

MINUTES OF THE HOUSE COMMITTEE ON WAYS AND MEANSThe meeting was called to order by BILL BUNTEN at
Chairperson8:00 a.m./~~p.m.~~ on Friday, April 22, 19 83 in room 514-S of the Capitol.

All members were present except:

Committee staff present: Lyn Entrikin Goering -- Legislative Research
Bill Gilmore -- Legislative Research
LewJene Schneider -- Administrative Assistant
Charlene Wilson -- Committee SecretaryConferees appearing before the committee: Representative Jim Braden -- introduction of a bill
Ron Green, Mid-States Port Authority
Rick VonEnde, University of Kansas
Avis Swartzman, Office of the RevisorOthers Present: (Attachment I).

The meeting was called to order at 8:00 a.m. by Chairman Buntен.

The Chairman recognized Representative Braden who was present before the committee to request the introduction of a bill. He explained that the Governor had vetoed HB 2016 and this bill would have adjusted the City/County tax lid to allow the cities and counties that are still under the tax lid to have it opted out under home rule. An adjustment on motor vehicles has been added onto the bill and now, after the bill has gone through the process they have found that a conflict exists and that section shouldn't be in the bill. According to the veto message, current budget year evaluations, as well as new base year evaluations, do not contain motor vehicle evaluations but they are provided in section 3 of the bill, therefore, it would be considered inappropriate. Further, to allow section 3 to become law would result in an unintentional increase in taxes. Additionally, this bill would repeal the statute related to motor vehicle evaluations in that it is no longer needed.

Representative Rolfs moved that the bill be introduced and be referred to the Committee of the Whole. Seconded by Representative Dyck. The motion carried.

The Chairman informed the committee that he had received a request from Representative Crowell to have a bill introduced. The bill relates to driver improvement clinics. It allows the Transportation Department, in the interest of traffic and safety, to establish driver improvement clinics throughout the state.

Representative Arbuthnot moved that the bill be introduced and be referred to the Committee of the Whole. Representative Hamm seconded. The motion carried.

The Chairman turned to continuation of the discussion that commenced at the meeting yesterday with regard to the request by the Mid-States Port Authority for the introduction of a bill.

In the time that had lapsed between the meeting yesterday and today Mr. Green had prepared some information for the committee. It included the fiscal information on the bill, (Attachment II), and a fuller explanation of what is contained in the bill, (Attachment III).

The Chairman indicated that if this bill is introduced, due to some of the concerns raised by the members of the committee regarding the constitutionality of the bill, that it will be suggested to the Speaker that he request an Attorney General's Opinion on this matter.

Representative Meacham moved that the bill be introduced and reported favorable. The motion was seconded by Representative Chronister. The motion carried.

CONTINUATION SHEET

MINUTES OF THE HOUSE COMMITTEE ON WAYS AND MEANS,
room 514-S, Statehouse, at 8:00 a.m./~~p.m.~~ on Friday, April 22, 1983.

The Chairman turned to consideration of the subcommittee report and final action on HB 2549.

House Bill No. 2549 -- "An Act providing for the award of Kansas teacher training grants to qualified prospective-teacher students."

Representative Miller reviewed the subcommittee report for the committee. Representative Miller moved the adoption of the subcommittee report. Seconded by Representative Lowther. (Attachments IV and V).

Representative Myers expressed some concern with the recommendation of the subcommittee that annually the Legislature will determine critically underserved teaching specialty areas. It was his feeling that the State Board of Education and Board of Regents could better assess the need than the Legislature.

Representative Miller responded by saying that it was the feeling of the subcommittee that it is the state that is putting up the money for the program and the state should be the one determining how much and where it is going to be spent.

Representative Myers also questioned whether the subcommittee had considered that many of the students who are in the lower income bracket receive federal grants and expressed further concern about whether these teaching incentive grants would typically go to higher income students. He sees this as possibly not being a viable mechanism to promote education.

