. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 5,660,960	\$ 5,631,210	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 5,660,960	\$ 5,631,210	\$ 0
State General Fund:			
State Operations	\$ 5,380,663	\$ 5,345,913	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 5,380,663	\$ 5,345,913	\$ 0
FTE Positions	104.0	104.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	104.0	104.0	0.0

Agency Estimate/Governor's Recommendation

The agency's estimate for FY 2001 operating expenditures is \$5,660,960 (\$5,380,663 SGF). The estimate includes \$3,433,763 for salaries and wages, \$1,864,834 for contractual services, \$327,643 for commodities, and \$34,720 for capital outlay.

The Governor recommends \$5,631,210 (\$5,345,913 SGF) for FY 2001 operating expenditures. The recommendation includes \$3,422,458 for salaries and wages, \$1,862,634 for contractual services, \$315,398 for commodities, and \$30,720 for capital outlay.

Senate Subcommittee Recommendations

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

1. The Subcommittee notes the agency's appreciation concerning the transition of Youth Service Specialists to Juvenile Corrections Officers. The agency testified that the change has helped a great deal in staff recruitment and retention.

*Senate Ways and Means
2-27-01
Attachment 3*

2. The Subcommittee expresses concern regarding the rising costs of natural gas and the facility's ability to absorb the unexpected increases in utilities expenditures.
3. The Subcommittee commends the superintendent of the facility for his leadership in the position and in ensuring the facility's continued accreditation with the American Correctional Association.
4. The Subcommittee notes the impact of the Placement Matrix on bed space at the facility. The facility is currently experiencing a short period during which the actual population is below capacity. The population at the end of January was 64 compared with a capacity of 100. The population will begin to grow steadily as more offenders are sentenced under the Placement Matrix. The Subcommittee requests the agency report to the Committee at Omnibus concerning potential savings to be gained in the short term due to the decreased population.

Senate Subcommittee Report

Agency: Beloit Juvenile Correctional Facility **Bill No. --**

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. 993

Budget Page No. 87

Expenditure Summary	Agency Req. FY 02	Gov. Rec. FY 02	Senate Subcommittee Adjustments*
All Funds:			
State Operations	\$ 6,217,173	\$ 5,894,081	\$ (156,203)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 6,217,173	\$ 5,894,081	\$ (156,203)
State General Fund:			
State Operations	\$ 5,923,813	\$ 5,599,421	\$ (154,700)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 5,923,813	\$ 5,599,421	\$ (154,700)
FTE Positions	115.0	104.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	115.0	104.0	0.0

* Entire reduction for the Governor's salary adjustments.

Agency Request/Governor's Recommendation

The agency requests FY 2002 operating expenditures of \$6,217,173 (\$5,923,813 SGF). The request includes \$3,825,973 for salaries and wages, \$1,956,567 for contractual services, \$358,320 for commodities, and \$76,313 for capital outlay. The agency requests enhancements of:

- Salaries and Wages - \$301,911 and 11.0 FTE positions; and
- Other Operating Expenditures - \$59,277.

The Governor recommends \$5,894,081 (\$5,599,421 SGF) for FY 2002 operating expenditures. The recommendation includes \$3,599,624 for salaries and wages, \$1,941,202 for contractual services, \$324,855 for commodities, and \$28,400 for capital outlay. The Governor does not recommend the requested enhancements, but does include \$44,717 SGF for a 2.5 base salary increase for Juvenile Corrections Officers.

Senate Subcommittee Recommendations

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

1. Delete \$156,203 (\$154,700 SGF) for the Governor's pay plan adjustments.
2. The Subcommittee expresses concern regarding the increased costs of pharmaceuticals (particularly the psychotropic medications used to treat juveniles with a mental health diagnosis) and the fact that the line items in the Governor's budget recommendation for the facility have not accommodated that increase. The facility indicated that over 20 percent of its juvenile offenders are currently taking psychotropic medications. In light of nationwide studies which indicate that more than 60 percent of juvenile offenders have some form of mental illness and that 20 percent are seriously mentally ill, the Subcommittee recommends that the Joint Committee on Corrections and Juvenile Justice Oversight study the issue during the 2001 interim and investigate the reason behind the varying percentages among the facilities of offenders taking psychotropic medications.
3. The Subcommittee notes the agency's concern regarding the effect of the Placement Matrix on the incentive for offenders to participate in rehabilitation programs. The length of sentences under the matrix is specified and controlled by the sentencing court not the facility. Consequently, there is no chance for an offender to reduce his or her sentence by successful completion of a rehabilitation program. The Subcommittee recommends that the Joint Committee on Corrections and Juvenile Justice Oversight review the Placement Matrix and examine the efficacy of integrating a "good time" credit into the matrix.
4. The Subcommittee notes that the Sentencing Commission no longer calculates the population projections for the juvenile correctional facilities and that these duties are not statutorily assigned to any agency. The Juvenile Justice Authority is currently contracting with an outside agency to calculate the projections.
5. The Subcommittee acknowledges the changing population of the juvenile correctional facilities under the Placement Matrix. As was the intent behind the matrix, space in the facilities will be reserved exclusively for serious, chronic, and violent offenders while less serious offenders will be placed in the community. The Subcommittee encourages the agency to monitor security issues within the facility to ensure it has the adequate tools to protect both the staff and the offender population.
6. The Subcommittee acknowledges the requested enhancements for additional Juvenile Corrections Officers which were not funded in the Governor's budget recommendation and, while not providing additional funding at this time, expresses concern regarding the impact of staffing deficiencies on public safety and the safety of the staff and juvenile offenders at the facility.

Senate Subcommittee Report

Agency: Larned Juvenile Correctional Facility **Bill No. --**

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. 1012

Budget Page No. 329

Expenditure Summary	Agency Est. FY 01	Gov. Rec. FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 4,515,579	\$ 4,457,435	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	<u>\$ 4,515,579</u>	<u>\$ 4,457,435</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 4,288,187	\$ 4,230,043	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	<u>\$ 4,288,187</u>	<u>\$ 4,230,043</u>	<u>\$ 0</u>
FTE Positions	128.0	128.0	0.0
Other Unclassified Positions	8.0	8.0	0.0
TOTAL	<u>136.0</u>	<u>136.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency estimates FY 2001 operating expenditures of \$4,515,579 (\$4,288,187 SGF). The estimate includes \$4,325,112 for salaries and wages, \$91,751 for contractual services, \$90,716 for commodities, and \$8,000 for capital outlay. The estimate includes a supplemental request of \$50,000 SGF which is partially offset by reductions in other funds. The supplemental request is due to changes in state match requirements for the Residential Substance Abuse Treatment (RSAT) Program.

The Governor recommends \$4,457,435 (\$4,230,043 SGF) for FY 2001 operating expenditures. The recommendation includes \$4,284,378 for salaries and wages, \$76,779 for contractual services, \$88,278 for commodities, and \$8,000 for capital outlay. The Governor's recommendation shifts funds within the RSAT Program to satisfy the federal requirements, but adds no new funding.

*Senate Ways and Means
2-27-01
Attachment 4*

Senate Subcommittee Recommendations

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

1. The Subcommittee notes the agency's appreciation concerning the transition of Youth Service Specialists to Juvenile Corrections Officers. The agency testified that the change has helped a great deal in staff recruitment and retention.
2. The Subcommittee expresses concern regarding the rising costs of natural gas and the facility's ability to absorb the unexpected increases in utilities expenditures.
3. The Subcommittee commends the superintendent of the facility for his leadership in the position and in ensuring the facility's continued accreditation with the American Correctional Association.
4. The Subcommittee notes the impact of the Placement Matrix on bed space at the facility. The facility is currently experiencing a short period during which the actual population is below capacity. The population at the end of January was 111 compared with a capacity of 120. The population will begin to grow steadily as more offenders are sentenced under the Placement Matrix. The Subcommittee requests the agency report to the Committee at Omnibus concerning potential savings to be gained in the short term due to the decreased population.

