

SENATE WAYS AND MEANS COMMITTEE

Minutes of the Meeting  
March 1, 1965

The meeting was called to order at 10:00 a.m., March 1, 1965, by Chairman Sanborn. All members were present.

Two visitors were introduced by the Chairman - Messrs. Jim Dean (of Chicago) and John Drummond (of Lawton, Oklahoma), both of whom are political science majors attending Ottawa University.

Senator Saar reported on House Bill 620. He stated that the subcommittee is in accordance with the allocations made in the bill, which parallel the Governor's recommendations. One item he felt should be brought to the attention of the Committee was the agency's request for an additional pick-up truck to be operated by a person not recognizable as an investigator to do spot checking of people bringing liquor back into the State. The request was denied by the Governor, and he said the House committee and the Senate Subcommittee were of the opinion that the request should not be allowed because the purported use is outside the scope of the intent of the agency, which is considered to be regulatory. Senator Saar then moved that House Bill 620 be reported back to the Senate with the recommendation that it be passed. Senator Liebert seconded the motion. Motion carried.

Senator Bell reported on House Bill 628. (See copy of bill attached.) He stated that each item in the bill corresponds to the allocations recommended by the Governor. Thereupon, Senator Bell moved that House Bill 628 be reported back to the Senate with the recommendation that it be passed. Senator Van Sickle seconded the motion. Motion carried.

Senator Van Sickle then present subcommittee reports on the Kansas Livestock Brand Commission, Adjutant General, and Forestry, Fish and Game Commission. (See copies of reports attached.) Senator Van Sickle moved that these subcommittee reports be adopted by the committee and that a bill be introduced in the Senate. Senator Saar seconded the motion. Motion carried.

There being no further business to come before the meeting, it was adjourned at 10:45 a.m.

THEO. A. SANBORN, Chairman

SENATE WAYS AND MEANS COMMITTEE

Subcommittee Report

KANSAS CIVIL WAR CENTENNIAL COMMISSION (Page 417)

Fiscal Year 1966

Mr. Chairman:

Your subcommittee assigned to the Kansas Civil War Centennial Commission has examined the budget and is submitting this report for committee consideration.

The Commission was created for the purpose of carrying out appropriate observances and coordinating ceremonies commemorating the one-hundredth anniversary of the Civil War. The Commission has worked with the Lawrence Civil War Centennial Committee on the centennial observance of the Quantrill raid of Lawrence on August 21, 1863; with the Baxter Springs Centennial Committee in commemorating the centennial of the Baxter Springs massacre on October 6, 1863; and the Linn County Centennial Committee in observing the centennial of the Battle of Mine Creek on October 25, 1864.

The Commission has received two appropriations totaling \$1,000. No additional funds have been requested. Estimated expenditures in the Governor's Budget Report for fiscal year 1965 are \$803. The operations of the Commission will cease on June 30, 1965.

Your subcommittee recommends that the budget of the Kansas Civil War Centennial Commission be approved as recommended by the Governor.

  
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Senator T. A. Sanborn

  
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Senator Tom R. Van Sickle

M E M O R A N D U M

TO: Senator Theodore Sanborn, Chairman  
Senate Ways and Means

FROM: R. Wayne Richey

DATE: March 4, 1965

RE: Senate Bill No. 282 by Committee on Claims and Accounts

Senate Bill No. 282 by the Committee on Claims and Accounts which has been referred to the Ways and Means Committee provides for a total expenditure of \$14,585. The following table shows the amount appropriated by major type of fund:

General Revenue Fund	\$11,493
Special Revenue Funds	1,185
Motor Fuel Tax Refund Fund	471
Kansas Charitable Institutions and Mental Hospitals Building Fund	417
Highway General Fund	<u>1,018</u>
Total	<u>\$14,585</u>

The total of this amount may not add because of rounding.

The items financed from General Revenue Fund includes \$8,438 in new appropriations and \$3,055 that would be paid from existing appropriations. The Motor Fuel Tax Refund Fund is not included in the Governor's Budget Report; therefore, that item will not be reflected as a budget expenditure.

The \$1,185 from Special Revenue Funds includes the following amounts:

Healing Arts Fee Fund	\$ 325
University of Kansas Restricted Fees	512
Workmen's Compensation Fee Fund	116
Social Welfare Administration Fee Fund	172
Miscellaneous	<u>60</u>
Total	<u>\$ 1,185</u>

The Governor's Budget Report includes an estimate of \$25,000 for legislative claims from the General Revenue Fund. The new appropriations of \$8,438 contained in this bill is \$16,562 below this estimate. However, this bill includes an increase of \$2,620 not anticipated in the Governor's Budget Report for funds other than the General Revenue Fund.

*Wayne Richey*  
Wayne Richey

SENATE WAYS AND MEANS COMMITTEE

Subcommittee Report

COMMISSION ON CIVIL RIGHTS

(Page 66)

Fiscal Year 1966

Mr. Chairman:

Your subcommittee assigned to the Commission on Civil Rights has examined the budget and is submitting this report for committee consideration.

The Commission consists of five members, two members representing industry, two members representing labor, and one member representing the general public. Each member is appointed by the Governor for a term of four years. The chairman is also designated by the Governor.

Each member of the Commission receives \$15 per day plus travel and subsistence for each day he actually spends in the discharge of his official duties. The Commission employs a full-time Executive Director who receives a salary of \$9,000 annually. Other employees include an Educational Director, two Field Representatives, a Secretary I (Steno), and a Clerk-Steno II.

The Commission's educational program continues to be its major responsibility which requires about half of the professional staff's time. During FY 1964 the Commission processed a total of 74 formal complaints of employment discrimination. Seventeen of these were in process from the previous FY 1963 making a total of 57 new employment complaints in FY 1964.

The Governor's recommended budget for FY 1965 includes \$5,000 as a supplemental for expenses of conducting public hearings. The Commission has been greatly over-burdened by demands for public hearings. The first hearing lasted two and one-half days and cost nearly \$1,500. There are two other cases before the Commission that may require public hearings.

The budget as recommended by the Governor for FY 1966 totals \$64,095, including \$41,528 for salaries and wages. Recommended capital outlay includes \$400 for films and film strips, \$1,785 for an automobile, and \$50 for books.

