

MINUTES OF THE HOUSE COMMITTEE ON APPROPRIATIONS.

The meeting was called to order by Chairperson Representative Kenny Wilk at 9:00 a.m. on March 11, 2002, in Room 514-S of the Capitol.

All members were present except: Representative Peterson, Excused
Representative Newton, Excused

Committee staff present: Amy Kramer, Legislative Research
Becky Krahl, Legislative Research
Alan Conroy, Legislative Research
Julian Efird, Legislative Research
Deb Hollon, Legislative Research
Jim Wilson, Revisor of Statutes
Mike Corrigan, Revisor of Statutes
Nikki Feuerborn, Committee Secretary

Conferees appearing before the committee: Janet Chubb, Assistant Secretary of State

Others attending: See Attached

Representative Wilk moved for the introduction of proposed legislation regarding education reform in terms of finance, quality performance, extended terms, and school building closings. Motion was seconded by Representative Ballard. Motion carried.

Representative Wilk moved for the introduction of proposed legislation regarding the renewable energy electricity generation cooperative act. Motion was seconded by Representative Campbell. Motion carried.

Representative Light, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas State School for the Blind for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 (Attachment 1). Motion was seconded by Representative Shultz. Motion carried.

Representative Light, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas State School for the Blind for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 with comments (Attachment 1). Motion was seconded by Representative Shultz. Motion carried.

Representative Light, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas State School for the Deaf for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 (Attachment 1). Motion was seconded by Representative Shultz. Motion carried.

Representative Light, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas State School for the Deaf for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 with comments (Attachment 1). Motion was seconded by Representative Shultz. Motion carried.

Representative Nichols, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the State Library for FY 2002 and moved for the adoption of the Budget Committee recommendations for FY 2002 (Attachment 1). Motion was seconded by Representative Light. Motion carried.

Representative Nichols, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the State Library for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 with exceptions (Attachment 1). Motion was seconded by Representative Light. Motion carried.

Representative Nichols, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Arts Commission for FY 2002 and moved for the

adoption of the Budget Committee recommendations for FY 2002 (Attachment 1). Motion was seconded by Representative Wilk. Motion carried.

Representative Nichols, member of the Education Budget Committee, presented the Budget Committee report on the Governor's budget recommendations for the Kansas Arts Commission for FY 2003 and moved for the adoption of the Budget Committee recommendations for FY 2003 with exceptions (Attachment 1). Motion was seconded by Representative Light.

Representative Nichols moved to amend the report by including the comments on outcomes which was presented at the Budget Committee hearing on the Kansas Arts Commission for FY 2003 in the Budget Committee recommendations. Motion was seconded by Representative Shultz. Motion carried.

Representative Nichols renewed his motion to adopt the Education Budget Committee recommendations for the Kansas Arts Commission for FY 2003 with exceptions and as amended. Motion was seconded by Representative Light. Motion carried.

Hearing on SB 499—Establishing the technology communications fee fund

Janet Chubb, Assistant Secretary of State, provided supporting testimony for the establishment of a technology communications fee fund (Attachment 2). This legislation would statutorily allow a fee for certain filings with the amount and filings to be established by the Joint Committee on Rules and Regulations for the purpose of funding and maintaining a technology support system in the Secretary of State's Office.

Mrs. Chubb agreed to furnish information regarding the expenses offset by electronic reductions and to prepare a grid of how charges are established now and the proposed charges.

Chairman Wilk closed the hearing on **SB 499**.

Alan Conroy, Legislative Research Department, updated the Committee on the Initial Consensus SGF Memo for FY 2002 and FY 2003 Revised Estimates (Attachment 3). It is expected that Kansas will lag even more than most other Midwestern states in moving out of the recession as communications, the aircraft industry, public utilities, and the agriculture sector are the main industries in the state. Even if there have been no layoffs in some of these areas, overtime has been cut drastically and this has had a negative impact on households which depended on overtime. The state is also facing making the payment required under FEMA for the federal match required for the emergency situation caused by the ice storm. Mr. Conroy pointed out that if the balance for payments due is not in the state general fund at the time they are due, the payments will be delayed i.e. schools, agencies, including SRS. The tax increase proposed by the Governor in January will not cover the expected deficit. The next revenue consensus is scheduled for November.

The meeting was adjourned at 10:30 a.m. The next meeting is scheduled for March 12, 2002.

APPROPRIATIONS COMMITTEE GUEST LIST

DATE: 3/11

NAME	REPRESENTING
J. Chubb	SOS
Chip Wheelan	Osteopathic Association
Rebecca Lead	KDA
Mike Huttles	Ks. Govt Consulting
Kevin Bruce	Hein Law Firm

2002 EDUCATION BUDGET COMMITTEE

School for the Blind

School for the Deaf

State Library

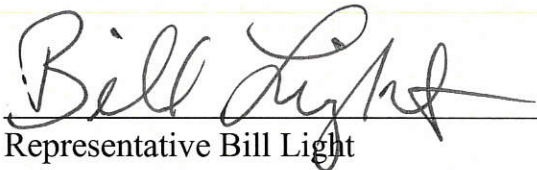
Kansas Arts Commission



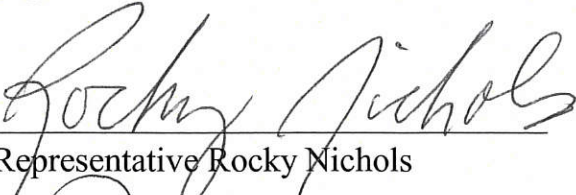
Representative Clark Shultz, Chairperson



Representative Bob Grant



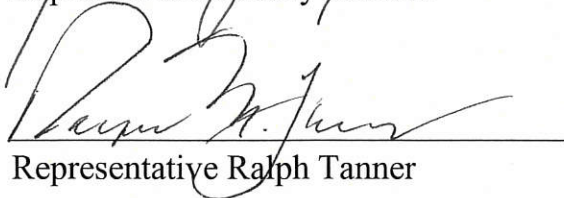
Representative Bill Light



Representative Rocky Nichols



Representative Bill Reardon

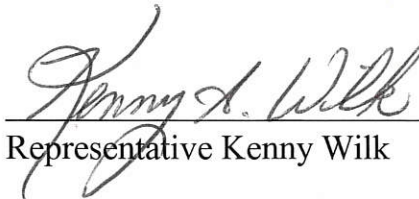


Representative Ralph Tanner

Representative John Toplikar



Representative Thomas C. Owens



Representative Kenny Wilk

HOUSE APPROPRIATIONS

DATE 3/11/02

ATTACHMENT 1

Senate Subcommittee Report

Agency: School for the Blind

Bill No. --

Bill Sec. --

Analyst: Rampey

Analysis Pg. No. Vol. I - 1281

Budget Page No. 87

Expenditure Summary	Agency Estimate FY 02	Governor's Recommendation FY 02	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 4,948,062	\$ 4,919,062	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	\$ 4,948,062	\$ 4,919,062	\$ 0
Capital Improvements	482,627	333,511	0
TOTAL	\$ 5,430,689	\$ 5,252,573	\$ 0
State General Fund:			
State Operations	\$ 4,527,583	\$ 4,527,583	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	\$ 4,527,583	\$ 4,527,583	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 4,527,583	\$ 4,527,583	0
FTE Positions	92.5	92.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	92.5	92.5	0.0

Agency Estimate/Governor's Recommendation

The School for the Blind estimates agency operating expenditures of \$4,948,062, including expenditures of \$4,527,583 from the State General Fund.