Senate Subcommittee Report

Agency: Larned Juvenile Correctional Facility **Bill No. --**

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. 1012

Budget Page No. 329

Expenditure Summary	Agency Req. FY 02	Gov. Rec. FY 02	Senate Subcommittee Adjustments*
All Funds:			
State Operations	\$ 4,958,441	\$ 4,758,902	\$ (31,470)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 4,958,441	\$ 4,758,902	\$ (31,470)
State General Fund:			
State Operations	\$ 4,623,136	\$ 4,528,805	\$ (134,324)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 4,623,136	\$ 4,528,805	\$ (134,324)
FTE Positions	129.0	128.0	0.0
Other Unclassified Positions	10.0	8.0	0.0
TOTAL	139.0	136.0	0.0

* Includes a reduction of \$175,354 (\$170,295 SGF) for the Governor's salary adjustments.

Agency Request/Governor's Recommendation

The agency requests FY 2002 operating expenditures of \$4,758,902 (\$4,528,805 SGF). The request includes \$4,530,887 for salaries and wages, \$129,309 for contractual service, \$87,706 for commodities, and \$11,000 for capital outlay. The request includes enhancements of:

- Salaries and Wages - \$321,433, 1.0 FTE position, and 8.0 other unclassified positions; and
- Other Operating Expenditures - \$186,548.

The requested enhancements include \$343,884 (\$85,971 SGF) for the Residential Substance Abuse Treatment Program.

The Governor recommends \$4,758,902 (\$4,528,805 SGF) for FY 2002 operating expenditures. The recommendation includes \$4,530,887 for salaries and wages, \$129,309 for contractual services, \$87,706 for commodities, and \$11,000 for capital outlay. The recommendation includes \$200,000 (\$50,000 SGF) to continue the RSAT Program at the FY 2001 level as well as \$61,118 for a 2.5 percent base salary increase for Juvenile Corrections Officers.

Senate Subcommittee Recommendations

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

1. Delete \$175,354 (\$170,295 SGF) for the Governor's pay plan adjustments.
2. The Subcommittee expresses concern regarding the increased costs of pharmaceuticals (particularly the psychotropic medications used to treat juveniles with a mental health diagnosis) and the fact that the line items in the Governor's budget recommendation for the facility have not accommodated that increase. The facility indicated that over 20 percent of its juvenile offenders are currently taking psychotropic medications. In light of nationwide studies which indicate that more than 60 percent of juvenile offenders have some form of mental illness and that 20 percent are seriously mentally ill, the Subcommittee recommends that the Joint Committee on Corrections and Juvenile Justice Oversight study the issue during the 2001 interim and investigate the reason behind the varying percentages among the facilities of offenders taking psychotropic medications.
3. The Subcommittee notes the agency's concern regarding the effect of the Placement Matrix on the incentive for offenders to participate in rehabilitation programs. The length of sentences under the matrix is specified and controlled by the sentencing court not the facility. Consequently, there is no chance for an offender to reduce his or her sentence by successful completion of a rehabilitation program. The Subcommittee recommends that the Joint Committee on Corrections and Juvenile Justice Oversight review the Placement Matrix and examine the efficacy of integrating a "good time" credit into the matrix.
4. The Subcommittee adds \$35,971 SGF for the Residential Substance Abuse Treatment Program. The additional funds were requested by the facility to increase the state match for this federal program which provides residential substance abuse treatment for offenders of three of the four facilities. The increased funding would bring an additional \$107,913 of available federal funding to the facility. The agency indicated during the budget hearing that the federal funding could be lost if the state match were not provided.
5. The Subcommittee notes that the Sentencing Commission no longer calculates the population projections for the juvenile correctional facilities and that these duties are not statutorily assigned to any agency. The Juvenile Justice Authority is currently contracting with an outside agency to calculate the projections.
6. The Subcommittee acknowledges the changing population of the juvenile correctional facilities under the Placement Matrix. As was the intent behind the matrix, space in the facilities will be reserved exclusively for serious, chronic, and violent offenders while less serious offenders will be placed in the community. The Subcommittee encourages the agency to monitor security issues within the facility to ensure it has the adequate tools to protect both the staff and the offender population.

Senate Subcommittee Report

Agency: Topeka Juvenile Correctional Facility **Bill No. –**

Bill Sec. –

Analyst: Hollon

Analysis Pg. No. 1029

Budget Page No. 417

Expenditure Summary	Agency Estimate FY 01	Governor's Recommendation FY 01	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 12,316,481	\$ 12,198,301	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 12,316,481	\$ 12,198,301	\$ 0
State General Fund:			
State Operations	\$ 11,818,041	\$ 11,699,861	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 11,818,041	\$ 11,699,861	\$ 0
FTE Positions	226.0	226.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	226.0	226.0	0.0

Agency Estimate/Governor's Recommendation

The agency estimates FY 2001 operating expenditures of \$12,316,481 (\$11,818,041 SGF). The estimate includes \$7,834,501 for salaries and wages, \$3,906,224 for contractual services, \$480,756 for commodities, and \$95,000 for capital outlay.

The Governor recommends \$12,198,301 (\$11,699,861 SGF) for FY 2001 operating expenditures. The recommendation includes \$7,805,158 for salaries and wages, \$3,837,491 for contractual services, \$468,832 for commodities, and \$86,820 for capital outlay.

Senate Subcommittee Recommendations

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

1. The Subcommittee notes the agency's appreciation concerning the transition of Youth Service Specialists to Juvenile Corrections Officers. The agency testified that the change has helped a great deal in staff recruitment and retention.

*Senate Ways and Means
2-27-01
Attachment 5*

2. The Subcommittee expresses concern regarding the rising costs of natural gas and the facility's ability to absorb the unexpected increases in utilities expenditures.
3. The Subcommittee commends the superintendent of the facility for his leadership in the position and in ensuring the facility's continued accreditation with the American Correctional Association.
4. The Subcommittee notes the impact of the Placement Matrix on bed space at the facility. The facility is currently experiencing a short period during which the actual population is below capacity. The population at the end of January was 217 compared with a capacity of 276. The population will begin to grow steadily as more offenders are sentenced under the Placement Matrix. The Subcommittee requests the agency report to the Committee at Omnibus concerning potential savings to be gained in the short term due to the decreased population.

Senate Subcommittee Report

Agency: Topeka Juvenile Correctional Facility **Bill No. --**

Bill Sec. --

Analyst: Hollon

Analysis Pg. No. 1029

Budget Page No. 417

<u>Expenditure Summary</u>	<u>Agency Request FY 02</u>	<u>Governor's Recommendation FY 02</u>	<u>Senate Subcommittee Adjustments*</u>
All Funds:			
State Operations	\$ 13,246,786	\$ 12,619,158	\$ (358,392)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 13,246,786	\$ 12,619,158	\$ (358,392)
State General Fund:			
State Operations	\$ 12,801,742	\$ 12,074,114	\$ (358,392)
Aid to Local Units	0	0	0
Other Assistance	0	0	0
TOTAL	\$ 12,801,742	\$ 12,074,114	\$ (358,392)
FTE Positions	241.0	226.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	241.0	226.0	0.0

* Entire reduction for the Governor's salary adjustments.

Agency Request/Governor's Recommendation

The agency requests FY 2002 operating expenditures of \$13,246,786 (\$12,801,742 SGF). The request includes \$8,552,275 for salaries and wages, \$4,034,420 for contractual services, \$530,291 for commodities, and \$129,800 for capital outlay. The request includes enhancements of:

- Salaries and Wages - \$529,718 and 15.0 FTE positions; and
- Other Operating Expenditures - \$125,882.

The Governor recommends \$12,619,158 (\$12,074,114 SGF) for FY 2002 operating expenditures. The recommendation includes \$8,225,689 for salaries and wages, \$3,867,930 for contractual services, \$479,739 for commodities, and \$45,800 for capital outlay. The Governor does not recommend the requested enhancements, but does include \$109,099 SGF for a 2.5 percent base salary increase for Juvenile Corrections Officers.