Your subcommittee recommends that a budget of \$63,820 for FY 1965 and \$64,095 for FY 1966 which are the same amounts as recommended by the Governor be approved by the committee.

  
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Senator William H. Ward

  
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Senator T. D. Saar

SENATE WAYS AND MEANS COMMITTEE  
Subcommittee Report  
1965 Session

NUCLEAR ENERGY ADVISORY COUNCIL

Mr. Chairman:


Your subcommittee has reviewed the budget of the NUCLEAR ENERGY ADVISORY COUNCIL for fiscal years 1965 and 1966 and recommends that it be approved as recommended by the Governor in the amount of \$2,248 for FY 1965 and \$2,249 for FY 1966.

This program involves a reappropriation of funds and will allow the Council to be more active during the current and next fiscal years.

Section 6, Chapter 255 of the Session Laws, 1959, authorized the Governor to appoint an 11 member Atomic Energy Advisory Council. Primary responsibilities of the Council were to keep the Governor informed and advised of development, utilization and regulation of atomic energy and other forms of radiation. Senate Bill No. 317 passed by the 1963 Legislature changed the name to the Nuclear Energy Advisory Council. Section 5, Chapter 290, Session Laws, 1963, provided that the Governor appoint a Nuclear Energy Advisory Council composed of 11 members. (One member a State Senator, 1 member a State Representative, 1 member from the staff of the Department of Economic Development to serve as ex-officio member and at least 5 persons with scientific training in geology, medicine, nuclear engineering, radiology, radiation or health physics or related sciences with specialization in ionizing radiation.)

The budget is based on travel allowances for members residing outside of Topeka for attendance at 12 council meetings during the year and also for out-of-state travel. A provision has been made for miscellaneous expenditures.

  
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Senator William H. Ward

  
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Senator Theo. D. Saar, Jr.

SENATE WAYS AND MEANS COMMITTEE  
Subcommittee Report  
1965 Session

KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

Mr. Chairman:

Your subcommittee has reviewed the budget of the KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM for FY 1966 and recommends that the budget recommendation of the Governor in the amount of \$1,389,799 be approved.

There are over 30,000 employees in the Retirement System now including state employees. The net earnings on a \$22,000,000 fund are now 4.22%. There are also 1,683 employees under Kansas Public Employees Retirement System for prior service only- these employees are under TIAA systems in state colleges and universities primarily.

Benefits paid out during FY 1963 from the System were \$470,869; in FY 1964, \$701,939; estimated FY 1965, \$935,000; and estimated FY 1966, \$1,200,000.

Deductions are made on payrolls on behalf of the employees at 4% of gross pay and employers are presently remitting an amount equal to 4% on all member employees. The Retirement Board estimates that 2,800 retirants will be drawing benefits by the end of FY 1965 (1,865 state retirants and 935 local retirants). For FY 1966, it is estimated that 3,800 retirants will be drawing benefits by the end of FY 1966 (2,508 state retirants and 1,292 local retirants).



Senator William H. Ward



Senator Theo. D. Saar, Jr.

SENATE WAYS AND MEANS

Subcommittee Report

GRANTS

Mr. Chairman:


Your subcommittee composed of Senators Ward and Saar has reviewed the five state Grants and the expenditures and requests for the fiscal year 1966 which consists of the following: (1) American Legion, (2) Disabled American Veterans, (3) United Spanish War Veterans, (4) Veterans of Foreign Wars, and (5) Veterans of World War I.

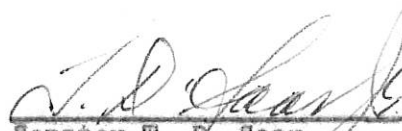
The one Grant, Disabled American Veterans, is recommended in the Governor's Budget Report to receive an amount of \$200 more than they have received in prior years. This additional amount was recommended to bring this Grant to the same level of the Grants to the other organizations which are similar. The other recommended Grants remain the same as in prior years.

Your subcommittee recommends the adoption of this report to provide the following Grants to the following organizations:

Veterans of World War I	\$ 2,000
American Legion	2,000
Disabled American Veterans	2,000
United Spanish War Veterans	3,000
Veterans of Foreign Wars	3,600
Total	<u>\$12,600</u>

This amount is as recommended in the Governor's Budget Report.

  
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Senator William H. Ward

  
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Senator T. D. Saar

SENATE WAYS AND MEANS COMMITTEE

Subcommittee Report

STATE DEPARTMENT OF PUBLIC INSTRUCTION

(Page 301)

Mr. Chairman:

Your subcommittee composed of Senators Bell and Liebert has reviewed the budget of the STATE DEPARTMENT OF PUBLIC INSTRUCTION and now makes the following recommendation: that the budget of the department for fiscal year 1966 be approved as recommended in the Governor's Budget Report for Fiscal Year 1966 except for elementary school aid, high school aid, emergency school finance, and junior college aid. Your subcommittee will submit a later report containing its recommendations on these specific programs.

The recommended budget for state operations amounts to \$1,161,314 of which \$762,839 is financed from the General Revenue Fund. The budget includes five new positions financed from federal funds for the National Defense Education Programs at a cost of \$24,080 plus incidental expense. The positions include an account clerk, two clerk-stenographers, a consultant in mathematics and a consultant in social studies. Congress expanded the scope of the National Defense Education Act last year to include history, geography, civics, English and reading. Mathematics was already included. Since Kansas was already providing some services in those fields from state monies, the federal funds automatically became available without additional matching funds. The state department feels that it can assist the local schools in improving their programs in the social sciences and mathematics with these additional personnel. The remaining administrative programs of the department are recommended at the current level of expenditure except for merit salary increases.

Your subcommittee noted the Governor's apparent concern relative to the state's programs for reimbursements to local schools for special education of exceptional children. The cost of this program for exceptional children has doubled in the last two years. The Governor said, "Perhaps its effectiveness should be re-examined to determine whether the performance is in conformity with the expectations of the Legislature and whether it should continue to expand as rapidly." Your subcommittee shares the Governor's concern and recommends that a resolution be introduced directing the Legislative Council to make a study of the program.