The Governor recommends expenditures of \$4,919,062, an increase of \$24,881 in expenditures from special revenue funds above the approved amount.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the Governor.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

House Budget Committee Report

Agency: School for the Blind

Bill No. --

Bill Sec. --

Analyst: Rampey

Analysis Pg. No. Vol. I - 1281

Budget Page No. 87

Expenditure Summary	Agency Estimate FY 02	Governor's Recommendation FY 02	House Budget Committee Adjustments
All Funds:			
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Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	\$ 4,948,062	\$ 4,919,062	\$ 0
Capital Improvements	482,627	333,511	0
TOTAL	<u>\$ 5,430,689</u>	<u>\$ 5,252,573</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 4,527,583	\$ 4,527,583	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	\$ 4,527,583	\$ 4,527,583	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 4,527,583</u>	<u>\$ 4,527,583</u>	<u>\$ 0</u>
FTE Positions	92.5	92.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>92.5</u>	<u>92.5</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The School for the Blind estimates agency operating expenditures of \$4,948,062, including expenditures of \$4,527,583 from the State General Fund.

The Governor recommends expenditures of \$4,919,062, an increase of \$24,881 in expenditures from special revenue funds above the approved amount.

House Budget Committee Recommendations

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

Senate Subcommittee Report

Agency: School for the Blind

Bill No. --

Bill Sec. --

Analyst: Rampey

Analysis Pg. No. Vol. I - 1281

Budget Page No. 87

Expenditure Summary	Agency Estimate FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 4,941,743	\$ 4,805,049	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	\$ 4,941,743	\$ 4,805,049	\$ 0
Capital Improvements	59,435	59,435	0
TOTAL	<u>\$ 5,001,178</u>	<u>\$ 4,864,484</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 4,572,995	\$ 4,434,536	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	\$ 4,572,995	\$ 4,434,536	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 4,572,995</u>	<u>\$ 4,434,536</u>	<u>\$ 0</u>
FTE Positions	92.5	92.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>92.5</u>	<u>92.5</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The School for the Blind requests a total of \$4,941,743 for agency operating expenditures in FY 2003, of which \$4,572,995 is from the State General Fund. The total includes \$38,000 from the State General Fund for an enhancement (parity salary increases for teachers) and \$59,435 from the State Institutions Building Fund for capital improvements (rehabilitation and repair projects).

The Governor recommends expenditures of \$4,864,484, of which \$4,434,536 is from the State General Fund. The recommendation is a reduction of \$136,694 from the request and includes the requested funding for capital improvements (\$59,435). The Governor does not recommend additional funding for teacher parity salary increases.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the Governor, with the following exception:

- The Subcommittee observes that, while the School for the Blind is not part of the state system of unified school districts, it is a public institution that competes with school districts for teachers. For that reason, the Subcommittee recommends that, if enhanced funding is recommended for public school districts, the same percentage increase should be appropriated to the School for the Blind so that it may remain competitive with public schools in the same job market.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

House Budget Committee Report

Agency: School for the Blind

Bill No. 3008

Bill Sec. 36

Analyst: Rampey

Analysis Pg. No. Vol. I - 1281

Budget Page No. 87

<u>Expenditure Summary</u>	<u>Agency Estimate FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 4,941,743	\$ 4,805,049	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	\$ 4,941,743	\$ 4,805,049	\$ 0
Capital Improvements	59,435	59,435	0
TOTAL	<u>\$ 5,001,178</u>	<u>\$ 4,864,484</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 4,572,995	\$ 4,434,536	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	\$ 4,572,995	\$ 4,434,536	\$ 0
Capital Improvements	0	0	0
TOTAL	<u>\$ 4,572,995</u>	<u>\$ 4,434,536</u>	<u>\$ 0</u>
FTE Positions	92.5	92.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>92.5</u>	<u>92.5</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The School for the Blind requests a total of \$4,941,743 for agency operating expenditures in FY 2003, of which \$4,572,995 is from the State General Fund. The total includes \$38,000 from the State General Fund for an enhancement (parity salary increases for teachers) and \$59,435 from the State Institutions Building Fund for capital improvements (rehabilitation and repair projects).

The Governor recommends expenditures of \$4,864,484, of which \$4,434,536 is from the State General Fund. The recommendation is a reduction of \$136,694 from the request and includes the requested funding for capital improvements (\$59,435). The Governor does not recommend additional funding for teacher parity salary increases.

House Budget Committee Recommendations

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

1. The Budget Committee commends William Daugherty, Superintendent of the School for the Blind, who told the Committee he would not appeal the Governor's recommendation and had proceeded to develop a plan to operate within funding limits. The Committee observes that such an attitude enhances the credibility of an agency head who responds to a funding shortfall by initiating measures to continue operations within fiscal constraints.

Nevertheless, the Budget Committee is aware that its concurrence with the Governor will have the effect of cutting needed programs and services and, for that reason, recommends that the School's budget be reconsidered in the Omnibus Bill in the event additional state resources are identified. The list below shows the programs and services that will be eliminated unless more money is added:

Eliminate one week (out of four) of summer program	\$ 57,000
Eliminate or hold open one statewide Outreach Teacher position (reduce from 5.0 FTE to 4.0 FTE)	48,000
Delete 1.0 FTE Food Service Worker and 1.0 FTE Dormitory Teacher position	38,000
Reduce other operating expenditures (\$5,000 each from communica- tions, staff and student travel, commodities, and contractual services)	<u>20,000</u>
TOTAL	<u>\$ 163,000</u>

If additional funds were to be made available, it would be the school's intention to restore programs and services in the priority order shown above.

Senate Subcommittee Report

Agency: School for the Deaf

Bill No. --

Bill Sec. --

Analyst: Rampey

Analysis Pg. No. Vol. I - 1294

Budget Page No. 139

Expenditure Summary	Agency Estimate FY 02	Governor's Recommendation FY 02	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 7,845,208	\$ 7,845,208	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	7,845,208	7,845,208	0
Capital Improvements	1,070,948	1,070,948	0
TOTAL	\$ 8,916,156	\$ 8,916,156	\$ 0
State General Fund:			
State Operations	\$ 7,266,358	\$ 7,266,358	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	7,266,358	7,266,358	0
Capital Improvements	0	0	0
TOTAL	\$ 7,266,358	\$ 7,266,358	\$ 0
FTE Positions	173.5	173.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	173.5	173.5	0.0

Agency Estimate/Governor's Recommendation

The School for the Deaf estimates expenditures of \$7,845,208 in the current year, of which \$7,266,358 is from the State General Fund. Capital improvements in the amount of \$1,070,948 are from the State Institutions Building Fund.

The Governor concurs with the estimate for FY 2002.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with recommendations of the Governor.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

House Budget Committee Report

Agency: School for the Deaf

Bill No. --

Bill Sec. --

Analyst: Rampey

Analysis Pg. No. Vol. I - 1294

Budget Page No. 139

Expenditure Summary	Agency Estimate FY 02	Governor's Recommendation FY 02	House Budget Committee Adjustments
All Funds:			
State Operations	\$ 7,845,208	\$ 7,845,208	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>7,845,208</u>	<u>7,845,208</u>	<u>0</u>
Capital Improvements	1,070,948	1,070,948	0
TOTAL	<u><u>\$ 8,916,156</u></u>	<u><u>\$ 8,916,156</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 7,266,358	\$ 7,266,358	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>7,266,358</u>	<u>7,266,358</u>	<u>0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 7,266,358</u></u>	<u><u>\$ 7,266,358</u></u>	<u><u>\$ 0</u></u>
FTE Positions	173.5	173.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>173.5</u></u>	<u><u>173.5</u></u>	<u><u>0.0</u></u>

Agency Estimate/Governor's Recommendation

The School for the Deaf estimates expenditures of \$7,845,208 in the current year, of which \$7,266,358 is from the State General Fund. Capital improvements in the amount of \$1,070,948 are from the State Institutions Building Fund.