Senate Subcommittee Recommendations

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

1. Delete \$358,392 SGF for the Governor's pay plan adjustments.
2. The Subcommittee expresses concern regarding the increased costs of pharmaceuticals (particularly the psychotropic medications used to treat juveniles with a mental health diagnosis) and the fact that the line items in the Governor's budget recommendation for the facility have not accommodated that increase. The facility indicated that almost 20 percent of its juvenile offenders are currently taking psychotropic medications. In light of nationwide studies which indicate that more than 60 percent of juvenile offenders have some form of mental illness and that 20 percent are seriously mentally ill, the Subcommittee recommends that the Joint Committee on Corrections and Juvenile Justice Oversight study the issue during the 2001 interim and investigate the reason behind the varying percentages among the facilities of offenders taking psychotropic medications.
3. The Subcommittee notes the agency's concern regarding the effect of the Placement Matrix on the incentive for offenders to participate in rehabilitation programs. The length of sentences under the matrix is specified and controlled by the sentencing court not the facility. Consequently, there is no chance for an offender to reduce his or her sentence by successful completion of a rehabilitation program. The Subcommittee recommends that the Joint Committee on Corrections and Juvenile Justice Oversight review the Placement Matrix and examine the efficacy of integrating a "good time" credit into the matrix.
4. The Subcommittee notes that the Sentencing Commission no longer calculates the population projections for the juvenile correctional facilities and that these duties are not statutorily assigned to any agency. The Juvenile Justice Authority is currently contracting with an outside agency to calculate the projections.
5. The Subcommittee acknowledges the changing population of the juvenile correctional facilities under the Placement Matrix. As was the intent behind the matrix, space in the facilities will be reserved exclusively for serious, chronic, and violent offenders while less serious offenders will be placed in the community. The Subcommittee encourages the agency to monitor security issues within the facility to ensure it has the adequate tools to protect both the staff and the offender population.
6. The Subcommittee acknowledges the requested enhancements for additional Juvenile Corrections Officers which were not funded in the Governor's budget recommendation and, while not providing additional funding at this time, expresses concern regarding the impact of staffing deficiencies on public safety and the safety of the staff and juvenile offenders at the facility.

2001-2002 OTHER EDUCATION SUBCOMMITTEE

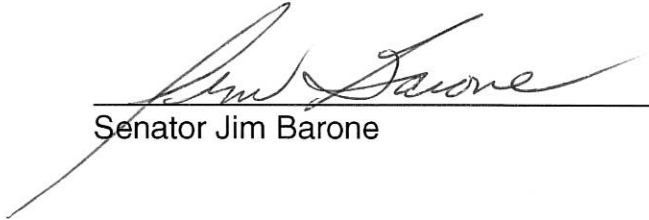
State Library



Senator Jean Schodorf



Senator Nick Jordan, Chairman



Senator Jim Barone

Senate Ways and Means
2-27-01
Attachment b

Senate Subcommittee Report

Agency: Kansas State Library

Bill No. --

Bill Sec. --

Analyst: Kramer

Analysis Pg. No. 626

Budget Page No. 341

Expenditure Summary	Agency Estimate FY 01	Gov. Rec. FY 01	Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,133,958	\$ 2,128,782	\$ 0
Aid to Local Units	4,775,112	4,775,112	0
Other Assistance	70,000	70,000	0
TOTAL	\$ 6,979,070	\$ 6,973,894	\$ 0
State General Fund:			
State Operations	\$ 1,473,134	\$ 1,467,958	0
State Operations	3,746,387	3,746,387	0
Aid to Local Units	0	0	0
Other Assistance	\$ 5,219,521	\$ 5,214,345	\$ 0
TOTAL			
FTE Positions	27.0	27.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	27.0	27.0	0.0

Agency Estimate/Governor's Recommendation

The agency estimate for FY 2001 expenditures is \$6,979,070 which is an increase of \$333,060 (5.0 percent) from the FY 2000 actual amount. The estimate includes \$1,059,025 for salaries and wages, \$856,734 for contractual services, \$99,178 for commodities, \$119,021 for capital outlay, \$4,775,112 for aid to local units, and \$70,000 for other assistance.

The Governor recommends \$6,973,894 for FY 2001 expenditures which is an increase of \$327,884 (4.9 percent) from the FY 2000 actual amount. The recommendation includes \$1,053,849 for salaries and wages, \$856,734 for contractual services, \$99,178 for commodities, \$119,021 for capital outlay, \$4,775,112 for aid to local units, and \$70,000 for other assistance.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Kansas State Library

Bill No. --

Bill Sec. --

Analyst: Kramer

Analysis Pg. No. 626

Budget Page No. 341

Expenditure Summary	Agency Request FY 02	Gov. Rec. FY 02	Subcommittee Adjustments*
All Funds:			
State Operations	\$ 2,189,378	\$ 2,152,824	\$ (32,247)
Aid to Local Units	6,892,307	4,525,827	0
Other Assistance	70,000	70,000	0
TOTAL	<u>\$ 9,151,685</u>	<u>\$ 6,748,651</u>	<u>\$ (32,247)</u>
State General Fund:			
State Operations	\$ 1,528,554	\$ 1,492,000	\$ (28,048)
Aid to Local Units	6,033,582	3,667,102	0
Other Assistance	0	0	0
TOTAL	<u>\$ 7,562,136</u>	<u>\$ 5,159,102</u>	<u>\$ (28,048)</u>
FTE Positions	27.0	27.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	<u>27.0</u>	<u>27.0</u>	<u>0.0</u>

* Entire amount reflects deletion of the Governor's recommended pay plan adjustments.

Agency Request/Governor's Recommendation

The agency request for FY 2001 expenditures is \$9,151,685 which is an increase of \$2,172,615 (31.1 percent) from the FY 2001 estimate. The request includes \$1,065,321 for salaries and wages, \$909,902 for contractual services, \$99,448 for commodities, \$114,707 for capital outlay, \$6,892,307 for aid to local units, and \$70,000 for other assistance. The request includes an enhancement package of \$2,351,752 SGF including \$2,293,252 for state aid to local libraries, \$42,500 for digitizing the Legislative newspaper articles, and \$16,000 for the addition of a shared staff position with Legislative Administrative Services.

The Governor recommends \$6,748,651 for FY 2002 expenditures which is a decrease of \$225,243 (3.2 percent) from the FY 2001 recommendation. The recommendation includes \$1,087,247 for salaries and wages, \$851,422 for contractual services, \$99,448 for commodities, \$114,707 for capital outlay, \$4,525,827 for aid to local units, and \$70,000 for other assistance. The Governor does not recommend the enhancements for increased aid to local libraries and for digitizing

the Legislative newspaper articles. The Governor recommends the addition of a shared staff position with Legislative Administrative Services for \$16,000.

Senate Subcommittee Recommendation

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


1. Delete \$32,247 from all funding sources, including \$28,048 from the State General Fund, to remove the Governor's employee salary adjustment. This includes \$10,332 (\$8,986 SGF) for longevity, \$3,152 (\$2,741 SGF) for unclassified merit pool, and \$18,764 (\$16,320 SGF) for classified base increases.
2. The Subcommittee notes the reduction of \$249,285 in state aid to local libraries. According to the agency, 52 percent of local libraries have local tax levies of under \$15,000, which constitutes over 85 percent of library funding. State aid to these libraries, as well as to larger libraries, is an important funding source, and the Subcommittee is concerned that reductions in this funding will have a significant impact on local libraries. The Subcommittee recommends further review of this issue and considers it an important priority to be reviewed in the omnibus session.