Special education programs were started in 1951. Major amendments were made to the act in 1961 following a study by the Legislative Council. The amendments increased the basic state payment to local schools for mentally retarded children by \$1,000 per class (from \$1,500 to \$2,500), doubled the amount of reimbursement for homebound programs (from \$1,500 to \$3,000) and increased number of reimbursable programs for exceptional programs. The maximum was six teachers per congressional district at \$3,000 with a further limit of one per school district and \$1,500 per teacher in each congressional district in excess of six. The 1961 act allowed 15 teachers per congressional districts



to be reimbursed at \$2,500 each and authorized a single district to have up to four teachers. Teachers in excess of the 15 were (and are now) reimbursed at \$2,000 each. In addition, the state department was authorized to pay one-half of cost educational aids and equipment up to a reimbursement of \$100 per child. These changes in state aid rates not only increased the cost of existing programs by almost fifty percent but greatly stimulated the establishment of additional programs in other schools.

The following table shows the growth in the cost of the special education programs since fiscal year 1961.

	<u>1961</u>	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>Estimated</u> <u>1965</u>
Educable Mentally Retarded	\$176,373	\$331,328	\$ 383,288	\$ 450,456	\$ 543,250
Homebound	78,867	81,983	91,935	94,423	110,000
Exceptional	<u>289,231</u>	<u>506,779</u>	<u>529,957</u>	<u>759,453</u>	<u>1,017,710</u>
Total	<u>\$544,471</u>	<u>\$920,090</u>	<u>\$1,005,180</u>	<u>\$1,304,332</u>	<u>\$1,670,960</u>

The increasing availability of trained teachers in special education has contributed to the growth of the programs. At the time of its study, the Legislative Council estimated that the annual cost of the state would rise to \$3,000,000 annually with the new reimbursement rates.

The study recommended here should be aimed at determining the need for the programs as illustrated by the number of children to be served, the impact of these programs on the population levels at the institutions for the mentally retarded and schools for the deaf and blind, effect, present and potential on the public welfare rolls, the effectiveness of the educational programs on the children involved, and the relationship of the total cost of the program and the state's reimbursement rates. Each category and type of class in special education should be examined closely to see if it is really needed.

The recommended budget for fiscal year 1966 would allow 240 special classes for the educable mentally retarded, an increase of 50 over the current year. The budget for exceptional children would allow \$32,290 in additional funds for exceptional programs. This amount would permit about 15 new classes in this area at the \$2,000 rate plus incidental expense.

The driver training programs in local schools are aided from the proceeds of 25 percent of driver license fee which are paid into the State Safety Fund and distributed equally on a per pupil basis to all schools offering approved courses. In the current year the per student distribution was \$26.48 for 24,968 students.

The total budget of the Department of Public Instruction exclusive of the emergency, elementary, high school and junior college aid programs is recommended at \$7,647,464. Federal funds will provide \$3,954,065 of this amount while the General and Sales Tax Funds will finance \$2,950,089. Miscellaneous special revenue funds will bear the remainder of the cost, most of which is \$665,000 from the State Safety Fund.

  
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Senator L. Claude Bell

  
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Senator Richard Liebert

SENATE WAYS AND MEANS COMMITTEE

Subcommittee Report  
Session of 1965

SCHOOL FUND COMMISSION  
(Page 308)

Mr. Chairman:

Your subcommittee assigned to the SCHOOL FUND COMMISSION submits the following report.

Article 6, Paragraph 9, of the Kansas Constitution provides that the State Superintendent of Public Instruction, the Secretary of State, and the Attorney General shall constitute a Board of Commissioners for the management and investment of school funds.

The Commission meets regularly on the last Saturday of each month and may convene in special sessions on the call of any member. Investments of the various funds may be in bonds of the United States, securities issued by an agency of the United States, bonds of the State of Kansas, bonds of any municipality of the State of Kansas, school fund district bonds, or bonds of boards of education. Investments may also be made in warrants issued by the State marked "Not Paid for Want of Funds."

An employee in the State Treasurer's Office is responsible for the seven special funds of the School Fund Commission. She keeps a record of the bond investments and notifies the schools and other agencies who by statute are to receive certain sums from the payment of coupons and accrued interest on the respective school fund investments. Receipts from bond interest for the period beginning March 1 through March 15, 1965, totaled \$30,342.85. Of this amount, the Annual School Fund received \$11,244.55; the Permanent School Fund received \$16,000; the University Permanent School Fund (University of Kansas, Interest 0425-3-682-99) received \$442.40; the Normal Permanent School Fund (Kansas State Teachers College, Emporia, Interest 0425-3-379-99) received \$25; the Agricultural Permanent School Fund (Kansas State University, Interest on Endowment, 0425-3-367-99) received \$2,624; and the Stormont Library Interest Fund (State Library budget) received \$6.90.

The Permanent School Fund was established to receive the proceeds of all lands granted by the United States to Kansas for the support of schools, including the state's share of 500,000 acres of land granted to the new states by an act of Congress, 1841; estates of persons dying without heir; the proceeds of strays; and fine and forfeitures. Unclaimed inheritances must be held for 10 years subject to refund to the rightful claimer during that period.

Receipts to the Annual School Fund include income from the Permanent School Fund, the ad valorem tax on the rolling stock of motor carriers, and specific annual fees paid by insurance companies. Capital stock and mutual reserve life insurance companies pay \$50 admission fees and \$50 annual fees into the Annual School Fund. These fees clear through the Commissioner of Insurance. Also, all money paid to the State of Kansas by the United States under the Mineral Leasing Act for the construction and maintenance of public roads or for the support of public schools and other public educational institutions is transferred on an equal basis to the Annual School Fund and the Special County Road and Street Fund. The motor carrier taxes are payable as follows: if the motor carrier taxes of a motor carrier are more than \$50, he may, at his option, pay the full amount of his tax on or before the 20th of December of each year or he may elect to pay one-half on or before the 20th of December and the remaining one-half on or before the 20th of June of the next calendar year. The Property Valuation Department estimates that 60% of this tax will be paid on or before the 20th of December.

Receipts of the Annual School Fund are distributed annually by order of the State Superintendent to the County Treasurers on a formula based on the number of children between the ages of 5 and 21 years who are residents of the counties. An amount of \$1,163,620.40 or \$1.85 per person (ages 5 to 21 years) was distributed on February 15, 1964. A census of 628,984 was used in calculating the amount distributed.