The Governor concurs with the estimate for FY 2002.

House Budget Committee Recommendations

The House Budget Committee concurs with recommendations of the Governor.

Senate Subcommittee Report

Agency: School for the Deaf

Bill No. --

Bill Sec. --

Analyst: Rampey

Analysis Pg. No. Vol. I - 1294

Budget Page No. 139

Expenditure Summary	Agency Request FY 03	Governor's Recommendation FY 03	Senate Subcommittee Adjustments
All Funds:			
State Operations	\$ 8,077,123	\$ 7,498,040	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	\$ 8,077,123	\$ 7,498,040	\$ 0
Capital Improvements	1,023,512	492,792	139,885
TOTAL	\$ 9,100,635	\$ 7,990,832	\$ 139,885
State General Fund:			
State Operations	\$ 7,747,334	\$ 7,168,251	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	\$ 7,747,334	\$ 7,168,251	\$ 0
Capital Improvements	0	0	0
TOTAL	\$ 7,747,334	\$ 168,251	\$ 0
FTE Positions	179.5	173.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	179.5	173.5	0.0

Agency Request/Governor's Recommendation

The School for the Deaf requests a total of \$8,077,123 for operating expenditures, of which \$7,747,334 is from the State General Fund, including \$414,143 for enhancements. Requested enhancements consist of decreased shrinkage (\$109,923), parity increases for teachers (\$83,375), a Technology Specialist position (\$60,845), and 5.0 FTE positions to begin a new program for multi-disabled deaf students (\$160,000). In addition, the School requests capital improvements projects totaling \$1,023,512 from the State Institutions Building Fund.

The Governor recommends operating expenditures of \$7,498,040, of which \$7,168,251 is from the State General Fund. The amount from the State General Fund is \$98,107 less than in the current year and is a reduction of \$579,083 from the request. The Governor does not recommend any of the operating budget enhancements. Of the requested \$1,023,512 for capital improvements, the Governor recommends \$492,792.

Senate Subcommittee Recommendations

The Senate Subcommittee concurs with the recommendations of the Governor, with the following exceptions:

- Concur with the recommendations of the Senate Subcommittee on Capital Improvements and add \$139,885 from the State Institutions Building Fund to replace roofs on the Parks-Bilger Vocational Building (\$70,035) and the Taylor Gym (\$69,850).
- The Subcommittee observes that, while the School for the Deaf is not part of the state system of unified school districts, it is a public institution that competes with school districts for teachers. For that reason, the Subcommittee recommends that, if enhanced funding is recommended for public school districts, the same percentage increase should be appropriated to the School for the Deaf so that it may remain competitive with public schools in the same job market.

Senate Committee Recommendation

The Senate Committee concurs with the recommendations of the Subcommittee.

House Budget Committee Report

Agency: School for the Deaf

Bill No. 3008

Bill Sec. 37

Analyst: Rampey

Analysis Pg. No. Vol. I - 1294

Budget Page No. 139

<u>Expenditure Summary</u>	<u>Agency Request FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>House Budget Committee Adjustments</u>
All Funds:			
State Operations	\$ 8,077,123	\$ 7,498,040	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 8,077,123</u>	<u>\$ 7,498,040</u>	<u>\$ 0</u>
Capital Improvements	1,023,512	492,792	0
TOTAL	<u><u>\$ 9,100,635</u></u>	<u><u>\$ 7,990,832</u></u>	<u><u>\$ 0</u></u>
State General Fund:			
State Operations	\$ 7,747,334	\$ 7,168,251	\$ 0
Aid to Local Units	0	0	0
Other Assistance	0	0	0
Subtotal—Operating	<u>\$ 7,747,334</u>	<u>\$ 7,168,251</u>	<u>\$ 0</u>
Capital Improvements	0	0	0
TOTAL	<u><u>\$ 7,747,334</u></u>	<u><u>\$ 168,251</u></u>	<u><u>\$ 0</u></u>
FTE Positions	179.5	173.5	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u><u>179.5</u></u>	<u><u>173.5</u></u>	<u><u>0.0</u></u>

Agency Request/Governor's Recommendation

The School for the Deaf requests a total of \$8,077,123 for operating expenditures, of which \$7,747,334 is from the State General Fund, including \$414,143 for enhancements. Requested enhancements consist of decreased shrinkage (\$109,923), parity increases for teachers (\$83,375), a Technology Specialist position (\$60,845), and 5.0 FTE positions to begin a new program for multi-disabled deaf students (\$160,000). In addition, the School requests capital improvements projects totaling \$1,023,512 from the State Institutions Building Fund.

The Governor recommends operating expenditures of \$7,498,040, of which \$7,168,251 is from the State General Fund. The amount from the State General Fund is \$98,107 less than in the current year and is a reduction of \$579,083 from the request. The Governor does not recommend any of the operating budget enhancements. Of the requested \$1,023,512 for capital improvements, the Governor recommends \$492,792.

House Budget Committee Recommendations

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

1. In concurring with the Governor, the Budget Committee wishes to make it clear that the concurrence is the result of the state's current revenue shortfall and not because the Committee believes the proposed level of funding for the School for the Deaf is adequate or that the programs offered by the School are not worthwhile. On the contrary, the Budget Committee recommends that the budget for the School for the Deaf be reconsidered in the Omnibus Bill in the event that additional state resources become available.

In particular, the Budget Committee calls attention to the following programs and services that will be cut or eliminated under the Governor's recommendation:

Auditory training equipment	\$ 32,800
Outreach on-campus direct services positions	70,000
Technology, media, and library resources	35,564
Extended school year (one week out of three in both FY 2002 and FY 2003)	63,036
School and dormitory furniture and equipment	43,028
Vehicle replacement	<u>20,300</u>
TOTAL	<u>\$ 264,728</u>

The list is in priority order showing which items the school would restore first if additional funding were made available.

Senate Subcommittee Report

Agency: Kansas State Library

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No. Vol. II-1343

Budget Page No. 339

<u>Expenditure Summary</u>	<u>Agency Estimate FY 02</u>	<u>Governor's Recommendation FY 02</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,307,309	\$ 2,307,309	\$ 0
Aid to Local Units	4,302,546	4,302,546	0
Other Assistance	393,163	393,163	0
TOTAL	<u>\$ 7,003,018</u>	<u>\$ 7,003,018</u>	<u>\$ 0</u>
State General Fund:			
State Operations	\$ 1,530,565	\$ 1,530,565	\$ 0
Aid to Local Units	3,873,046	3,873,046	0
Other Assistance	0	0	0
TOTAL	<u>\$ 5,403,611</u>	<u>\$ 5,403,611</u>	<u>\$ 0</u>
FTE Positions	27.0	27.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>27.0</u>	<u>27.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency estimate for FY 2002 expenditures is \$7,003,018 which is an increase of \$79,858 in federal funds from the approved budget. The request includes: \$1,099,665 for salaries and wages; \$983,260 for contractual services; \$127,830 for commodities; \$96,554 for capital outlay; \$4,302,546 for aid to local units; and \$393,163 for other assistance.

The Governor concurs with the agency estimate.

The Senate Subcommittee Recommendation.