2001-2002 SENATE SUBCOMMITTEE

Kansas State Historical Society



Senator Nick Jordan, Chairman



Senator Jean Schodorf



Senator Jim Barone

Senate Subcommittee Report

Agency: Kansas State Historical Society **Bill No. --**

Bill Sec. --

Analyst: Nogle

Analysis Pg. No. 637

Budget Page No. 223

Expenditure Summary	Agency Est. FY 01	Gov. Rec. FY 01	Senate Subcommit- tee Adjustments
Operating Expenditures			
State Operations	\$ 7,045,186	\$ 7,045,187	\$ 0
Aid to Local Units	898,000	898,000	0
Other Assistance	110,000	1,310,000	0
TOTAL	\$ 8,053,186	\$ 9,253,187	\$ 0
State General Fund			
State General Fund	\$ 5,842,785	\$ 5,842,786	\$ 0
Other Funds	2,210,401	3,410,401	0
TOTAL	\$ 8,053,186	\$ 9,253,187	\$ 0
FTE Positions			
FTE Positions	136.5	136.5	0.0
Other Unclassified Positions	10.0	10.0	0.0
TOTAL	146.5	146.5	0.0

Agency Estimate/Governor's Recommendation

The agency's revised current year estimate of operating expenditures is an increase of \$307,510 (4.0 percent) from the amount approved by the 2000 Legislature. The increase reflects additional Heritage Trust Fund Grants and increased revenues in various fee funds.

Governor's Recommendation. The Governor recommends an increase of \$1,507,511 (19.5 percent) from the amount approved by the 2000 Legislature. The increase is due to additional federal funds made available to the agency in FY 2001 for the William Allen White home (\$700,000) and historic preservation grants (\$500,000).

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Kansas State Historical Society **Bill No. --**

Bill Sec. --

Analyst: Nogle

Analysis Pg. No. 637

Budget Page No. 223

Expenditure Summary	Agency Req. FY 02	Gov. Rec. FY 02	Senate Subcommittee Adjustments*
Operating Expenditures			
State Operations	\$ 7,496,189	\$ 6,914,941	\$ (167,149)
Aid to Local Units	898,000	898,000	0
Other Assistance	185,000	85,000	0
TOTAL	\$ 8,579,189	\$ 7,897,941	\$ (167,149)
State General Fund	\$ 6,376,121	\$ 5,857,281	\$ (148,815)
Other Funds	2,203,068	2,040,660	(18,334)
TOTAL	\$ 8,579,189	\$ 7,897,941	\$ (167,149)
FTE Positions	137.5	136.5	0.0
Other Unclassified Positions	10.0	10.0	0.0
TOTAL	147.5	146.5	0.0

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

Agency Request/Governor's Recommendation

The agency request is an increase of \$526,003 (6.5 percent) from the FY 2001 estimate. The increase in State General Fund expenditures is \$533,336 (9.1 percent). The decrease in all other funds expenditures is \$7,333 (0.3 percent). The request includes enhancements totaling \$571,820, including \$496,820 from the State General Fund.

Governor's Recommendation. The Governor's recommendation is a decrease of \$1,355,246 (14.6 percent) from the FY 2001 recommendation. The majority of the decrease of \$1,369,741 (40.2 percent) in all other funds is due to the absence of federal funds that were available for special projects in FY 2001. The Governor recommends an increase of \$14,495 (0.2 percent) in State General Fund expenditures for FY 2002.

Senate Subcommittee Recommendation

The Subcommittee concurs with the Governor's recommendations with the following adjustments and observations:

1. Remove \$167,149 (\$148,815 SGF) for the Governor's pay plan adjustments.
2. The Subcommittee notes that the agency's shrinkage rate of 7.0 percent for FY 2002 (before including the Governor's pay plan adjustments) appears to be excessive and requests further information on the shrinkage rates imposed on other state agencies.
3. The Subcommittee encourages the agency to seek alternative funding sources to raise the \$67,000 necessary to leverage \$100,000 in federal grant funds for repair and rehabilitation of the east building at the historic Shawnee Mission. The Subcommittee also recommends review of this issue at omnibus.
4. The Subcommittee recognizes that the 1998 Legislature challenged the agency to raise money from visitor donations at the state's historic sites by providing a dollar for dollar match to those donations beginning in FY 1999. The Governor did not provide funding for the program in FY 2002.

According to the agency, the funding has provided it with opportunities to enhance its visibility to the public through promotions and programs at the sites, improved exhibits and curriculum, family programming, market research, advertising, promotional programs and field services.


The program's collections are listed below:

<u>Fiscal Year</u>	<u>Donations</u>
1999	\$ 61,818
2000	73,147
2001 Estimate	75,000
2002 Estimate	75,000

5. The Subcommittee commends Marion Cott, Executive Director of the Kansas Humanities Council for bringing to the attention of the Subcommittee that the Sesquicentennial (150th Anniversary) of Kansas as a Territory occurs in 2004. The Subcommittee recommends the establishment of a commission to commemorate this important event in our state's history.

2001 OTHER EDUCATION SUBCOMMITTEE

Kansas Arts Commission



Senator Nick Jordan, Chairman



Senator Jean Schodorf



Senator Jim Barone

Senate Subcommittee Report

Agency: Kansas Arts Commission

Bill No. --

Bill Sec. --

Analyst: Nogle

Analysis Pg. No. 656

Budget Page No. 65

<u>Expenditure Summary</u>	<u>Agency Est. FY 01</u>	<u>Gov. Rec. FY 01</u>	<u>Senate Subcommittee Adjustments</u>
Operating Expenditures			
State Operations	\$ 525,430	\$ 525,430	\$ 0
Aid to Local Units	268,546	268,546	0
Other Assistance	1,343,210	1,343,210	0
TOTAL	<u>\$ 2,137,186</u>	<u>\$ 2,137,186</u>	<u>\$ 0</u>
SGF	\$ 1,511,652	\$ 1,511,652	\$ 0
Other Funds	625,534	625,534	0
TOTAL	<u>\$ 2,137,186</u>	<u>\$ 2,137,186</u>	<u>\$ 0</u>
FTE Positions	8.0	8.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>

Agency Est./Governor's Recommendation

The **agency's revised FY 2001** estimate is \$2,184 (0.1 percent) more than the amount approved by the 2000 Legislature. The agency's State General Fund request is \$14,198 (0.9 percent) less than the amount approved by the 2000 Legislature. Of the total estimate, \$1,511,652 (70.7 percent) is from the State General Fund, with the remaining \$625,534 (29.3 percent) from federal funds.

The agency estimate for FY 2001 other funds is an increase of \$16,382 (2.7 percent) from the amount approved by the 2000 Legislature. The change is due to fluctuations in the National Endowment for the Arts (NEA) predicted grant amounts and returned grant funds. The first priority according to the agency is to put the returned funds into programs.

The Governor concurs with the agency request.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the Governor's recommendations.

2002 OTHER EDUCATION SUBCOMMITTEE

Kansas Arts Commission



Senator Nick Jordan, Chairman



Senator Jean Schodorf



Senator Jim Barone

Senate Subcommittee Report

Agency: Kansas Arts Commission

Bill No. --

Bill Sec. --

Analyst: Nogle

Analysis Pg. No. 656

Budget Page No. 65

<u>Expenditure Summary</u>	<u>Agency Req. FY 02</u>	<u>Gov. Rec. FY 02</u>	<u>Senate Subcommittee Adjustments*</u>
Operating Expenditures			
State Operations	\$ 646,392	\$ 518,615	\$ (10,876)
Aid to Local Units	500,130	230,670	0
Other Assistance	1,613,345	1,343,885	0
TOTAL	<u>\$ 2,759,867</u>	<u>\$ 2,093,170</u>	<u>\$ (10,876)</u>
SGF	\$ 2,111,046	\$ 1,657,379	\$ (6,821)
Other Funds	648,821	435,791	(4,055)
TOTAL	<u>\$ 2,759,867</u>	<u>\$ 2,093,170</u>	<u>\$ (10,876)</u>
FTE Positions	8.0	8.0	0.0
Other Unclassified Positions	0.0	0.0	0.0
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>

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

Agency Req./Governor's Recommendation

The **agency FY 2002 request** is a \$622,681 (29.1 percent) increase from the FY 2001 estimate. The increase reflects enhancement requests totaling \$675,113.