The Agricultural College Permanent Fund was established to receive receipts from 90,000 acres of land granted to the State of Kansas by Congress to endow a college for the benefit of agriculture and mechanic arts and by law the expenditures from this fund must be used solely for the endowment of Kansas State University and for no other purpose whatever. The interest on the fund arising from the sale of land is used by the Board of Regents for the maintenance, support and development of the agricultural college.

All monies derived from the sales of normal school lands are deposited in the Normal Permanent School Fund. The amount received as principal must be invested by the commission according to law and the amount received as interest must be used for the support and maintenance of the Kansas State Teachers College of Emporia.

The University Permanent School Fund was established to receive all funds arising from the sale or rents of lands granted by the United States to Kansas for the support of the University of Kansas. Other receipts to the fund include grants, donations, or bequests either by the state or individuals.

The Stormont Medical Library Fund received a gift of \$5,000 from Mrs. Jane Stormont in memory of her husband to be used in establishing and maintaining a medical library located at Stormont Vail Hospital of Topeka. The income from this fund is used by the State Library to buy books, charts, and magazines for the Medical Department of the State Library.



SENATE WAYS AND MEANS COMMITTEE

Subcommittee Report

HIGHWAY PATROL

Mr. Chairman:

Your subcommittee has reviewed the budget of the Highway Patrol for fiscal year 1966 and recommends that 25 troopers be added to the current authorized strength of 202 officers. This recommendation is 25 troopers less than the amount approved by the House of Representatives and recommended by the Governor.

	<u>Governor Recommended</u>	<u>House Approved</u>	<u>Recommended Subcommittee</u>	<u>Difference from House</u>
Salaries and Wages	\$2,291,116	\$2,255,586	\$2,151,846	\$-103,740
Contractual Services	477,788	482,847	447,210	- 35,637
Commodities	348,664	350,932	328,578	- 22,354
Capital Outlay	<u>336,260</u>	<u>334,779</u>	<u>289,889</u>	<u>- 44,890</u>
Total	\$3,453,825	\$3,424,144	\$3,217,523	\$ 206,621

The recommended financing for the Highway Patrol for FY 1966 is:

Highway Fund Transfer	\$2,811,275
Conversion of Materials	92,197
Balance forward from FY 1965	<u>113,170</u>
	\$3,016,642
Turnpike Patrol	<u>200,881</u>
Total	\$3,217,523

  
Senator W. E. Woodard, Jr.

  
Senator Tom R. Van Sickle

Specific Breakdown of Subcommittee Recommendations  
on Budget for 25 Troopers

<u>Salaries and Wages</u> +25 troopers	<u>\$103,740</u>
<u>Contractual Services</u>	
Communication	\$ 1,106
Freight and Expense	3,600
Printing and Advertising	92
Rents and Utilities	300
Repair and Servicing	2,738
Travel	27,375
Fees	375
Other	50
Subtotal	<u>\$ 35,636</u>
<u>Commodities</u>	
Clothing	\$ 11,360
Motor Vehicle Parts	8,643
Stationery	881
Other	1,469
Subtotal	<u>\$ 22,353</u>
<u>Capital Outlay</u>	
12 Automobiles	\$ 28,800
12 Sirens	420
12 Gun Cases	84
12 Brief Cases	204
12 Blankets	48
12 Flares	60
12 Tapes	144
12 Gas Cans	144
12 Shot Guns	948
25 Revolvers	1,250
25 Riot Helmets	175
12 Cameras	2,220
12 Fire Extinguishers	84
12 First Aid Kits	60
12 Under Hood Speakers	72
12 Beacon Ray Lights	480
12 Remote Trunk Releases	60
12 Tire Chain Sets	72
25 Garmet Bags	125
25 Helmet Bags	25
25 Raincoat Bags	75
12 4-way Lug Wrench	24
50 Metal Ticket Holders	100
25 Scotchlite Decals	25
12 Stop Watches	300
5 Typewriters	1,070
5 Desks	740
5 Steno Chairs	200
20 Folding Chairs	960
5 Files	415
12 Radios	5,796
Subtotal	<u>\$ 45,180</u>
 Total Recommended	 <u>\$206,909</u>

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SENATE WAYS AND MEANS COMMITTEE

Subcommittee Report

STATE CORPORATION COMMISSION

(Page 86)

Mr. Chairman:

Your subcommittee has reviewed the budget of the State Corporation Commission for fiscal year 1966 and recommends that it be approved in the amount of \$1,423,321 as recommended by the Governor.

This budget represents an increase of \$18,847 over that of the current fiscal year. The entire amount is due to merit pay increments in accordance with civil service scale.

The budget for fiscal year 1966 provides for 165.5 employees, which is 5 less than authorized for the current fiscal year. The agency voluntarily dropped three employees: A Clerk-Typist I, a Bookkeeping Machine Operator II, and one Rate Examiner. In addition, the Governor's budget deletes a Utilities Engineer III and a Petroleum Engineer which had been authorized in the budget for a number of years but had never been used.

This agency is financed by special fees and charges. The public service regulation fund is financed by an annual assessment of not to exceed 1/5th of 1% of the gross operating revenue of the utilities. The assessment cannot exceed \$350,000. 20% of this amount is deposited to the general revenue fund, and this is expected to amount to \$63,000 in fiscal year 1966.

The speculative securities fund finances the activities of the Speculative Securities Division and the revenues are based on fees charged to brokers and agents and the registration of securities. 20% of the income is deposited to the general revenue fund. The conservation activity includes well plugging, natural gas conservation, and oil proration. Each of these activities is financed by its own special revenue fund. The well plugging fund receives 1¢ per foot of well depth plugged with a \$10 minimum. The natural gas conservation fund is assessed by an assessment of 1/2 mill per 1,000 cubic feet of gas produced. The oil proration fund is financed by an assessment of .1¢ on each barrel of crude oil produced. These rates are adjusted to provide the necessary financing of the budget annually. The conservation funds do not provide any money for the general revenue fund.

The charges made by the Commission are sufficient to finance the budget for fiscal year 1966.

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Senator Tom R. Van Sickle

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Senator W. E. Woodard, Jr.

SENATE WAYS AND MEANS COMMITTEE  
SUBCOMMITTEE REPORT

BOARD OF TAX APPEALS (Page 104)  
1965 Session

Mr. Chairman:


Your subcommittee has reviewed the budget of the STATE BOARD OF TAX APPEALS and recommends that the budget be approved for fiscal year 1965 in the total amount of \$79,568 as recommended by the Governor and for fiscal year 1966 in the amount of \$81,734 as recommended by the Governor.