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

House Budget Committee Report

Agency: Kansas State Library

Bill No. --

Bill Sec. --

Analyst: Krahl

Analysis Pg. No. Vol. II - 1343

Budget Page No. 339

Expenditure Summary	Agency Estimate FY 02	Governor's Recommendation FY 02	Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,307,309	\$ 2,307,309	\$ 0
Aid to Local Units	4,302,546	4,302,546	0
Other Assistance	393,163	393,163	0
TOTAL	\$ 7,003,018	\$ 7,003,018	\$ 0
State General Fund:			
State Operations	\$ 1,530,565	\$ 1,530,565	\$ 0
Aid to Local Units	3,873,046	3,873,046	0
Other Assistance	0	0	0
TOTAL	\$ 5,403,611	\$ 5,403,611	\$ 0
FTE Positions	27.0	27.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.0	27.0	0.0

Agency Estimate/Governor's Recommendation

The agency estimate for FY 2002 expenditures is \$7,003,018 which is an increase of \$79,858 in federal funds from the approved budget. The request includes: \$1,099,665 for salaries and wages; \$983,260 for contractual services; \$127,830 for commodities; \$96,554 for capital outlay; \$4,302,546 for aid to local units; and \$393,163 for other assistance.

The Governor concurs with the agency estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Kansas State Library

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No. 1343

Budget Page No. 339

<u>Expenditure Summary</u>	<u>Agency Request FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Subcommittee Adjustments</u>
All Funds:			
State Operations	\$ 2,367,054	\$ 2,271,968	\$ 0
Aid to Local Units	6,873,528	4,149,850	152,696
Other Assistance	393,163	393,163	0
TOTAL	<u>\$ 9,633,745</u>	<u>\$ 6,814,981</u>	<u>\$ 152,696</u>
State General Fund:			
State Operations	\$ 1,590,311	\$ 1,492,710	\$ 0
Aid to Local Units	6,444,028	3,720,350	152,696
Other Assistance	0	0	0
TOTAL	<u>\$ 8,034,339</u>	<u>\$ 5,213,060</u>	<u>\$ 152,696</u>
FTE Positions	27.0	27.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>27.0</u>	<u>27.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests FY 2003 expenditures of \$9,633,745 which is an increase of \$2,630,727 (37.6 percent) from the FY 2002 agency request. The request includes: \$1,112,717 for salaries and wages; \$981,749 for contractual services; \$179,599 for commodities; \$92,989 for capital outlay; \$6,873,528 for aid to local units; and \$393,163 for other assistance. The request includes enhancement packages of \$2,620,982 SGF including \$2,570,982 for state aid to local libraries and \$50,000 for research and information services.

The Governor recommends FY 2003 expenditures of \$6,814,981 which is a decrease of \$188,037 (2.7 percent) from the FY 2002 revised recommendation. The request includes: \$1,131,469 for salaries and wages; \$981,749 for contractual services; \$65,761 for commodities; \$92,989 for capital outlay; \$4,149,850 for aid to local units; and \$393,163 for other assistance. The Governor does not recommend the enhancement packages. The Governor recommends reduction packages of \$216,534 from the State General Fund including a 4.0 percent reduction of other operating expenditures totaling \$63,838 and a 4.0 percent reduction in aid to local libraries totaling \$152,696.

The Senate Subcommittee Recommendation

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

1. The Subcommittee recommends the restoration of the 4.0 percent reduction in aid to local libraries totaling \$152,696 from the State General Fund. The reduction would reduce the capability of libraries to provide hours of services, information technology, and other public services.
2. The State Library, during its presentation to the Subcommittee offered the suggestion of a surcharge on Kansas Turnpike traffic as an alternative funding source for state aid to local libraries. Although the Subcommittee does not recommend the introduction of any legislation, the Subcommittee feels the matter deserves further consideration, as it would be one method to shift the current \$3.8 million in state aid from the State General Fund to an alternative source of revenue. Attached is a table indicating the agency's estimate of the amount of revenue turnpike traffic could generate for state aid to local libraries.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

House Budget Committee Report

Agency: Kansas State Library

Bill No. 3008

Bill Sec. 34

Analyst: Krahl

Analysis Pg. No. Vol. II -1343

Budget Page No. 339

Expenditure Summary	Agency Request FY 03	Governor's Recommendation FY 03	Subcommittee Adjustments
All Funds:			
State Operations	\$ 2,367,054	\$ 2,271,968	\$ 0
Aid to Local Units	6,873,528	4,149,850	0
Other Assistance	393,163	393,163	0
TOTAL	\$ 9,633,745	\$ 6,814,981	\$ 0
State General Fund:			
State Operations	\$ 1,590,311	\$ 1,492,710	\$ 0
Aid to Local Units	6,444,028	3,720,350	0
Other Assistance	0	0	0
TOTAL	\$ 8,034,339	\$ 5,213,060	\$ 0
FTE Positions	27.0	27.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	27.0	27.0	0.0

Agency Request/Governor's Recommendation

The agency requests FY 2003 expenditures of \$9,633,745 which is an increase of \$2,630,727 (37.6 percent) from the FY 2002 agency request. The request includes: \$1,112,717 for salaries and wages; \$981,749 for contractual services; \$179,599 for commodities; \$92,989 for capital outlay; \$6,873,528 for aid to local units; and \$393,163 for other assistance. The request includes enhancement packages of \$2,620,982 SGF including \$2,570,982 for state aid to local libraries and \$50,000 for research and information services.

The Governor recommends FY 2003 expenditures of \$6,814,981 which is a decrease of \$188,037 (2.7 percent) from the FY 2002 revised recommendation. The request includes: \$1,131,469 for salaries and wages; \$981,749 for contractual services; \$65,761 for commodities; \$92,989 for capital outlay; \$4,149,850 for aid to local units; and \$393,163 for other assistance. The Governor does not recommend the enhancement packages. The Governor recommends reduction packages of \$216,534 from the State General Fund including a 4.0 percent reduction of other operating expenditures totaling \$63,838 and a 4.0 percent reduction in aid to local libraries totaling \$152,696.

House Budget Committee Recommendation

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

1. The Budget Committee wishes to make it clear that the concurrence with the Governor's recommendation is the result of the state's current revenue shortfall and not because the Committee believes the proposed level of funding for the State Library is adequate. The Budget Committee recommends that the budget for the State Library, in particular the restoration of the 4.0 percent reduction in aid to local libraries totaling \$152,696 from the State General Fund be reconsidered in the Omnibus Bill in the event that additional state resources become available.
2. The State Library, during its presentation to the Budget Committee offered a creative suggestion of a surcharge on Kansas Turnpike traffic as an alternative funding source for state aid to local libraries to meet the request of a 10 percent level of state support. The Budget Committee endorses the introduction of legislation put forward by the State Library on surcharging the Kansas Turnpike fees, with the exception that the new fee would not be charged in urban areas. This bill introduction would further exempt tolls from being collected when a vehicle travels within an urban area. For example, if someone got on the turnpike in south Wichita and exited at the East Kellogg exit, the surcharge would not apply.

Attached is a table indicating the agency's estimate of the amount of revenue turnpike traffic could generate for state aid to local libraries.

6-1-1

Calculations for
State Aid to Local Libraries
Funded by KS Turnpike Traffic

2000		Vehicle	Average		
\$6,160,756		Volume	Surcharge	Per Vehicle	
Passenger	25,219,558	\$0.15	(average by toll)	\$3,782,934	
Commercial	3,963,038	\$0.60	(average by #	\$2,377,823	
Total	29,182,596		of axels)		\$6,160,756

1999		Vehicle	Average		
\$6,214,755		Volume	Surcharge	Per Vehicle	
Passenger	25,728,451	\$0.15	(average by toll)	\$3,859,268	
Commercial	3,925,813	\$0.60	(average by #	\$2,355,488	
Total	29,654,264		of axels)		\$6,214,755

1998		Vehicle	Average		
\$6,119,220		Volume	Surcharge	Per Vehicle	
Passenger	25,593,118	\$0.15	(average by toll)	\$3,838,968	
Commercial	3,800,421	\$0.60	(average by #	\$2,280,253	
Total	29,393,539		of axels)		\$6,119,220

Passenger car surcharge average of 15¢,
spread over the toll range of .25 to \$8.15

Commercial vehicle surcharge average 60¢,
spread over the toll range of .25 to \$60

Senate Subcommittee Report

Agency: Kansas Arts Commission

Bill No. --

Bill Sec. --

Analyst: Krahl

Analysis Pg. No. Vol. II-1330

Budget Page No. 63

<u>Expenditure Summary</u>	<u>Agency Estimate FY 02</u>	<u>Governor's Recommendation FY 02</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures			
State Operations	\$ 529,778	\$ 529,778	\$ 0
Aid to Local Units	1,590,949	1,590,949	0
Other Assistance	31,000	31,000	0
TOTAL	<u>\$ 2,151,727</u>	<u>\$ 2,151,727</u>	<u>\$ 0</u>
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency estimates \$2,151,727 (16,55,236 SGF) which is an increase of \$61,399 (2.9 percent) from the FY 2001 approved budget. The estimate includes \$402,959 for salaries and wages; \$116,807 for contractual services; \$4,748 for commodities; \$5,264 for capital outlay; \$1,590,949 for aid to local units; and \$31,000 for other assistance.