The Governor's recommendation for FY 2002 is \$44,016 (2.1 percent) less than the FY 2001 recommendation. The Governor does not recommend any enhancements.

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

1. Delete \$10,876 (\$6,821 SGF) for removal of the Governor's pay plan.
2. The Subcommittee recommends the continuation of the agency official hospitality fund expenditure limitation at \$4,000 for FY 2002. The expenditure limitation was increased by the 2000 Legislature from \$300 in FY 2000 to \$4,000 in FY 2001.
3. The Subcommittee recommends the continuation of language in the appropriations bill allowing the agency to account for state and local dollar matches to federal money in the aggregate when reviewed by Legislative Post Audit. Prior to the FY 2001 appropriations bill, the agency was forced to account for the match dollars on a program by program basis. The change does not affect the accounting process of the agency, but simplifies the auditing process and puts it in line with the National Endowment for the Arts requirements.

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TOPEKA

HOUSE OF
 REPRESENTATIVES

COMMITTEE ASSIGNMENTS
 CHAIRMAN: PENSIONS, INVESTMENTS & BENEFITS
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 E-GOVERNMENT
 GEN GOVT & HUMAN RESOURCES
 BUDGET

TESTIMONY ON SB 309
 BY
 REPRESENTATIVE LLOYD A. STONE
 FEBRUARY 27, 2001

Mr. Chairman, members of the Senate Ways and Means Committee, thank you for the opportunity to appear before you this morning. I come here to speak in favor of Senate Bill 309. As you know, this bill would transfer the ownership of the William Allen White House, located at 927 Exchange St., in Emporia to the historical society of the state of Kansas.

I am sure all of you are aware of the tremendous contribution William Allen White made to the city of Emporia, northeast Kansas, the state of Kansas, and the United States through his various writings. His famous editorial, "What's the Matter with Kansas?" was used to help elect William McKinley to the Presidency in 1896. This small town newspaperman not only received a Pulitzer prize in 1923, but also was awarded a second one in 1947, three years after his death. He was indeed one of the most outstanding journalists of the nineteenth and twentieth centuries.

It seems only fitting that the William Allen White home be preserved so that future generations might know of, and remember, this famous Kansan. I respectfully urge the committee to not only pass SB 309 but to appropriate the necessary funds to continue the preservation of this beautiful historic place. I am confident that any funds spent will be returned many times over by the people who will travel to and through Kansas to visit the home of this great Native Kansan.

Thank you Mr. Chairman and members of the committee for your attention to this matter.

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JAMES A. BARNETT
SENATOR, 17TH DISTRICT
HOME ADDRESS: 1400 LINCOLN
EMPORIA, KS 66801
OFFICE: STATE CAPITOL BUILDING—136-N
TOPEKA, KANSAS 66612-1504
785 296-7384
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TOPEKA

SENATE CHAMBER

COUNTIES
CHASE, COFFEY, GEARY,
LYON, MARION, MORRIS,
OSAGE AND WABAUNSEE
COMMITTEE ASSIGNMENTS
VICE CHAIR: PUBLIC HEALTH AND WELFARE
MEMBER: FEDERAL AND STATE AFFAIRS
FINANCIAL INSTITUTIONS AND
INSURANCE

TESTIMONY FOR SB 309

Mr. Chairman and members of the Senate Ways and Means Committee, thank you for the opportunity to testify in support of Senate Bill 309.

The state of Kansas has been very fortunate to be the home of many nationally famous Americans. William Allen White certainly ranks as one of the most important and famous national figures from the midwest.

Due to the generosity of the White family, the Kansas Historical Society has the opportunity to acquire the home of William Allen White.

Through the years, a number of presidents have visited and stayed with the White family in Emporia. We now have the opportunity to showcase this famous home and individual, while adding one other important reason for visitors and tourists to come to our state.

This project has broad support. Senator Pat Roberts has obtained \$700,000.00 dollars of federal funding earmarked for this project. I come to you today asking for your approval of this collaborative effort that will benefit all Kansans.

Thank you for the opportunity to come before you.



Senator Jim Barnett

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ement of Bruce Buchanan
Harris Enterprises, Inc.
Hutchinson, 620-694-5830

William Allen White's home in Emporia is one of the cultural treasures in Kansas. White was at the center of the political and social forces that shaped Emporia, Kansas and much of the nation during the first half of the 20th century. While the Gazette served as his primary platform, the home at 927 Exchange St. provided a gathering place for the many people – including six presidents – White brought to Emporia. It also provided a refreshing respite from the chaos of the newspaper.

Barbara White Walker, White's granddaughter, has offered to gift the house and most of the contents to the Historical Society in exchange for an agreement that it be maintained as a historic site. She envisions "Red Rocks" as being a "working house," both a museum and a place where people can be brought together to discuss the issues of the day.

I have had the opportunity to tour and attend numerous meetings at the home. I am always humbled by knowing what great minds William Allen White brought together there. And, I can assure you, the surroundings always raise the level of discourse.

For several years, people from the community, along with members of the William Allen White Foundation at the University of Kansas and others, have dreamed about what could be accomplished if the home could be acquired from the White family. Unfortunately, we never came up with the right combination to pull it off.

Now, with the help of the state Historical Society, we have the opportunity. With \$700,000 in a federal appropriation – obtained by Sen. Pat Roberts – and the stability of the Historical Society, the time is ripe to move the house from private hands to public ownership.

Ideally, the state will take responsibility for the house and majority of its basic operations. The federal money could then be used to enhance the property, making it more accessible and giving it the edge a first-class historic site needs.

We will create a local foundation, which will be charged with pulling together local support. The foundation will also include state and national representatives. We think there is great potential for generating substantial private support for the many programs that can be offered at the house.

Although I have long-time ties to Kansas newspapers, we should all recognize that White's influence spanned a multitude of disciplines. Let me give you one example. Next year, the William Allen White Book Award will celebrate its 50th year. That program has touched thousands of Kansas school children. The award ceremony will be in Emporia. What an exciting opportunity it would if the two winning authors could put on workshops for teachers in the living room of William Allen White's home.

The house is now under the family's care. But, ^{it} if isn't fair to expect the family to bear the burden of preserving the house much longer. If we don't move quickly, we will lose this opportunity.

Please support Senate Bill 309.

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MARY WHITE

By WILLIAM ALLEN WHITE

Mary White—one seems to know her after reading this sketch written by her father on the day she was buried—would surely have laughed unbelievably if told she would be in a book of this sort, together with Joseph Conrad, one of whose books lay on her table. But the pen, in the honest hand, has always been mightier than the grave.

This is not the sort of thing one wishes to mar with clumsy comment. It was written for the *Emporia Gazette*, which William Allen White has edited since 1895. He is one of the best-known, most public-spirited and most truly loved of American journalists. He and his fellow-Kansan, E. W. Howe of Atchison, are two characteristic figures in our newspaper world, both masters of that vein of canny, straightforward, humane and humorous simplicity that seems to be a Kansas birthright.

Mr. White was born in Emporia in 1868.

THE Associated Press reports carrying the news of Mary White's death declared that it came as the result of a fall from a horse. How she would have hooted at that! She never fell from a horse in her life. Horses have fallen on her and with her—"I'm always trying to hold 'em in my lap," she used to say. But she was proud of few things, and one was that she could ride anything that had four legs and hair. Her death resulted not from a fall, but from a blow on the head which fractured her skull, and the blow came from the limb of an overhanging tree on the parking.