Avis Swartzman responded by saying that the students who would have their tuition paid for under a federal grant would not have their tuition provided free. They would, however, be eliglble for the \$100.00 for education expenses from this state. The teacher training institution would receive 1/3 of what they would have provided had they provided it fully if the federal grant wasn't in place, which must be totally expended for enrichment of teacher training programs. There is no need basis on the scholarship and it goes to anyone that goes into a teacher training program.

On the adoption of the subcommittee report, the motion carried.

Senate Bill No. 282 -- "An Act concerning scholarships available to medical students; placing limitations on the awarding thereof; concerning repayment obligations; creating the medical scholarship repayment fund; amending K.S.A. 1982 Supp. 76-376 and 76-377a and repealing the existing sections.

The Chairman recognized Rick VonEnde to appear on this bill. He explained that SB 282 was a result of discussions of both the House and Senate subcommittees that dealt with the Med Center budget. It would provide for three basic changes in the medical scholarship legislation. First of all, it would provide authority to make some decisions about people who start out with Type I scholarships and decide to practice in Type II areas. Under current law, they are required to repay the entire amount of money that has been provided, both the tuition and the living stipend plus interest. Secondly, it would establish a repayment fund which, to his understanding, has been placed in the Omnibus Bill with a zero dollar expenditure limitation for FY84. Thirdly, it would provide for a three year phased reduction of the number of scholarships available to members of entering classes. It would provide for 100 scholarships in the coming year, 75 for the class entering the Fall of 1984 and 50 for the class entering the Fall of 1985. By the time they get to the 50 scholarship limit, the legislature would review the program at that time.

Representative Luzzati moved that SB 282 be reported favorable for passage. Seconded by Representative Arbuthnot. The motion carried.

The Chairman indicated to the committee that at the present time he did not anticipate any further meetings of the committee but that they would meet again on call of the Chairman if necessary.

The meeting adjourned at 9:00 a.m.

GUESTS

DATE 4-22-83

NAME	ADDRESS	REPRESENTING
1. T. J. Lee	Topoka	MSPA
2. Mark C. Hallman	Topoka	AGX
3. Jim Hays	Topoka	Division of the Budget
4. Richard von Ende	Lawrence	The University of Kansas
5. Gary Vacek	Topoka	KSCPA
6. H. C. Anderson	Topoka	RSCPA
7. John Klens	Topoka	KARE
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Atch. I

KYLE RAILROAD CO.

FORECASTED STATEMENT OF INCOME

	<u>YEAR 1</u>	<u>YEAR 2</u>	<u>YEAR 3</u>	<u>YEAR 4</u>	<u>YEAR 5</u>
Operating revenues					
Freight	\$6,660,000	\$6,862,000	\$7,073,000	\$7,270,000	\$7,472,000
Switching	81,000	81,000	81,000	81,000	81,000
Demurrage	25,000	25,000	25,000	25,000	25,000
Incidental	50,000	50,000	75,000	75,000	75,000
	<u>6,816,000</u>	<u>7,018,000</u>	<u>7,254,000</u>	<u>7,451,000</u>	<u>7,653,000</u>
Operating expenses					
Way & structures	1,813,000	1,813,000	2,297,000	2,297,000	2,297,000
Equipment	1,166,000	1,193,000	1,203,000	1,218,000	1,230,000
Transportation	1,877,000	1,862,000	1,880,000	1,883,000	1,891,000
General & admin- istration	<u>1,520,000</u>	<u>1,520,000</u>	<u>1,520,000</u>	<u>1,515,000</u>	<u>1,515,000</u>
	<u>6,376,000</u>	<u>6,388,000</u>	<u>6,905,000</u>	<u>6,913,000</u>	<u>6,933,000</u>
Operating income	440,000	630,000	349,000	538,000	720,000
Interest expense	<u>79,000</u>	<u>97,000</u>	<u>57,000</u>	<u>28,000</u>	<u>7,000</u>
Income before taxes	361,000	533,000	292,000	510,000	713,000
Provision for taxes	<u>146,000</u>	<u>213,000</u>	<u>122,000</u>	<u>210,000</u>	<u>288,000</u>
Net Income	<u>\$ 215,000</u>	<u>\$ 320,000</u>	<u>\$ 170,000</u>	<u>\$ 300,000</u>	<u>\$ 425,000</u>