Your subcommittee wishes to point out that the budget for this agency has risen from a total expenditure for fiscal year 1963 of \$65,173 to a recommended figure for fiscal year 1966 of \$81,734, an increase of \$16,561 over the three year period. It should be pointed out here that this provides for 5 employees - the same level as over the last four years. Your subcommittee is recommending the supplemental as recommended by the Governor - \$5,561 (\$3,542 in salaries and wages and \$2,019 in other operating expenditures). This agency is charged with the responsibility of hearing appeals from the Director of Revenue, the Director of Property Valuation, and local boards of review and equalization. The following table will indicate the increases in fiscal year 1964 over fiscal year 1963:

<u>Activity</u>	<u>Fiscal Year 1963</u>	<u>Fiscal Year 1964</u>
Appeals from Director of Revenue	17	12
Appeals from Director of Property Valuation	0	0
Grievances filed pursuant to K.S.A. 79-1702	860	925
Protests filed pursuant to K.S.A. 79-2005	73	14
No fund warrants and increased levies	187	177
Equalization appeals	114	1,174
Total	1,251	2,302

It should be noted that of the 1,174 appeals heard this past fiscal year, 1,018 were from Sedgwick county and represented approximately 2,000 pieces of property. This is an increase in activity not foreseen in the budget for fiscal year 1964. The fiscal year 1965 budget has been supplemented by the aforementioned \$5,561 primarily for this purpose and the fiscal year 1966 budget contains funds for such appeals.

Your subcommittee recommends that the Committee approve this report authorizing total expenditures of \$79,568 for fiscal year 1965 and \$81,734 for fiscal year 1966, an increase of \$2,166.

  
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Senator Tom Van Sickle

  
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Senator W. E. Woodard



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SENATE WAYS AND MEANS COMMITTEE  
SUBCOMMITTEE REPORT  
1965 Session

PROPERTY VALUATION DEPARTMENT  
(Page 156)

Mr. Chairman:

Your subcommittee has reviewed the budget for the PROPERTY VALUATION DEPARTMENT and is recommending that the budget as recommended by the Governor for fiscal year 1966 at \$338,906 be reduced by \$24,777 to a total recommended budget of \$314,129.

This recommendation would reduce by 2 the number of employees in Activity 3, "Supervision of Local Assessment - County." Two field representative positions which were vacant on September 1, 1964, and which were cited as helping the Board of Tax Appeals by serving as expert impartial investigators in assessment matters at issue before the board are recommended to be cut out since Mr. Sam Brookover, Chairman of the Board of Tax Appeals, made the statement before the full Committee that these people did not help the Board of Tax Appeals. This would reduce the salaries and wages budget by \$15,907, the contractual service budget by \$4,500 for travel and subsistence and the capital outlay budget by \$4,370 for 2 automobiles, 2 desks and 2 chairs for these people (these people are already budgeted and the cars, desks and chairs that are being deleted were for the tax ratio study personnel - the property appraiser II and the statistician III). However, these individuals can use cars, desks and chairs already acquired by the Property Valuation Department under the fiscal year 1965 and previous years budgets.

Your subcommittee therefore, recommends approval of this report in the amount of \$314,129 total expenditures for fiscal year 1966, an increase of \$15,495 over the current year. A new property appraiser II and statistician III are recommended for the ratio study as recommended by the Governor.



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Senator Tom Van Sickle



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Senator W. E. Woodard

SENATE WAYS AND MEANS COMMITTEE

Subcommittee Report  
Regular Session 1965

GRANTS  
(Page 285)

Mr. Chairman:

Your subcommittee of Senators Bell and Liebert has reviewed the GRANTS to the (1) School District No. 75, Lansing, Kansas, and the (2) Academy of Science, and submit to you the following report.

School District No. 75, Lansing, Kansas, has received a \$2,000 yearly grant from the state as a result of approximately 20% of land in the district is owned by the state (Kansas State Penitentiary). The Lansing Elementary School uses these funds to offset the increased costs of teachers salaries, a slight increase in enrollment, and the maintenance of two buildings.

The Academy of Science has received a \$3,000 yearly grant from the state for the purpose of the preparation, publication, and distribution of the official papers of original research, called the Transactions. This is accomplished through the membership of the organization. The organization requested a \$5,000 grant as a result of: (1) an increase of cost per printed page - 14.6%, (2) increase in mailing costs, (3) increase in editorializing the original papers, and (4) the increased number of pages from 479 to 792 per volume. Besides the grant from the state, the organization receives dues from members, approximately \$3,000, library exchange, approximately \$1,700, and approximately \$300 from other miscellaneous sources - total - \$5,000. The \$4,000 grant of the state would provide funds for the additional printing costs. The total cost to the organization in FY 1963-64 for the publication of the Transactions was \$8500. The additional funds are necessary as a result of the estimated increase in pages for 1965-66. This organization receives a grant from the National Science Foundation to be used only for the encouragement of the Junior Academy of Science. These grants cannot be used by the academy for the publication of the Transactions.

Your subcommittee recommends the adoption of this report to provide an appropriation for FY 1966 to the following Grants as recommended in the Governor's Budget Report:

School District No. 75, Lansing, Kansas	\$2,000
Academy of Science	\$4,000

  
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Senator L. Claude Bell

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Senator Richard Liebert

SENATE WAYS AND MEANS COMMITTEE

SUBCOMMITTEE REPORT

BOARD FOR VOCATIONAL EDUCATION

(Page 277)

Mr. Chairman:

Your sub-committee on the State Board for Vocational Education has examined the budget request for fiscal year 1966 and submits the following report.

Your subcommittee recommends that the budget of \$5,119,953 be approved as recommended by the Governor. Your subcommittee further considers it desirable for the Board to continue its participation in the Manpower Development and Training program if the Federal Government maintains its 100% support for the educational training and payment of stipends to trainees.

The Board for Vocational Education administers two major programs: vocational education and rehabilitation of the physically disabled. The vocational education program includes the traditional programs in the local public schools plus the area vocational-technical schools, the technical education program under the National Defense Education Act of 1958 and the Manpower Development and Training Program. These programs are all related in that they are concerned with training in the trades and technical fields but their emphasis is different.