The Governor concurs with the agency's estimate.

Senate Subcommittee Recommendation

The Senate Subcommittee concurs with the Governor's recommendation.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

House Budget Committee Report

Agency: Kansas Arts Commission

Bill No. 3008

Bill Sec. 35

Analyst: Krahl

Analysis Pg. No. Vol. II - 1330 Budget Page No. 63

<u>Expenditure Summary</u>	<u>Agency Estimate FY 02</u>	<u>Governor's Recommendation FY 02</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures			
State Operations	\$ 529,778	\$ 529,778	\$ 0
Aid to Local Units	1,590,949	1,590,949	0
Other Assistance	31,000	31,000	0
TOTAL	<u>\$2,151,727</u>	<u>\$2,151,727</u>	<u>\$0</u>
FTE Positions	8.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>8.0</u>	<u>8.0</u>	<u>0.0</u>

Agency Estimate/Governor's Recommendation

The agency estimates \$2,151,727 (16,55,236 SGF) which is an increase of \$61,399 (2.9 percent) from the FY 2001 approved budget. The estimate includes \$402,959 for salaries and wages; \$116,807 for contractual services; \$4,748 for commodities; \$5,264 for capital outlay; \$1,590,949 for aid to local units; and \$31,000 for other assistance.

The Governor concurs with the agency's estimate.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendation.

Senate Subcommittee Report

Agency: Kansas Arts Commission

Bill No.

Bill Sec.

Analyst: Krahl

Analysis Pg. No. Vol. II-1330

Budget Page No. 63

<u>Expenditure Summary</u>	<u>Agency Request FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures			
State Operations	\$ 654,457	\$ 534,091	\$ 0
Aid to Local Units	1,866,767	1,494,738	66,304
Other Assistance	31,000	31,000	0
TOTAL	<u>\$ 2,552,224</u>	<u>\$ 2,059,829</u>	<u>\$ 66,304</u>
FTE Positions	9.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>9.0</u>	<u>8.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests \$2,552,224 (\$2,088,334 SGF) for FY 2003 which is an increase of \$400,497 (18.6 percent) from the FY 2002 estimate. The request includes: \$430,132 for salaries and wages; \$219,577 for contractual services; \$4,748 for commodities; \$1,866,767 for aid to local units; and \$31,000 for other assistance. The request includes enhancements totaling \$430,723.

The Governor recommends \$2,059,829 (\$1,591,305 SGF) for FY 2003 which is a decrease of \$91,898 (4.3 percent) from the FY 2002 recommendation. The recommendation includes: \$412,536 for salaries and wages; \$116,807 for contractual services; \$4,748 for commodities; \$1,494,738 for aid to local units; and \$31,000 for other assistance. The Governor does not recommend the enhancements. The Governor does recommend a reduction package of \$66,304 from State General Fund which is a 4.0 percent reduction of to aid to local units and aid to qualified state organizations.

Senate Subcommittee Recommendation

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

1. The Subcommittee recommends the restoration of the 4.0 percent package (\$66,304 from the State General Fund). This reduction would reduce funding for aid to local units and aid to qualified state organizations. According to the agency, every dollar of reduction for aid to local units from the State General Fund results in a \$19 loss in arts programming funding.

Senate Committee Recommendation

The Senate Committee concurs with the recommendation of the Subcommittee.

House Budget Committee Report

Agency: Kansas Arts Commission

Bill No. 3008

Bill Sec. 35

Analyst: Krahl

Analysis Pg. No. Vol. II -1330

Budget Page No. 63

<u>Expenditure Summary</u>	<u>Agency Request FY 03</u>	<u>Governor's Recommendation FY 03</u>	<u>Subcommittee Adjustments</u>
Operating Expenditures			
State Operations	\$ 654,457	\$ 534,091	\$ 0
Aid to Local Units	1,866,767	1,494,738	0
Other Assistance	31,000	31,000	0
TOTAL	<u>\$ 2,552,224</u>	<u>\$ 2,059,829</u>	<u>\$ 0</u>
FTE Positions	9.0	8.0	0.0
Non FTE Uncl. Perm. Pos.	0.0	0.0	0.0
TOTAL	<u>9.0</u>	<u>8.0</u>	<u>0.0</u>

Agency Request/Governor's Recommendation

The agency requests \$2,552,224 (\$2,088,334 SGF) for FY 2003 which is an increase of \$400,497 (18.6 percent) from the FY 2002 estimate. The request includes: \$430,132 for salaries and wages; \$219,577 for contractual services; \$4,748 for commodities; \$1,866,767 for aid to local units; and \$31,000 for other assistance. The request includes enhancements totaling \$430,723.

The Governor recommends \$2,059,829 (\$1,591,305 SGF) for FY 2003 which is a decrease of \$91,898 (4.3 percent) from the FY 2002 recommendation. The recommendation includes: \$412,536 for salaries and wages; \$116,807 for contractual services; \$4,748 for commodities; \$1,494,738 for aid to local units; and \$31,000 for other assistance. The Governor does not recommend the enhancements. The Governor does recommend a reduction package of \$66,304 from State General Fund which is a 4.0 percent reduction of to aid to local units and aid to qualified state organizations.

House Budget Committee Recommendation

The House Budget Committee concurs with the Governor's recommendations with the following exceptions:

1. The Budget Committee wishes to make it clear that the concurrence with the Governor's recommendation is the result of the state's current revenue shortfall and not because the Committee believes the proposed level of funding for the Kansas Arts Commission is adequate. The Budget Committee recommends that the budget for the Kansas Arts Commission, in particular the restoration of the 4.0 percent reduction in aid to local units and qualified non-state organizations totaling \$66,034 from the State General Fund be reconsidered in the Omnibus Bill in the event that additional state resources become available.

2. The House Budget Committee notes that art programs provided by the Kansas Arts Commission for youth and at-risk youth reach many children throughout Kansas. Children who participate in these youth art programs such as summer dance camps and Accessible Arts, have been shown to develop improved social and interpersonal abilities lowering their risk of dropping out of school and increased levels of confidence and self-esteem.

35809(3/11/2{7:34AM})

RON THORNBURGH
Secretary of State



First Floor, Memorial Hall
120 SW 10th Ave.
Topeka, KS 66612-1594
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STATE OF KANSAS

Testimony – Secretary of State

SB 499

SB 499 provides for a technology communications fee fund. The purpose of this fund is to fund (1) administrative and support responsibilities under the uniform electronic transactions act and the state's contract for digital signature services and (2) maintenance of the technology systems necessary to accomplish electronic filing, including electronic signatures, in our business and government offices. We have patterned this fund after an existing fund called *the telefacsimile communication fee fund*, a fund established in 1990 to cover the expense of fax services. (KSA 17-6003a, copy attached.)