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Atch. II

TO: House Ways and Means Committee

FROM: T.L. Green, general counsel
Mid-States Port Authority

RE: Proposed legislation

REQUESTED BY: Mid-States Port Authority (M.S.P.A.) a quasi-municipal entity formed, pursuant to K.S.A. 12-3401 et seq., by 14 northwest and northcentral Kansas counties to preserve rail operations over portions of the Rock Island railroad in bankruptcy.

PURPOSE OF BILL: To provide a guarantee by the state of a loan to be made to M.S.P.A. by the Federal Railroad Administration (F.R.A.). The Secretary of Transportation will have the right to refuse to guarantee the loan by not approving the loan between F.R.A. and M.S.P.A. if for any reason the Secretary believes the risk factor to the state is too great.

REASONS FOR BILL: M.S.P.A. is attempting to purchase from the Trustee of the Rock Island part of the railroad. The Trustee recently reduced his price to M.S.P.A. to \$16,000,000. The F.R.A. has committed \$18,000,000 in loan monies at an interest rate of 3 1/4 % to the use of M.S.P.A. on the condition that the loan be secured by a guarantee from the state. Because of the recent reduction in price M.S.P.A.'s project has become financially viable. However, without the state's guarantee M.S.P.A. will be unable to obtain sufficient funds from the F.R.A. to complete the acquisition and rehabilitation of the needed to provide service to those communities served by M.S.P.A.

HOW IT WORKS: A fund is created which the Secretary of Transportation will administer. No appropriation will be made to the fund until the fifth year of the loan between F.R.A. and M.S.P.A., at which time the first payments become due. If there is no default on the loan payments there will be no demand on the fund and the fund balance will remain the same by reappropriating monies til the end of the term of the loan.

Atch. III

REPAYMENT OF LOAN: The \$18,000,000 F.R.A. loan will be repaid in semi-annual installments of \$900,000 beginning in the 66th month of the contract. M.S.P.A. currently has a contract with Kyle Railroad Co. leasing to Kyle the railroad to be purchased for \$232/mi./mo. which will generate \$95,120 on 410 miles. M.S.P.A. currently has a 10 year agreement with Union Pacific for \$24,000/mo. on 35 miles. Total payments contracted for the first 10 years total \$119,120/mo. with \$95,120 contracted for the remaining 10 years of the 20 year contract with the F.R.A. Assuming an investment rate of 10% per annum on the track rental payments to M.S.P.A. and a repayment of a \$1,000,000 bond issue on the 60th month of the loan contract in that month M.S.P.A. would have on hand \$7,797,138. Assuming the worst case M.S.P.A. could collect only \$89,666/mo. for the first 60 months and repayment of the bond issue, M.S.P.A. would have on hand \$5,495,738 in month 60. These reserves would decline over the term of the loan as payments are made.

Cost of Project:

Purchase Price	\$16,000,000
Rehabilitation	8,138,000
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Total Cost	24,138,000

Committed Funds

FRA loan	18,000,000
M.S.P.A bonds	1,000,000
F.R.A. 803 monies	1,555,000
Kyle Railroad Co.	3,583,000
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Total Funds Committed	24,138,000

SUBCOMMITTEE REPORT

House Bill No. 2549

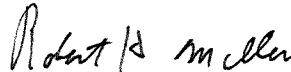
The Subcommittee was directed to review the provisions of H.B. 2549 and make recommendations to the House Ways and Means Committee regarding amendments to the bill. The Subcommittee respectfully recommends the following policy changes to the bill as introduced on March 16, 1983 at the request of Speaker Hayden:

1. The Subcommittee recommends that provisions be added to the bill to address the issue of teacher retention, in addition to the focus of the original bill on teacher recruitment problems. Specifically, the Subcommittee recommends that H.B. 2549 provide not only for Kansas Teacher Training Grants to students enrolled in teacher training programs, but also for Kansas Teaching Incentive Grants. The latter grants would provide monetary stipends to certain certified and employed teachers who hold endorsements in teaching areas which are considered by the Legislature to be critically underserved.
2. In order for a teacher to receive a Teaching Incentive Grant, the following prerequisites are recommended by the Subcommittee:
 - a. The teacher must have been a qualified student as defined by Section 1(c) of the original version of H.B. 2549.
 - b. The teacher must have applied for and received certification as a teacher by the State Board of Education.
 - c. The teacher must hold an endorsement to teach in any critically underserved field of specialization as specified by the Legislature during any year in which the teacher had been a qualified student.
 - d. The teacher must actually serve as a teacher within one year of the date of Kansas certification.
 - e. The teacher must be under contract to teach in a school which is accredited by the State Board of Education.
 - f. The teacher must apply to the State Board of Education for a Teaching Incentive Grant and submit certification by the chief school administrator that the terms of the teaching contract were fulfilled.
3. If a teacher meets the conditions outlined under paragraph 2, the Subcommittee recommends that a stipend of up to \$1,000 be provided to the teacher upon completion of each school year, not to exceed two consecutive school years. The actual amount of each stipend is recommended to be dependent upon the amount appropriated annually by the Legislature to a newly-created Kansas Teaching Incentive Grants Fund, and the total number of teachers who meet all prerequisites listed under paragraph 2. If appropriations are inadequate to provide \$1,000 to each qualified applicant, the State Board of Education would prorate moneys in the fund among all eligible teachers.

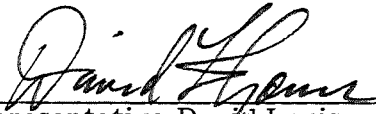
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4. The Subcommittee recommends that the Legislature annually determine critically underserved teaching specialty areas and inform both the State Board of Education and the State Board of Regents of those specialty areas. The Subcommittee recommends that a proviso be attached annually to the Teaching Incentive Grants Fund, listing the critically underserved teaching specialties for which qualified students may seek endorsement in order to attain eligibility for teaching incentive stipends.
5. The Subcommittee recommends deletion of Section 2(c) of the original bill, which specified that qualified students enrolled in math and natural sciences teacher training programs would have been eligible for up to \$400 per semester as an incentive stipend. These students, however, would continue to be eligible for teacher training grants, as defined in other sections of the original bill, which, within appropriations for such purpose, would provide for tuition at no charge plus up to \$100 per semester for reimbursement of educational expenses.

The Subcommittee also recommends a number of technical amendments be made to H.B. 2549 in order to incorporate the policy recommendations described in this report.



Representative Robert H. Miller,
Subcommittee Chairman



Representative David Louis



Representative George Teagarden



Representative Jack Shriver

PROPOSED REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Ways and Means

Recommends that House Bill No. 2549

"AN ACT providing for the award of Kansas teacher training grants to qualified prospective-teacher students."

Be amended:

On page 1, following line 22, by inserting a new subsection as follows:

"(b) "Kansas teaching incentive grant" means an award of monetary stipends under this act by this state to a specialized teacher.";

Also on page 1, in line 23, by striking "(b)" and inserting in lieu thereof "(c)"; in line 27, by striking "(c)" and inserting in lieu thereof "(d)"; in line 38, by striking "(d)" and inserting in lieu thereof "(e)"; following line 39, by inserting a new subsection as follows:

"(f) "Specialized teacher" means a person who: (1) Was a qualified student; (2) has satisfied the certification obligation incurred under agreements entered into pursuant to the provisions of section 5; and (3) holds endorsement to teach and engages in the practice of teaching in any critically underserved field of specialization determined and specified by the legislature during any year in which the person was a qualified student.";