The traditional vocational programs are geared toward the high schools and are concerned with agriculture, homemaking, trades, selling occupations (distributive), and practical nurse training. Their major emphasis is on the high school age student although several evening programs are offered for adults. The state requires certain standards to be met by the local public high schools for them to be eligible for aid funds. These programs are financed by federal and state-local funds on a fifty-fifty matching basis. For a long time all available Federal funds for the regular program have been over-matched by state and local funds except for the practical nurse training programs. Thus if any of these programs are expanded or increased in cost, it must be borne by state and local funds. For the day school programs the state will match 25% of the local vocational teacher's salary to a maximum of \$1,400 in state funds. The practical nurse training program is financed by 25% state, 25% local and 50% Federal funds. Three programs are now in operation under this Act: Wichita, Topeka, and Dodge City. (Other practical nurse training programs are sponsored under the Manpower Development and Training Act.) The office education or business education program is financed entirely by state and local funds.

The estimated cost of these programs in FY 1966 is \$1,101,633. This level of expenditure would provide state matching funds for regular pay increases for local teachers, (providing it doesn't exceed the maximum \$1,400 in state funds), three new teacher trainer programs (\$14,394) - vocational agriculture at Kansas State University, trades and industrial education at Pittsburg and distributive education (selling and services occupations) at Emporia. It would also allow 10 additional adult evening classes in homemaking (\$720), 36 adult classes in trades and industry (\$3,601), and 5 new office education programs (\$2,966). The practical nurse training program includes \$30,000 (\$10,000 state and \$20,000 Federal) as a contingency amount to be used in the event, seemingly improbable, that the Manpower Development Training program is not continued at its present level of financing by the Federal Government.

The technical training programs were originally started under the National Defense Education Act but have recently been shifted to a category under the George-Barden Act. Its purpose is to train persons in the highly skilled technical occupations involving the national defense. The only state participation is the payment of one half of the administrative cost (\$7,424 in FY 1966) with the Federal and local governments sharing the remaining cost. Most of these programs are now being shifted to the area schools. Federal aid funds are estimated at \$228,468 for FY 1966.

Eight area vocational-technical schools were authorized in the budget for the current fiscal year. The area schools started were North Central at Beloit, Southeast at Coffeyville and Columbus, Southwest at Dodge City, Flint Hills at Emporia, Northwest at Goodland, Central at Hutchinson, Newton and McPerson, Northeast at Topeka and Tri-Valley at Salina. Estimated expenditures for aid to these schools in the current year is \$1,801,574 of which \$534,287 is state funds and the remainder is Federal. In addition, the communities involved will spend an estimated \$872,681 plus construction costs of \$1,055,225. The current financing formula for operating expense is 25% state, 25% federal and 50% local except for equipment cost which is shared 20% state, 50% federal and 30% local. The state does not participate in construction costs.

The recommended budget for fiscal year 1966 provides \$612,500 in funds for expansion of the eight existing schools plus the establishment of two new schools. The State Board estimated that a forty unit school could be established at Wichita and a ten unit school could be started at another location. These new schools can be financed without increasing state appropriations because of an estimated increase of \$630,970 in federal funds allotted to Kansas for this program.

The Manpower Development and Training Act was passed in March of 1962. The Federal Government is currently paying 100% of the cost of this program. Although the Federal share of the cost is scheduled to decline in fiscal year 1966 to a 2 to 1 matching ratio (2/3's Federal, 1/3 state and local), legislation is under consideration in Congress to extend the 100% financing for at least one more year.

The Employment Security Division refers most of the trainees to the Board for Vocational Education for training and handles the payment of stipends for participants. The maximum stipend is \$48 per week although Social Welfare occasionally helps if this payment is insufficient. This program is for persons who are over 17 years of age and out of school at least one year. In fact, 25% of the trainees must be under 22 years of age. Illiterate trainees can get up to 20 weeks of basic education in reading and writing. A trainee must have had up to two years of prior work experience to be eligible. A member of a family is eligible if the head of the household is unemployed; otherwise only the head of a household is eligible. In any case, only one member of a family is eligible at any one time. The program also provides loans and grants for relocation expense.

At the present time 2,105 trainees are participating in this program in Kansas in nine cities. The training programs include licensed practical nursing, (Atchison, Chanute, Dodge City, Topeka and Wichita), heavy equipment operator (Beloit), farm equipment machine (Goodland), and several industrial trades and clerical classes in the major cities (Kansas City, Wichita, Topeka, Hutchinson). More than \$700,000 in Federal funds has been spent for equipment for these classes. Most of the classes are offered by the existing public vocational and technical training schools in Kansas, which allows the regular students to benefit from the use of this equipment in their training. Mr. McCormick stated that if the Manpower program were discontinued in Kansas and continued in other states, we could expect to lose some of this equipment.

Your subcommittee considers it desirable that this program be continued if the federal financing is continued at 100%. Your subcommittee understands that such continuation is highly probable for the next year. It is further understood that a proposal has been made that the state and local units share 10% of the training cost in fiscal year 1967 with the Federal Government bearing the full cost of the stipend paid to trainees.

In the event that this program should be continued at its present financing, the Governor has recommended and your subcommittee approves that \$10,000 in state funds be appropriated contingently so that the present practical nurse programs under Manpower Development could be continued.

The vocational rehabilitation program is recommended at a level sufficient to maintain its present programs. The Manpower Development and Training program has helped this program since it provides training and stipends to disabled workers. The agency requested that its appropriation for rehabilitation not include the word physically in describing disabled. The agency for some years has provided services to help in rehabilitate mentally ill or disabled persons. The new director of this program suggested that if this service is to be continued to this group of disabled people the language should be changed. Since this would only continue present policy, your subcommittee recommends that this be done.

The budget for the Vocational Rehabilitation Unit at the Kansas Neurological Institute maintains the present level of program. The budget provides for an average daily population of sixty mentally retarded clients in FY 1966. This program is financed 37% by state funds and 63% Federal. A capital improvement item of \$25,000 is recommended for a fire extinguisher sprinkler system for the 5 dormitories at the Unit.