Mary White

The last hour of her life was typical of its happiness. She came home from a day's work at school, topped off by a hard grind with the copy on the High School Annual, and felt that a ride would refresh her. She climbed into her khakis, chattering to her mother about the work she was doing, and hurried to get her horse and be out on the dirt roads for the country air and the radiant green fields of the spring. As she rode through the town on an easy gallop she kept waving at passers-by. She knew everyone in town. For a decade the little figure with the long pig-tail and the red hair ribbon has been familiar on the streets of Emporia, and she got in the way of speaking to those who nodded at her. She passed the Kerrs, walking the horse, in front of the Normal Library, and waved at them; passed another friend a few hundred feet further on, and waved at her. The horse was walking and, as she turned into North Merchant Street she took off her cowboy hat, and the horse swung into a lope. She passed the Triplets and waved her cowboy hat at them, still moving gaily north on Merchant Street. A *Gazette* carrier passed—a High School boy friend—and she waved at him, but with her bridle hand; the horse veered quickly, plunged into the parking where the low-hanging limb faced her, and, while she still looked back waving, the blow came. But she did not fall from the horse; she slipped off, dazed a bit,

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staggered and fell in a faint. She never quite recovered consciousness.

But she did not fall from the horse, neither was she riding fast. A year or so ago she used to go like the wind. But that habit was broken, and she used the horse to get into the open to get fresh, hard exercise, and to work off a certain surplus energy that welled up in her and needed a physical outlet. That need has been in her heart for years. It was back of the impulse that kept the dauntless, little brown-clad figure on the streets and country roads of this community and built into a strong, muscular body what had been a frail and sickly frame during the first years of her life. But the riding gave her more than a body. It released a gay and hardy soul. She was the happiest thing in the world. And she was happy because she was enlarging her horizon. She came to know all sorts and conditions of men; Charley O'Brien, the traffic cop, was one of her best friends. W. L. Holtz, the Latin teacher, was another. Tom O'Connor, farmer-politician, and Rev. J. H. J. Rice, preacher and police judge, and Frank Beach, music master, were her special friends, and all the girls, black and white, above the track and below the track, in Pepville and Stringtown, were among her acquaintances. And she brought home riotous stories of her adventures. She loved to rollick; persiflage was her natural expression at home.

Her humor was a continual bubble of joy. She seemed to think in hyperbole and metaphor. She was mischievous without malice, as full of faults as an old shoe. No angel was Mary White, but an easy girl to live with, for she never nursed a grouch five minutes in her life.

With all her eagerness for the out-of-doors, she loved books. On her table when she left her room were a book by Conrad, one by Galsworthy, "Creative Chemistry" by E. E. Slosson, and a Kipling book. She read Mark Twain, Dickens and Kipling before she was ten—all of their writings. Wells and Arnold Bennett particularly amused and diverted her. She was entered as a student in Wellesley in 1922; was assistant editor of the High School Annual this year, and in line for election to the editorship of the Annual next year. She was a member of the executive committee of the High School Y. W. C. A.

Within the last two years she had begun to be moved by an ambition to draw. She began as most children do by scribbling in her school books, funny pictures. She bought cartoon magazines and took a course—rather casually, naturally, for she was, after all, a child with no strong purposes—and this year she tasted the first fruits of success by having her pictures accepted by the High School Annual. But the thrill of delight she got when Mr. Ecord, of the Normal An-

nual, asked her to do the cartooning for that book this spring, was too beautiful for words. She fell to her work with all her enthusiastic heart. Her drawings were accepted, and her pride—always repressed by a lively sense of the ridiculousness of the figure she was cutting—was a really gorgeous thing to see. No successful artist ever drank a deeper draught of satisfaction than she took from the little fame her work was getting among her schoolfellows. In her glory, she almost forgot her horse—but never her car.

For she used the car as a jitney bus. It was her social life. She never had a "party" in all her nearly seventeen years—wouldn't have one; but she never drove a block in the car in her life that she didn't begin to fill the car with pick-ups! Everybody rode with Mary White—white and black, old and young, rich and poor, men and women. She liked nothing better than to fill the car full of long-legged High School boys and an occasional girl, and parade the town. She never had a "date," nor went to a dance, except once with her brother, Bill, and the "boy proposition" didn't interest her—yet. But young people—great spring-breaking, varnish-cracking, fender-bending, door-sagging carloads of "kids" gave her great pleasure. Her zests were keen. But the most fun she ever had in her life was acting as chairman of the committee that got up the big turkey dinner for the poor folks

11-1-2
Mary White
Newtonville, Mass.
80¢ 27

at the county home; scores of pies, gallons of slaw; jam, cakes, preserves, oranges and a wilderness of turkey were loaded in the car and taken to the county home. And, being of a practical turn of mind, she risked her own Christmas dinner by staying to see that the poor folks actually got it all. Not that she was a cynic; she just disliked to tempt folks. While there she found a blind colored uncle, very old, who could do nothing but make rag rugs, and she rustled up from her school friends rags enough to keep him busy for a season. The last engagement she tried to make was to take the guests at the county home out for a car ride. And the last endeavor of her life was to try to get a rest room for colored girls in the High School. She found one girl reading in the toilet, because there was no better place for a colored girl to loaf, and it inflamed her sense of injustice and she became a nagging harpie to those who, she thought, could remedy the evil. The poor she had always with her, and was glad of it. She hungered and thirsted for righteousness; and was the most impious creature in the world. She joined the Congregational Church without consulting her parents; not particularly for her soul's good. She never had a thrill of piety in her life, and would have hooted at a "testimony." But even as a little child she felt the church was an agency for helping people to more of life's abundance, and she

wanted to help. She never wanted help for herself. Clothes meant little to her. It was a fight to get a new rig on her; but eventually a harder fight to get it off. She never wore a jewel and had no ring but her High School class ring, and never asked for anything but a wrist watch. She refused to have her hair up; though she was nearly seventeen. "Mother," she protested, "you don't know how much I get by with, in my braided pigtales, that I could not with my hair up." Above every other passion of her life was her passion not to grow up, to be a child. The tom-boy in her, which was big, seemed to loathe to be put away forever in skirts. She was a Peter Pan, who refused to grow up.

Her funeral yesterday at the Congregational Church was as she would have wished it; no singing, no flowers save the big bunch of red roses from her Brother Bill's Harvard classmen—Heavens, how proud that would have made her! and the red roses from the *Gazette* force—in vases at her head and feet. A short prayer, Paul's beautiful essay on "Love" from the Thirteenth Chapter of First Corinthians, some remarks about her democratic spirit by her friend, John H. J. Rice, pastor and police judge, which she would have deprecated if she could, a prayer sent down for her by her friend, Carl Nau, and opening the service the slow, poignant movement from Beethoven's Moonlight Sonata, which

she loved, and closing the service a cutting from the joyously melancholy first movement of Tschaikowski's Pathetic Symphony, which she liked to hear in certain moods on the phonograph; then the Lord's Prayer by her friends in the High School.

That was all.

For her pall-bearers only her friends were chosen; her Latin teacher—W. L. Holtz; her High School principal, Rice Brown; her doctor, Frank Foncannon; her friend, W. W. Finney; her pal at the *Gazette* office, Walter Hughes; and her brother Bill. It would have made her smile to know that her friend, Charley O'Brien, the traffic cop, had been transferred from Sixth and Commercial to the corner near the church to direct her friends who came to bid her good-by.

A rift in the clouds in a gray day threw a shaft of sunlight upon her coffin as her nervous, energetic little body sank to its last sleep. But the soul of her, the glowing, gorgeous, fervent soul of her, surely was flaming in eager joy upon some other dawn.

Some Quotations about William Allen White

Walter Winchell said: "William Allen White assumed that, since Kansas is the geographic heart of America, he was especially equipped to interpret America's soul. In this he was largely correct."

Walter Lippmann, the famous NY columnist, wrote, "For as long as I can remember, when anyone wished to find out or was advising someone from abroad how to find out what was the American view at the heart of the Nation and in its purest form, he turned, as a matter of course, to William Allen White in Emporia."

Mark Twain, that notorious curmudgeon, understood and admired White. Praising one of White's books, he concluded: "Talk again--- the country is listening."