Also on page 1, in line 40, by striking "(e)" and inserting in lieu thereof "(g)"; in line 43, by striking "(f)" and inserting in lieu thereof "(h)";

On page 2, following line 46, by inserting a new subsection as follows:

"(i) "Critically underserved field of specialization" means a teaching area in which there is a critically short supply of teachers.";

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Also on page 2, in line 55, before the period, by inserting "incurred by the qualified student for the semester"; in line 65, by striking all after "(c)"; by striking all of lines 66 through 79; in line 80, by striking "(d)";

On page 3, in line 84, by striking "such" and inserting in lieu thereof "the"; in line 85, by striking "such" and inserting in lieu thereof "the"; in line 90, after "grants", by inserting "and Kansas teaching incentive grants"; in line 95, after "student", by inserting "and each specialized teacher"; in line 96, after "grants", by inserting "and Kansas teaching incentive grants"; in line 98, after "program", by inserting "and the Kansas teaching incentive grant program"; in line 100, after "institution", by inserting "and any accredited school"; following line 105, by inserting a new subsection as follows:

"(c) The legislature shall determine each year during its regular session and shall specify by proviso in its act making appropriation for the Kansas teaching incentive grants fund, which fund is hereby established, critically underserved fields of specialization and shall inform the state board of education and the state board of regents of the critically underserved fields of specialization so determined and specified."

On page 4, in line 134, by striking "(1)"; also in line 134, by striking all after "2"; by striking all of lines 135, 136 and 137; in line 138, by striking all before the period; in line 143, by striking "amounts" and inserting in lieu thereof "amount"; also in line 143, by striking "provisions" and inserting in lieu thereof "provision"; in line 144, by striking "and (3)"; in line 149, by striking all after "student"; by striking all of lines 150 through 155;

On page 5, in line 156, by striking all before the period; in line 186, before "student", by inserting "qualified";

On page 7, following line 266, by inserting a new section as follows:

"Sec. 10. (a) Within the limits of appropriations therefor, and subject to the other provisions of this section, a Kansas

teaching incentive grant shall be awarded to each specialized teacher in this state. A Kansas teaching incentive grant shall provide each school year for the payment of a monetary stipend in an amount not to exceed \$1,000 to a specialized teacher.

"(b) To be eligible for a Kansas teaching incentive grant, a specialized teacher shall (1) engage in the practice of teaching within one year from the date of certification as a teacher in this state; (2) be under contract to teach in a school accredited by the state board of education; and (3) at the completion of the performance of contractual obligations in each school year, commencing with the first school year for which the specialized teacher is under contract to teach, complete and file with the state board of education an application for a Kansas teaching incentive grant together with certification by the chief school administrator that the specialized teacher fulfilled the terms of the contract.

"(c) A specialized teacher shall be awarded a Kansas teaching incentive grant each school year for not to exceed two consecutive school years. After being awarded a Kansas teaching incentive grant for two school years, the eligibility of a specialized teacher therefor shall terminate.

"(d) Except as otherwise provided in this section, each specialized teacher shall receive each school year a monetary stipend in the amount of \$1,000 provided for under a Kansas teaching incentive grant. If the moneys in the Kansas teaching incentive grants fund are not adequate to provide in each school year for payment to specialized teachers of the full amount provided for under a Kansas teaching incentive grant, the state board of education shall prorate the moneys in the fund among all eligible specialized teachers.

"(e) Payments to a specialized teacher provided for under this section shall be made upon vouchers approved by the state board of education, and upon receiving the same the director of accounts and reports shall issue a warrant to the specialized teacher entitled thereto and shall cause the warrant to be

delivered to the specialized teacher.";

By renumbering section 10 as section 11;

In the title, in line 17, after "students", by inserting "and for the award of Kansas teaching incentive grants to specialized teachers";

And the bill be passed as amended.

Chairperson