The total recommended budget for the Board for Vocational Education in FY 1966 is \$5,119,953 exclusive of the Manpower Training program. This amount is \$745,250 above the current year. The area-vocational training program accounts for \$638,386 of the increase and is Federal funds. State funds account for \$63,898 of the operating increase of which \$10,000 is contingent upon the Manpower Training program. The remainder of the increase is for the merit pay increases and the new vocational programs specifically mentioned above.

Respectfully submitted,

  
Senator L. Claude Bell

  
Senator Richard Lieberty

SENATE WAYS AND MEANS COMMITTEE

Subcommittee Report

STATE SCHOOL RETIREMENT BOARD

(Page 299)

Mr. Chairman:

Your subcommittee has reviewed the budget of the State School Retirement Board for fiscal year 1966 and submits the following report. Your subcommittee recommends that the budget for the administration of the State School Retirement Board be approved for \$79,504 as recommended by the Governor. Consideration of the budget for the school services annuities is being withheld until the outcome of the Governor's recommendation concerning improved retirement benefits is known. The financing of that portion of the budget will be determined in the Retail Sales Tax Fund transfer bill.

The State School Retirement Board consists of six members. The State Superintendent of Public Instruction and the State Treasurer are ex officio members. The other members serve 4-year terms with no compensation. The retirement pay received by a school teacher comes from two sources: an annuity based on years of service paid entirely by the state and an annuity based on the amount of contributions paid into a savings fund by the school employee. The employee pays 4 percent of the first \$3,000 of his salary annually into his savings account. The services annuity is paid by the state from the Retail Sales Tax Fund.

The Board held on June 30, 1964, \$35,433,000 in United States Government Bonds on behalf of the school employee savings fund. Employees contribute about \$4 million annually to this fund and interest is expected to amount to about \$1,300,000 in the current year. A bill has been introduced in this session to liberalize the investment authority of the Board similar to that of legal reserve life insurance companies (House Bill 536).

The membership of the School Retirement System amounted to 37,020 as of June 30, 1964; of this amount slightly more than 28,000 were contributing members while 3,212 were retired members; 5,700 members had vested benefits. The office maintains a record of more than 30,000 members whose contributions have been refunded. It is necessary to keep these records since these members may come back into the service and buy back into the system. The program is administered by an executive secretary and eleven clerical employees.

It is estimated \$2,835,200 would be necessary in fiscal year 1966 to pay services annuity benefits at the present statutory rate. The Governor recommended that these rates be liberalized to provide approximately \$500,000 more in annual benefits.

The agency requested at its hearing an additional \$976 to be used in paying the salary of an Account Clerk I. The agency has budgeted this position to be a new state employee but has hired an employee who already had state service and is farther up the civil service scale. Your subcommittee recommends that the budget be left as recommended by the Governor with the understanding that the committee would consider a request for a deficiency appropriation during

the Budget Session of 1966 if the agency has not had offsetting savings in the meantime.

The approved budget for fiscal year 1966 represents an increase of \$1,678 for administrative cost over the current year. All of this increase is for civil service pay increments. The administrative cost of the program is financed from the employees savings fund.

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Senator L. Claude Bell

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Senator Richard Liebert



SENATE WAYS AND MEANS  
Subcommittee Report  
Regular Session 1965

STATE BOARD OF PROBATION AND PAROLE  
(Page 334)

Mr. Chairman:

Your subcommittee has reviewed the budget request of the STATE BOARD OF PROBATION AND PAROLE and recommends an expenditure of \$350,765 as recommended in the Governor's Budget Report.

An addition of three new parole agents, increasing the number to 28, are included in the recommendation. This addition is part of the program of gradual expansion of the agency's staff that the Legislature has undertaken since the reorganization of the Board in FY 1962. The workload has shown a steady increase. In FY 1964, a total of 2,941 persons (an average of 68 cases per agent) were under the supervision of the Board, an increase of 7.8 per cent over the previous fiscal year. This caseload is greater than the recommended national standard of 50 established by the National Parole and Probation Association. This standard does not take into account the extensive pre-sentence investigations which are part of the duties of the Kansas agents.

An important part of the parole agent's duties is the pre-sentence investigations for the various district courts. The recommended expansion will further enable the court to increase its service in this activity. These investigations are an important element in the decision whether to sentence a defendant to confinement or probation.

A representative sampling of the state's district courts has shown that the district courts want to expand their probationary activity level provided the Board of Probation and Parole can provide the personnel to do the necessary pre-sentence investigation work and maintain an adequate level of supervision of probationers. Past experience has shown that as the services of the agency are strengthened, the courts utilize these services by placing more defendants on probation. This utilization results in considerable savings for the citizens of Kansas due to the fact that it costs \$157 per year (based on actual costs for FY 1964) for supervision of a person on parole or probation while it costs \$1,600 per year (based on the budget estimate of the three state penal institutions for FY 1966) to keep the same person in confinement. In addition to this savings, persons under supervision are usually in the community working, paying taxes, keeping their families off relief rolls (the average welfare family costs \$125 to \$150 per month), avoiding the stigma of prison confinement and otherwise contributing to the welfare of Kansas.



Senator William H. Ward



Senator Charles Arthur



Senator Joe Warren

AGENCY ASSIGNMENTS - 1965 LEGISLATURE

House of Representatives Committee on  
Ways and Means

The following subcommittees and the agency assignments have been made. The agencies assigned are only those considered initially by the House of Representatives Committee on Ways and Means. The name shown in parenthesis indicates that the member shown will be an ex-officio member of the subcommittee when considering the budget of the agency listed with the name. The first named member of each subcommittee is its chairman.