A visit to the Whites in Emporia: "The White family will call for you at the station and return you to it. As you step off your train, someone steps on who is being farewelled by the Whites. As you board it twenty-four hours later there descends from it someone who is welcomed by the Whites... your twenty-four hours will be a mellow blend of roomy red-stone house, flagged terrace, lily pond, fried chicken, books, ancient elms, four-poster beds, hot biscuits, front porch, old mahogany, deep-dish apple pie, peace, friendliness, bath-rooms, Kansas sky, French peasant china, and the best conversation to be found east (or west) of the Rockies." (Edna Ferber, best-selling novelist and friend of WAW)

An assessment: "One long evening on the lawn behind his house in Emporia, Will White lay, as usual, in the hammock, looking rather like a watermelon with legs attached, talking about his newspaper. I accused him of having invented himself, of creating his own character as the shrewd kindly, country editor. He was really, I said, a sophisticated city guy. He tried to tell me that his paper was no better than a dozen other Kansas county-seat papers, and the next morning he took me over to the office and showed me the exchanges to prove it. They were good country papers, often imitations of "The Emporia Gazette." But nobody read them in New York, or even in St. Louis; and *everybody* knew "The Emporia Gazette." Partly that was because Will White must have been born with more salt in him than most babies; also partly because he was the New Yorker in Emporia as well as the Emporian when he came to New York. New York is full of small-town boys trying their best to forget that they are small-town boys. Will White made a career out of remembering it..." (Louis Gannett, Gannett Newspapers)

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Attachment 12-5

Presentation to the Senate Ways and Means Committee, February 27, 2001, by Ramon Powers, Executive Director of the Kansas State Historical Society.

Chair Morris and members of the Committee, I am Ramon Powers, Executive Director of the Kansas State Historical Society.

Senator Barnett asked me to appear before you to comment on two matters. One is the process by which properties become part of the state's historic sites system. In 1982, provisions for the "acquisition of historic property for historic preservation" were enacted, which established procedures for those seeking to place a historic site under Society ownership and administration. Those procedures require a petition signed by 1,000 qualified electors to be submitted to the Historic Sites Board of Review, which is directed to make findings and recommendations based on a series of factors such as the significance of the property, whether it will generate revenues, potential partnerships, accessibility, utilities, whether it illustrates an important aspect of state history, and other relevant information.

The Society has received the 1,000 signatures, which have been sent to the counties for certification of authenticity. Internally, we have already initiated a study of the William Allen White house, and we are in the process of generating cost figures for its rehabilitation and future operation. That information will be readily available for the Board when it is called on to initiate the making of findings and recommendations.

The William Allen White House has been designated a National Historic Landmark by the Secretary of the Interior. National Historic Landmarks are the most significant properties in American history. They illustrate and commemorate our collective past and help us to understand our national identity.

As a matter of background, those involved with the preservation of the William Allen White House have requested my presence at various meetings over the past decade regarding the house. We have given assistance when possible. When Senator Roberts decided to seek a federal appropriation for the preservation of the house, we provided him with estimates, and when he requested a vehicle to channel the funds back to Kansas, we offered the Society as the vehicle.

As the second point, I want to briefly tell you of my assessment of William Allen White's importance in Kansas history. Indeed, White's significance is greater by far than any other Kansan in the first half of the 20th century. He wrote of Emporia and its Midwestern values. Writing to an emerging urban middle class, he won a nationwide audience. White was preoccupied with the meaning of community, which he came to identify at base as the American middle class, and the ideal that we could all live harmoniously in an affluent, just society.

I would encourage you to read White's autobiography. His role in Kansas and on the national and world stage is a remarkable testament to the country editor from Emporia.

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Attachment 13

Testimony on SB 322
Senate Ways and Means Committee
February 27, 2001
Glenn Deck, Executive Secretary
Kansas Public Employees Retirement System

Background

Current KPERS statutes provide that the Board of Trustees has significant fiduciary responsibility for the Retirement System. Their duties include:

- selecting and monitoring the performance of outside money managers and in-house staff to invest over \$10 billion in assets in complex financial markets on a world-wide basis under an asset allocation with a risk profile they approve and adopt;
- negotiating and entering into contracts with money managers which are generally asset based fee arrangements totaling approximately \$28 million annually;
- administering retirement, disability and survivor benefits for more than 54,000 benefit recipients;
- ensuring future distributions to more than 157,000 active members who work for more than 1,400 separate public employers in the State of Kansas; and
- managing over \$1 billion in annual income.

KPERS Trustees are different from many other state agency officials because they are subject to an extensive and stringent set of fiduciary obligations and personal fiduciary liability. The Board needs operational flexibility in order to determine the most appropriate business strategy for the system. However, under current practices, certain statutory limitations and budget processes can be an impediment to the Board as they attempt to effectively and efficiently fulfill their duties.

Flexibility Proposals

In January 2000, the Board of Trustees of the Kansas Public Employees Retirement System approved the concept of seeking, by means of enabling legislation, more operational flexibility for the Retirement System. Initially, the Board favored the concept of the Retirement System's becoming an "authority" along the lines of the Kansas Turnpike Authority, the Kansas Development Finance Authority, or the K.U. Hospital Authority.

In August 2000, staff presented the System's authority-status proposal to the Joint Committee on Pensions, Investments and Benefits. The Committee expressed its interest in the concept of more operational flexibility for KPERS but not full authority status. The Committee instructed KPERS staff to come back at a subsequent meeting with a proposal focusing only on additional operational flexibility for KPERS. In November 2000, KPERS Board Chair Jarold Boettcher along with staff presented specific flexibility proposals to the Joint Committee. The Committee instructed KPERS staff and

Legislative staff to work together to draft bills that would provide the KPERS Board of Trustees additional flexibility in the specific areas of Personnel, Purchasing, and Budget.

Earlier this month, KPERS presented these proposed bills to the KPERS Subcommittee of the Ways and Means Committee. The Subcommittee concurred with the proposals and recommended legislation to:

- Provide the KPERS Board with certain **Personnel** related flexibility, consisting of authorization to add new positions as either classified or unclassified and to determine which positions in the classified service when they become vacant may be placed in the unclassified service (SB 322); and
- Exempt the KPERS Board from state **Purchasing** requirements when obtaining professional services (SB 330);
- Allow the KPERS Board more control over the System's administrative **Budget** by lifting the appropriations and FTE limitations in the agency's appropriations bill.

SB 322 Proposed Changes

Current statutes (K.S.A. 74-4908(1) and (6)) prescribe a limited list of 12 positions in the unclassified service for KPERS out of a total current agency staff of 79. In December 2000, the State Finance Council authorized KPERS a new investment operations analyst position to assist with non-KPERS investment responsibilities given to the agency by the 1999 and 2000 Legislature. To be consistent with other KPERS investment positions and to facilitate recruitment, this position should be in the unclassified service. In order to establish the position, a change is required in the current statute listing which KPERS staff may be in the unclassified service.

SB 322 will accommodate this present need as well as future needs for positions and allow the agency to respond more quickly to new responsibilities and changing conditions. SB 322 will not affect existing classified staff who will continue in the classified service. SB 322 provides that when positions in the classified service become vacant, the Board can determine whether they should be placed in the unclassified service. Also, when new positions are established, the Board will determine which new positions will be classified and which will be unclassified.

The Board believes SB 322 provides it with the authority it needs to organize and staff the agency to carry out its fiduciary responsibilities. SB 322 will allow the Board to be more responsive in the future to changes in the investment markets, new responsibilities and service to our 233,000 members. Therefore, the Board requests your support for SB 322. ✓

Testimony on SB 330
Senate Ways and Means Committee
February 27, 2001
Glenn Deck, Executive Secretary
Kansas Public Employees Retirement System

Background

From the date of enactment in 1961, KPERS statutes have provided the Board of Trustees with considerable authority to contract with professionals on behalf of the Retirement System. (See Attachment A for KPERS existing statutory authority.)

In 1992, the KPERS Board adopted a written policy for the System to follow in obtaining professional services, which specified the following procedures:

- issuing a Request for Proposals (RFP);
- conducting due diligence analysis of proposals received;
- selecting finalists;
- interviewing finalists;
- selecting a winning proposal based on analysis and interviews;
- arms-length negotiations by trained, authorized staff; and
- executing a binding agreement subject to legal review.