(1) Under the Kansas uniform electronic transactions act, the secretary of state is charged with registration of the service providers who supply digital signatures to our citizens. Under the ITEC (information technology executive council) policy passed last summer, the secretary of state will own the contract for the service provider who will provide digital signatures to all three branches of state government. For these, we will audit qualifications and compliance of the service providers and provide support services (*e.g. help desk*) for customers. (2) Among specific IT systems we anticipate building and maintaining with these fee funds, in addition to those we currently operate, are a rewrite of our corporations program and development of an integrated and automated centralized voter registration system. The rewrite for corporations will support the Kansas Business Center, a one-stop business registration system we are building with the department of revenue, INK and the department of human resources. An automated and integrated voter registration system is one of the election reform measures contemplated by federal legislation such as the Dodd and Ney-Hoyer bills currently being considered in Washington.

Kansas, with Illinois, recently was honored as number one in digital government by the *Center for Digital Democracy*. One program noted in that survey was electronic filing of UCC records in our office. Since the survey and the effective date of the new article nine of the uniform commercial code July 1, 2001, 70% of our customers are filing UCC records electronically. This performance is a high endorsement of our e-government and e-business initiatives.

HOUSE APPROPRIATIONS

DATE 3/11/02
ATTACHMENT 2

The public's need and desire for e-business and e-government is the reason we now request a fund that will allow us to continue to build and maintain true digital models for government and business transactions. With it, we will support those services contemplated by the new uniform electronic transactions act not only in our business divisions, which are primarily fee-funded, but also in our elections division, which is primarily general funded.

Thank you for consideration of our proposed legislation.

ing a power to convey real estate or any interest therein, which power of attorney shall be executed by the corporation in the same manner as herein provided for the execution of deeds or other instruments of conveyance.

History: L. 1972, ch. 52, § 3; L. 1973, ch. 100, § 2; L. 1984, ch. 201, § 12; L. 1987, ch. 89, § 1; L. 1998, ch. 39, § 1; L. 1999, ch. 41, § 10; L. 1999, ch. 149, § 1; L. 2000, ch. 39, § 1; July 1.

Revisor's Note:

Section was also amended by L. 1999, ch. 39, § 7, but that version was repealed by L. 1999, ch. 149, § 14.

CASE ANNOTATIONS

2. Filing articles of incorporation with register of deeds pursuant to subsection (c)(5) is a requirement of corporate existence. *Fee Ins. Agency, Inc. v. Snyder*, 261 K. 414, 415, 930 P.2d 1054 (1997).

17-6003a. Filing by telefacsimile communication; procedure. (a) Any instrument filed in accordance with K.S.A. 17-6003, and amendments thereto, may be filed by telefacsimile communication. If such telefacsimile communication is accompanied with the appropriate fees, and meets the statutory requirements, it shall be effective upon its filing date. The secretary of state shall prescribe a telefacsimile communication fee in addition to any filing fees to cover the cost of the services. The fee must be paid prior to acceptance of a telefacsimile communication under this section. The telefacsimile communication fee shall be deposited into the information and copy service fee fund.

(b) As used in this section, telefacsimile communication means the use of electronic equipment to send or transfer a document.

History: L. 1990, ch. 85, § 5; L. 1999, ch. 41, § 3; July 1.

17-6005. Evidentiary effect of articles of incorporation and other corporate instruments filed with secretary of state. A copy of the articles of incorporation, or of a restated articles of incorporation, or of any other certificate or instrument which has been filed in the office of the secretary of state as required by any provision of this act, when duly certified by the secretary of state shall be received in all courts, public offices and official bodies as prima facie evidence of:

- (a) Due execution and filing of the instrument;
- (b) observance and performance of all acts and conditions necessary to have been observed

and performed precedent to the instrument becoming effective; and

(c) any other facts required or permitted by law to be stated in the instrument.

History: L. 1972, ch. 52, § 5; L. 1998, ch. 189, § 9; L. 2000, ch. 39, § 18; July 1.

17-6006. Commencement of corporate existence. Upon the filing with the secretary of state of the articles of incorporation, executed and filed in accordance with K.S.A. 17-6003, and amendments thereto, the incorporator or incorporators who signed the certificate, and such incorporator's successors and assigns, shall be and constitute a body corporate from the date of such filing by the name set forth in the articles, subject to the provisions of subsection (d) of K.S.A. 17-6003, and amendments thereto, and subject to dissolution or other termination of its existence as provided in this act.

History: L. 1972, ch. 52, § 6; L. 2000, ch. 39, § 19; July 1.

Attorney General's Opinions:

Corporate filings; rejection of annual report for failure to perfect organization; rejection of articles of incorporation from nonprofit entity for failure to provide conditions of membership. 1999-26.

CASE ANNOTATIONS

3. Filing articles of incorporation with register of deeds pursuant to 17-6003 is a requirement of corporate existence. *Fee Ins. Agency, Inc. v. Snyder*, 261 K. 414, 419, 930 P.2d 1054 (1997).

17-6007.

Attorney General's Opinions:

Corporate filings; rejection of annual report for failure to perfect organization; rejection of articles of incorporation from nonprofit entity for failure to provide conditions of membership. 1999-26.

17-6008.

Attorney General's Opinions:

Corporate filings; rejection of annual report for failure to perfect organization; rejection of articles of incorporation from nonprofit entity for failure to provide conditions of membership. 1999-26.

Article 62.—REGISTERED OFFICE AND RESIDENT AGENT

17-6203. Change of registered office or resident agent; death or removal of resident agent; appointment of successor required. (a) Any corporation, by resolution of the board of directors of such corporation, may change the location of its registered office in this state to any other place in this state and the resident agent of

a corporation may be a corporation, including a domestic corporation. The location of the registered agent's name as prescribed in K.S.A. 17-6002 and the adoption of such a change shall be in accordance with K.S.A. 17-6003, and amendments thereto.

(b) If a foreign or domestic corporation shall designate a resident agent of state the name of a resident agent in such manner provided in subsection (d) of K.S.A. 17-6003, and amendments thereto, and subject to dissolution or other termination of its existence as provided in this act. If a foreign or domestic corporation shall designate a new resident agent in such manner as provided in subsection (d) of K.S.A. 17-6003, and amendments thereto, and subject to dissolution or other termination of its existence as provided in this act. If a foreign or domestic corporation shall designate a new resident agent in such manner as provided in subsection (d) of K.S.A. 17-6003, and amendments thereto, and subject to dissolution or other termination of its existence as provided in this act.

History: L. 1972, ch. 80, § 2; L. 1999, ch. 39, July 1.

17-6204. Changed office by resident agent. (a) A resident agent of a corporation for which the secretary of state has designated a new resident agent, and the address of such corporation has maintained each of such corporations to the new address to which the office will be changed to a new address such resident agent shall maintain the registered office of such corporation, and change of address, as a resident agent in this state as provided in the certificate of incorporation.

RON THORNBURGH
Secretary of State



First Floor, Memorial Hall
120 SW 10th Ave.
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(785) 296-4564

STATE OF KANSAS

March 13, 2002

Honorable Kenny Wilk
Chair, House Appropriations
Capitol
Topeka, KS

Dear Representative Wilk:

Thank you for scheduling a hearing this week on SB 499, which creates the technology communications fee fund for our office. The bill is important to us because we have assumed a very aggressive role for the implementation of e-government and e-business. We were advised by the joint committee on information technology several years ago that information technology efforts should be financed by fee funds, not by the state general fund. We have followed the committee's advice and have been very successful.

However, now that our fee funds are depleted, we require a new fund to maintain our position in the forefront of electronic customer service. By definition, this fee fund is to be dedicated to building and maintaining information systems, not to day-to-day operations.