<u>Agency</u>	<u>Regular Subcommittees and Assignments</u>	<u>Budget Analyst</u>
	<u>Angell, Stark, John Unruh</u>	
300	Department of Economic Development	Culbertson
301	Office of Economic Analysis	Culbertson
709	Water Resources Board	Smith
094	Bank Commissioner	Smith
597	Savings and Loan Department	Culbertson
454	Consumer Credit Commissioner	Culbertson
355	Children's Receiving Home	Ahrens
713	Winfield State Hospital and Training Center	Ahrens
507	Parsons State Hospital and Training Center	Ahrens
363	Neurological Institute	Ahrens
	<u>Cubit, Conard, Joseph</u>	
676	Board of Treasury Examiners	Culbertson
373	State Fair	Smith
179	Department of Post-Audit	Smith
234	Fire Marshal	Bibb & Machunze
670	State Treasurer	Culbertson
319	Industrial School for Boys	Ahrens
	<u>Durfee, Carter, Taylor</u>	
222	Horticulture Society	Smith
161	Crippled Children's Commission	Ahrens
634	Soil Conservation Committee	Smith
046	Board of Agriculture	Smith
452	Livestock Sanitary Commission	Smith
258	Grain Inspection Department	Smith
325	Industrial School for Girls	Ahrens
	<u>Doyen, Casebeer, E. Unruh</u>	
228	Executive Council	Fowler
173	Department of Administration	Smith
646	State Office Building - Executive Council	Culbertson
070	State Architect	Culbertson
064	State Registration and Examiners Board of Architects	Fowler
404	Labor Department	Culbertson
210	Employment Security Division	Culbertson
719	Workmen's Compensation Director	Culbertson
664	Topeka State Hospital	Ahrens
494	Osawatomie State Hospital	Ahrens
410	Larned State Hospital	Ahrens
	<u>Fatzer, Smith, West</u>	
573	Kansas Board of Review	Smith
622	Secretary of State	Fowler
640	Soldiers' Home and Mother Bickerdyke Annex	Ahrens
331	Insurance Department	Culbertson
149	Board of Registration for Cosmetologists	Fowler
543	State Printer	Culbertson

AgencyRegular Subcommittees and AssignmentsBudget AnalystGolden, Fribley, Yunghans

549	Kansas Real Estate Commission	Culbertson
294	State Hotel and Restaurant Board	Culbertson
531	State Board of Pharmacy	Smith
585	Sanatorium for Tuberculosis, Norton	Ahrens
642	Southeast Kansas Tuberculosis Hospital	Ahrens

Shrewder, Rogg, Brown (Stark & Golden)

052	Alcoholic Beverage Control	Culbertson
391	Kansas Wheat Commission	Smith
276	Highway Commission	Culbertson
335	Motor Vehicle Reciprocity Commission	Fowler
366	Kansas Safety Council	Culbertson
569	Ports of Entry Board	Richey
280	Highway Patrol	Bibb & Machunze
282	State Highway Patrol Pension Board	Bibb & Machunze

Heath, Conard, Fribley, Schartz

264	Health, Department of	Ahrens
694	Kansas Veterans' Commission	Ahrens
628	Department of Social Welfare	Ahrens
082	Attorney General	Bibb & Machunze
422	Legislative Council	Fowler
482	Board of Nursing	Culbertson
121	Kansas Coordinating Council for Blind	Smith
527	Pensions	Smith
579	Revisor of Statutes	Culbertson
658	Supreme Court	Fowler
662	Supreme Court Nominating Committee	Fowler
252	Governor	Fowler
446	Lieutenant Governor	Fowler
216	Board of Engineering Examiners	Fowler
537	Board of Podiatry Examiners	Smith
700	Board of Veterinary Examiners	Fowler
800	State Coyote Bounty Fund	Smith
204	State Board of Embalming	Fowler
488	Board of Examiners in Optometry	Fowler
016	Board of Abstracters' Examiners	Fowler
028	Board of Accountancy	Fowler
076	State Athletic Commission	Fowler
100	Board of Barber Examiners	Smith
103	Board of Basic Science Examiners	Smith
105	State Board of Healing Arts	Smith
167	Dental Board	Smith
428	Legislature	Fowler
155	State Board of Examiners of Court Reporters	Fowler
185	District Court Judges and Stenographers	Fowler
349	Judicial Council	Fowler
416	State Board of Law Examiners	Fowler
628	Division of Institutional Management	Ahrens

STATE OF KANSAS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM

GEOGRAPHICAL LOCATION OF PARTICIPATING EMPLOYERS AS OF JANUARY 1, 1965

Cheyenne #	Rawlins *	Decatur #	Norton * +1 # x-1	Phillips #	Smith #	Jewell *	Republic #	Washington #	Marshall * # x-1	Nemaha * # x-2	Brown +1	Doniphan x-1		
Sherman +1 #	Thomas #	Sheridan #	Graham +1 #	Rooks +1 #	Osborne +1 #	Mitchell * +1 # x-1	Cloud #	Clay +2 #	Riley +1 # x-3	Pottawatomie * +2 #	Jackson +1 #	Atchison * +1 #		
Wallace #	Logan +1 #	Gove #	Trego #	Ellis +1 #	Russell * +1 # x-1	Lincoln +1 #	Ottawa * +1 # x-3	Dickinson +1 #	Geary * +1 # x-1	Shawnee * +1 #	Jefferson * #	Leavenworth * +1 # x-2	Wyandotte * +1 # x-4	
Greeley * #	Wichita * #	Scott #	Lane * #	Ness * +1 #	Rush * #	Barton +1 #	Saline * +1 # x-4	McPherson * +1 #	Marion * +1 #	Morris #	Wabaunsee #	Lyon * +1 #	Franklin * +1 # x-2	Miami +2 #
Hamilton * #	Kearny +1 #	Finney +1 # x-2	Hodgeman * +1 # x-1	Pawnee * +1 # x-1	Edwards * #	Stafford +2 # x-1	Rice * +1 # x-1	Reno * +1 # x-1	Harvey * +3 # x-1	Chase * #	Greenwood # x-2	Coffey * # x-1	Anderson * +1 #	Linn * #
Stanton +1 #	Grant #	Haskell * #	Ford * +1 # x-2	Kiowa +1 #	Pratt +1 # x-1	Kingman +1 #	Harper +1 # x-1	Sedgwick * +3 # x-1	Butler * +3 # x-4	Butler * +3 #	Elk #	Woodson * # x-1	Allen * +2 # x-1	Bourbon * +1 # x-2
Morton #	Stevens +1 #	Seward * #	Meade #	Clark #	Comanche #	Barber #	Sumner +3 #	Cowley * +2 # x-2	Chautauqua * +1 #	Chautauqua * +1 #	Montgomery * +2 # x-4	Labette * +2 # x-1	Cherokee * #	

Legend - 304 Local Government Participating Employers in Addition to the State of Kansas

\* - 56 County Members

# - 86 Boards of Social Welfare

+ - 85 Cities

x - 77 Other Participating Employers