In October 1992, the Director of Purchases approved this process. From October 1992 until the summer of 2000, KPERS' Board and staff followed this formal process to obtain professional services for the System. (See Attachment B for a copy of the KPERS written policy for selecting professional services.)

In the summer of 2000, the Director of Purchases informed KPERS that the Division's 1992 approval of the System's contracting process was rescinded. The Director stated that in his view KPERS is required to obtain professional services only by means of a Procurement Negotiating Committee (PNC) as specified in K.S.A. 75-37,102. He based his position on advice of Department counsel as well as the new 2000 legislation known as the "Professional Services Sunshine Act."

The Division of Purchases' revised position regarding KPERS' contracting procedures is problematic for the following reasons:

- It is inconsistent with specific KPERS statutes granting the Board the authority to retain investment counsel, actuaries, trust companies and attorneys;
- It impedes the Trustees' performance of duties for which they are held responsible under the fiduciary standard of care for the investment of a \$10 billion fund;
- It requires the Board of Trustees' role to be replaced with a PNC consisting of a three State employees who represent, respectively, the Secretary of Administration, the Director of Purchases, and KPERS staff;

- The selection process historically used by KPERS has resulted in the selection of quality investment firms with a strong record of performance during the past eight years.

Proposed Exception to Professional Services Sunshine Act

SB330 would exempt any contract for professional or consultant services entered into by KPERS. Under this proposal, KPERS would continue to follow its Board approved procedures for acquiring professional services. The Board rather than a procurement negotiating committee would be responsible for deciding with which firms and on what terms a contract should be negotiated. KPERS would continue to follow all other requirements under the public bidding laws for the purchase of other goods, materials and services that are not professional or consulting services.

The Board of Trustees believes SB 330 would allow the Board to properly carry out its fiduciary responsibilities for managing the fund and requests your support for this bill.

The Board of Trustees' Existing Statutory Authority

Existing law indicates that the KPERS Board of Trustees is intended to have authority and responsibility for retaining professionals to serve the System in the fields of actuarial services, money management, consulting, custodial banking, and legal counsel

- ***Board Authority to Hire an Actuary.***

The following language directs the Board to hire its own actuary:

(3) The board of trustees shall select and employ or retain a qualified actuary who shall serve at its pleasure as its technical advisor on matters regarding operation of the system.

K.S.A. 74-4908(3).

- ***Board Authority to Hire Investment Managers, Consultants and Custodians***

Further, existing statutory provisions give the Board specific authority to hire money managers, investment counselors, and trust companies:

(7) The board may enter into contracts with one or more persons whom the board determines to be qualified, whereby the persons undertake to perform the functions specified in subsection (2) [the investment functions] to the extent provided in the contract. Performance of functions under contract so entered into shall be paid pursuant to rates fixed by the board subject to provisions of appropriation acts and shall be based on specific contractual fee arrangements.

K.S.A. 74-4921(7).

(5) The board shall employ or retain qualified investment counsel or counselors or may negotiate with a trust company to assist and advise in the judicious investment of funds as herein provided.

K.S.A. 74-4908(5)

- ***Board Authority to Hire Attorneys***

More recently, the Legislature clarified the Board's authority to engage attorneys:

(4) The attorney general of the state shall furnish such legal services as may be necessary upon receipt of a request from the board, except that legal services may

be furnished by other counsel as the board in its discretion deems necessary and prudent.

K.S.A. 74-4908(4) (emphasis added) (emphasized language added in 1996 Session Laws, at ch. 266, section 6.)¹

Existing law also provides standards and guidelines to govern the Board of Trustees in carrying out their responsibilities and exercising their substantial authority.

- ***Board Responsibilities and Standard of Care***

The scope of Board responsibilities and their standard of care are stated as follows:

(2) The board shall have the responsibility for the management of the fund and shall discharge the board's duties with respect to the fund solely in the interests of the members and beneficiaries of the system for the exclusive purpose of providing benefits to members and such member's beneficiaries and defraying reasonable expenses of administering the fund and shall invest and reinvest moneys in the fund and acquire, retain, manage, including the exercise of any voting rights and disposal of investments of the fund within the limitations and according to the powers, duties and purposes as prescribed by this section.

(3) Moneys in the fund shall be invested and reinvested to achieve the investment objective which is preservation of the fund to provide benefits to members and member beneficiaries, as provided by law and accordingly providing that the moneys are as productive as possible, subject to the standards set forth in this act. No moneys in the fund shall be invested or reinvested if the sole or primary investment objective is for economic development or social purposes or objectives.

(4) In investing and reinvesting moneys in the fund and in acquiring, retaining, managing and disposing of investments of the fund, the board shall exercise the judgment, care, skill, prudence and diligence under the circumstances then prevailing, which persons of prudence, discretion and intelligence acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, and not in regards to speculation but in regard to the permanent disposition of similar funds, considering the probable income as well as the probable safety of their capital.

K.S.A. 74-4921(2), (3), and (4) (emphasis added).

¹ The addition of this language was for clarification only. The Legislature had long approved, as part of the appropriation process, the necessary spending authority for KPERS to pay outside attorneys relative to the ongoing investment cases.

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

STATEMENT OF INVESTMENT POLICY,
OBJECTIVES, AND GUIDELINESSECTION 14: STANDARDS FOR THE SELECTION OF CONSULTANTS,
INVESTMENT MANAGERS, CUSTODIANS AND OTHER
PROFESSIONALS

- A. Investing Prudently: If the Board or staff does not have sufficient expertise or information in order to allow them to “exercise the judgment, care, skill, prudence and diligence under the circumstances then prevailing, which persons of prudence, discretion and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims”... they have the responsibility to retain qualified professionals to assist them in developing their ability to act prudently.
- B. Basis for Selection: For any type of expertise or assistance which is to be retained by the Board, selection shall only be made based upon the demonstrated ability of the professional(s) to provide the expertise or assistance needed. For each type of expertise, relevant and objective criteria will be established to judge and select experts.
- C. Types of Expertise for Consideration: Illustrations of professionals and specialized expertise which the Board may retain include but are not limited to: actuaries, investment managers, accountants, legal counsel, custodians, consultants, appraisers, engineers, and systems specialists.
- D. Process for the Selection of Professional Assistance: The sequence of steps to be completed to identify and select qualified firms or individuals who satisfy the Board’s need for expert assistance are:

Step 1: Board authorizes the staff to initiate a search for the desired expertise.

Step 2: Staff, or consultant in coordination with staff, define the service or expertise needed; establish minimum, objective criteria to be consistently applied to all parties in order to determine eligibility for consideration; and detail all information to be considered for eligible parties.

(Examples of information required include name and address of firm, number of employees, size and type of client base, assets under management, areas of expertise, staff experience, staff turnover, other public fund clients, references, fee proposals, etc.)

Step 3: Staff, or consultant in coordination with staff, drafts a Request for Proposal which defines the service or expertise under consideration, specifies the minimum screening criteria and information to be provided by interested parties and outlines the selection process and timeframe to be used by the System for the specific search.

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- Step 4:* Staff, or consultant in coordination with staff, identifies the universe of potential firms and screens this universe based upon the minimum, objective criteria.
- Step 5:* Staff will publish a notice of the Request for Proposals in a widely circulated national publication such as *The Wall Street Journal*, "Pension and Investments" or "Institutional Investor." Any qualifying proposals received by the deadline, and supplying the requested information, are considered further.
- Step 6:* A standard set of evaluation criteria is drafted and used by the staff, consultant, and/or a Board committee to evaluate the proposals.
- Step 7:* A set of the top proposals is presented to the Board (or committee) for review. Typically, three finalists make a formal presentation to the Board. The Board then selects the firm to provide the services requested. Staff is directed to negotiate a contract for the services requested, subject to the maximum fee approved by the Board. The draft contract is reviewed by the Department of Administration and the Attorney General's office prior to execution.

Exceptions to this sequence may occur in unusual and unforeseen circumstances, and upon the express direction of the Board of Trustees.