The committee had several questions to which we respond in this letter.

Provide a grid of filings, including current fees and sample fees.

Attached is a chart that lists agency filings, current fees and sample fees. The assumption used in this chart is that a \$1 fee would be added to each type of filing. The senate suggested that instead of listing a specific fee in SB 499 we define a ceiling. The secretary of state requested a \$5 ceiling. The fee is subject to approval by the legislative rules and regulations committee. The chart also provides additional information requested by committee members.

Identify any reductions in expenditures based on increases in electronic filings. Since 1994 our office has reduced its FTEs by approximately 10%. Most of this reduction is attributable to improvements due to information technology. At the same time we have practiced economies and efficiencies by

2-84

shifting FTEs from subject matter areas to the IT office. In 1990 our entire IT staff consisted of one programmer. As a result of our leadership in the electronic government/business efforts, in 2001 we reorganized our IT staff to include a chief information officer and five associates. We are working smarter and, because of our investment in IT, our product is better. Our IT improvements translate into savings for our customers as well. For example, today a Kansas banker may file a uniform commercial code (UCC) record in several minutes compared to the 10 days required several years ago, delivering much-needed money to a Kansas farmer faster.

If the subscription rate with the information network of Kansas (INK) were adjusted, wouldn't you have more filing revenues? No state agency, including the secretary of state, receives any part of the subscription fee paid to INK by their customers.

The following questions were broadly enough stated to include information searches as well as filings. SB 499 does not cover searches, but we want to respond to the committees' questions.

Is the SOS offering free information for which it used to charge? No. Representative Campbell asked whether his banker could search uniform commercial code (UCC) information free of charge. In Kansas, a banker is charged \$8 plus \$1 per page for an electronic search. The banker would be charged \$15 plus \$1 per page for a paper information request. There is no other way to access our UCC information.

Does the SOS charge for electronic services? Where a fee is established by statute or regulation or authorized by the Kansas records act, we charge a fee, whether the service is paper, electronic or other.

We appreciate the opportunity to respond to the committee's questions, and we hope you will advise if there is other information we may provide. This legislation is important to the future of our electronic government vision, and we urge your favorable consideration.

Respectfully,



Janet A. Chubb
Assistant Secretary of State

attachment

c: Committee members, Budget and Research offices

House Appropriations Committee

March 12, 2002

2-6

	DESCRIPTION	AUTHORITY	FUND	CURRENT FEE	SAMPLE FEE ¹
1	Annual Reports	Statute	SGF	\$20 min. to \$2500 max.	fee plus \$1
2	New Corporation	Statute	SGF	\$75 min. to \$150 max.	fee plus \$1
3	Name Reservation	Statute	SGF	\$20	\$21
4	Amendments	Statute	SGF	\$20	\$21
5	Reinstatements	Statute	SGF	\$20	\$21
6	Warehouse Bonds	Statute	SGF	\$25	\$26
7	Summons	Statute	SGF	\$40	\$41
8	Trademarks	Statute	SGF	\$25	\$26
9	UCC Filings	Reg	SGF/FF Split	electronic \$5 ³	\$6
10				paper \$15	\$16
11	Notary	Statute	SGF	\$10	\$11
12	Labor Annual Report	Statute	SGF	\$5	\$6
13	Business Agents	Statute	SGF	\$12.50	\$13.50
14	Athlete Agent	Statute	Fee Fund	\$1,000	\$1,001
15	Lobbyist Registration				
	expenditures total < \$1000	Statute	Fee/GEC ²	\$30	\$31
	expenditures total > \$1000	Statute	Fee/GEC ²	\$250	\$251
	lobbying firm employee	Statute	Fee/GEC ²	\$300	\$301
16	Candidate Filings				
	U.S. Senator	Statute	SGF	\$1,451	\$1,452
	U.S. Representative	Statute	SGF	\$1,451	\$1,452
	Governor / Lt. Governor	Statute	SGF	\$1,225	\$1,226
	Secretary of State	Statute	SGF	\$742	\$743
	Attorney General	Statute	SGF	\$853	\$854
	State Treasurer	Statute	SGF	\$742	\$743
	Insurance Commissioner	Statute	SGF	\$742	\$743
	State Senator	Statute	SGF	\$75	\$76
	State Representative	Statute	SGF	\$50	\$51
	State Board of Education	Statute	SGF	\$25	\$26
	District Judge	Statute	SGF	\$973	\$974
	District Magistrate Judge	Statute	SGF	\$100	\$101

1. The assumption used in this chart is that a \$1 fee would be added to each filing. SB 499 caps the fee at \$5.

2. Transferred to GEC (Governmental Ethics Commission)

3. Terminations filed electronically cost \$1

KANSAS LEGISLATIVE RESEARCH DEPARTMENT

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March 8, 2002

To: Governor Bill Graves and Legislative Budget Committee
From: Kansas Legislative Research Department and Kansas Division of the Budget
Re: Initial Consensus SGF Memo for FY 2002 and FY 2003 Revised Estimates

The Consensus Estimating Group met today to revise the estimates for FY 2002 and FY 2003. At the request of the President of the Senate and the Speaker of the House, this meeting was accelerated by about a month in view of the unusually difficult state budget issues with which the Legislature and Governor are contending.

Estimates for the two fiscal years combined were decreased by \$253.6 million relative to the previous estimates made in November.

For FY 2002, the estimate was decreased by \$129.1 million, or 3.0 percent, from the previous estimate made in November. The FY 2002 revised SGF estimate of \$4.207 billion is 4.7 percent below actual FY 2001 receipts. It should be noted that the growth percentage would have been 2.5 percent below such receipts had the 2001 Legislature not enacted a measure, applicable for FY 2002 only, that changed \$100 million in demand transfers to revenue transfers, effectively increasing transfers out of the SGF by that amount.

The FY 2003 estimate was decreased by \$124.5 million, or 2.7 percent from the November estimate. The revised estimate of \$4.464 billion is \$257.3 million, or 6.1 percent, above the newly revised FY 2002 figure. The growth percentage would have been 3.7 percent but for the aforementioned \$100 million change in transfers.

A more detailed memo will be available next week which contains the economic forecast for Kansas upon which the estimates are based as well as a discussion of other factors influencing the individual source estimates, including the increase in corporation income tax refunds, a recent Kansas Supreme Court decision affecting that same source, and the federal economic stimulus legislation.

Attached are the revised estimates for both years.

HOUSE APPROPRIATIONS

DATE 3/11/02
ATTACHMENT 3

Table 1
State General Fund Receipts
(In Thousands)
Consensus Revenue Estimates--March 8, 2002

	FY 2001 (Actual)		FY 2002 (Revised)		FY 2003 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Property Tax:						
Motor Carrier	\$17,920	11.1 %	\$20,500	14.4 %	\$20,500	-- %
Income Taxes:						
Individual	\$1,977,342	6.6 %	\$2,010,000	1.7 %	\$2,095,000	4.2 %
Corporation	211,907	(15.3)	100,000	(52.8)	125,000	25.0
Financial Inst.	24,816	11.3	24,000	(3.3)	25,000	4.2
Total	\$2,214,065	4.1 %	\$2,134,000	(3.6) %	\$2,245,000	5.2 %
Estate	\$41,196	(34.5) %	\$50,000	21.4 %	\$49,000	(2.0) %
Excise Taxes:						
Retail Sales	\$1,423,059	(1.2) %	\$1,485,000	4.4 %	\$1,525,000	2.7 %
Compensating Use	235,893	12.3	255,000	8.1	275,000	7.8
Cigarette	48,784	(0.7)	49,000	0.4	49,000	--
Tobacco Prod.	4,092	8.4	4,000	(2.2)	4,300	7.5
Cereal Malt Beverag	2,489	2.4	2,600	4.5	2,700	3.8
Liquor Gallonage	14,490	0.8	14,600	0.8	14,900	2.1
Liquor Enforcement	35,351	6.0	38,000	7.5	39,000	2.6
Liquor Drink	6,238	10.1	6,600	5.8	7,100	7.6
Corporate Franchise	16,927	0.6	17,500	3.4	17,700	1.1
Severance	101,537	91.7	54,800	(46.0)	52,500	(4.2)
Gas	87,320	125.7	41,100	(52.9)	38,300	(6.8)
Oil	14,217	(0.4)	13,700	(3.6)	14,200	3.6
Total	\$1,888,860	3.3 %	\$1,927,100	2.0 %	\$1,987,200	3.1 %
Other Taxes:						
Insurance Prem.	\$67,680	11.5 %	\$71,150	5.1 %	\$75,000	5.4 %
Miscellaneous	2,112	8.7	3,400	61.0	5,000	47.1
Total	\$69,792	11.5 %	\$74,550	6.8 %	\$80,000	7.3 %
Total Taxes	\$4,231,834	3.3 %	\$4,206,150	(0.6) %	\$4,381,700	4.2 %
Other Revenues:						
Interest	\$80,269	(1.2) %	\$38,500	(52.0) %	\$24,000	(37.7) %
Net Transfers	59,755	n/a	(89,200)	(249.3)	5,000	(105.6)
Project 2000	--	--	(9,175)	100.0	--	(100.0)
Other Transfers	59,755	n/a	(80,025)	(233.9)	5,000	(106.2)
Agency Earnings	43,190	(5.3)	51,400	19.0	53,400	3.9
Total Other Revenue	\$183,215	73.6 %	\$700	(99.6) %	\$82,400	n/a %
Total Receipts	\$4,415,048	5.0 %	\$4,206,850	(4.7) %	\$4,464,100	6.1 %

Table 2

State General Fund Receipts -- Comparison of Estimates for FY 2002

	CRE Estimate 2-Nov-01	CRE Estimate 8-Mar-02	Difference
Property Tax:			
Motor Carrier	\$20,000	\$20,500	\$500
Income Taxes:			
Individual	\$2,055,000	\$2,010,000	(\$45,000)
Corporation	195,000	100,000	(95,000)
Financial Inst.	25,000	24,000	(1,000)
Total	\$2,275,000	\$2,134,000	(\$141,000)
Estate Tax	\$45,000	\$50,000	\$5,000
Excise Taxes:			
Retail Sales	\$1,475,000	\$1,485,000	\$10,000
Compensating Use	255,000	255,000	--
Cigarette	49,700	49,000	(700)
Tobacco Product	4,000	4,000	--
Cereal Malt Beverage	2,600	2,600	--
Liquor Gallonage	14,400	14,600	200
Liquor Enforcement	37,900	38,000	100
Liquor Drink	6,700	6,600	(100)
Corporate Franchise	17,500	17,500	--
Severance	60,700	54,800	(5,900)
Gas	46,600	41,100	(5,500)
Oil	14,100	13,700	(400)
Total	\$1,923,500	\$1,927,100	\$3,600
Other Taxes:			
Insurance Premium	\$71,150	\$71,150	--
Miscellaneous	3,400	3,400	--
Total	\$74,550	\$74,550	--
Total Taxes	\$4,338,050	\$4,206,150	(\$131,900)
Other Revenues:			
Interest	\$37,500	\$38,500	\$1,000
Net Transfers	(87,975)	(89,200)	(1,225)
Project 2000	(9,175)	(9,175)	--
Other Transfers	(78,800)	(80,025)	(1,225)
Agency Earnings	48,400	51,400	3,000
Total Other Revenue	(\$2,075)	\$700	\$2,775
Total Receipts	\$4,335,975	\$4,206,850	(\$129,125)

Table 3

State General Fund Receipts -- Comparison of Estimates for FY 2003

	CRE Estimate 2-Nov-01	CRE Estimate 8-Mar-02	Difference
Property Tax:			
Motor Carrier	\$20,000	\$20,500	\$500
Income Taxes:			
Individual	\$2,150,000	\$2,095,000	(\$55,000)
Corporation	195,000	125,000	(70,000)
Financial Inst.	26,000	25,000	(1,000)
Total	\$2,371,000	\$2,245,000	(\$126,000)
Estate Tax	\$47,000	\$49,000	\$2,000
Excise Taxes:			
Retail Sales	\$1,515,000	\$1,525,000	\$10,000
Compensating Use	270,000	275,000	5,000
Cigarette	49,700	49,000	(700)
Tobacco Product	4,300	4,300	--
Cereal Malt Beverage	2,700	2,700	--
Liquor Gallonage	14,900	14,900	--
Liquor Enforcement	39,000	39,000	--
Liquor Drink	7,100	7,100	--
Corporate Franchise	17,700	17,700	--
Severance	59,900	52,500	(7,400)
Gas	46,200	38,300	(7,900)
Oil	13,700	14,200	500
Total	\$1,980,300	\$1,987,200	\$6,900
Other Taxes:			
Insurance Premium	\$75,000	\$75,000	\$0
Miscellaneous	5,000	5,000	--
Total	\$80,000	\$80,000	\$0
Total Taxes	\$4,498,300	\$4,381,700	(\$116,600)
Other Revenues:			
Interest	\$33,500	\$24,000	(\$9,500)
Net Transfers	6,500	5,000	(1,500)
Project 2000	--	--	--
Other Transfers	6,500	5,000	(1,500)
Agency Earnings	50,300	53,400	3,100
Total Other Revenue	\$90,300	\$82,400	(\$7,900)
Total Receipts	<u>\$4,588,600</u>	<u>\$4,464,100</u>	<u>(\$124,500)</u>

**TOTAL REVISIONS BY CONSENSUS ESTIMATING GROUP
AT MARCH OR APRIL MEETINGS
FOR CURRENT AND BUDGET YEARS
(In Millions)**

<u>Spring Meeting</u>	
1975	--
1976	--
1977	(3.0)
1978	--
1979	98.3
1980	--
1981	--
1982	(49.5)
1983	(86.2)
1984	--
1985	--
1986	(54.3)
1987	--
1988	89.4
1989	26.2
1990	(8.5)
1991	(23.9)
1992	(30.7)
1993	(25.6)
1994	80.5
1995	(40.3)
1996	32.0
1997	(3.7)
1998	189.3
1999	(21.0)
2000	(7.6)
2001	(185.5)
2002	(253.6)

STATE GENERAL FUND PROFILE*
REFLECTING MARCH 2002 CONSENSUS REVENUE ESTIMATES

	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03</u>	<u>Difference FY 02-03</u>
Beginning Balance	\$ 380.3	\$ 365.4	\$ 44.6	
Receipts (March 2002 Consensus)*	<u>4,415.0</u>	<u>4,206.9</u>	<u>4,315.8</u>	108.9
Total Available	\$ 4,795.3	\$ 4,572.3	\$ 4,360.4	
Expenditures	<u>4,430.0</u>	<u>4,527.7</u>	<u>4,056.2</u>	(471.5)
Ending Balance	<u>\$ 365.4</u>	<u>\$ 44.6</u>	<u>\$ 304.2</u>	
 Ending Balance as a % of Exp.	 8.2%	 1.0%	 7.5%	

*Assumptions:

No adjustments to FY 2002 Governor's recommended expenditures
 FY 2003 expenditures reflect expenditure level necessary to maintain 7.5 percent ending balance
 Demand transfers treated as revenue transfers in FY 2002 (\$100.0 million) treated as revenue transfers in FY 2003 as recommended by the Governor (\$148.3 million)