

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

The meeting was called to order by Chairman Paul "Bud" Burke at  
Chairperson

11:00 a.m. ~~pm~~ on MARCH 21, 1983 in room 526-S of the Capitol.

All members were present ~~except~~:

Committee staff present: Wayne Morris, Research Dept.  
Tom Severn, Research Dept.  
Don Hayward, Revisor's Office

Conferees appearing before the committee:

Representative Kathryn Sughrue  
Mari Peterson, Kansas Natural Resource Council, Shawnee Mission, Kansas  
Dean Denner, University of Man, Manhattan, Ks.  
Ken Jones, Lyndon, Kansas  
Janet Stubbs, Homebuilders Association  
Bud Cornish, Attorney, Kansas Library Association  
Duane Johnson, State Librarian, Topeka, Ks.  
Margaret Gates, Manhattan Public Library  
Edna Buschow, Kansas Library Advisory Commission, Valley Center, Kansas  
Warren Robinson, President, Friends of Kansas Libraries, Shawnee Mission, Kansas  
Almeda Edwards, Northeast Kansas System, Ottawa, Ks.  
Jim Marvin, Topeka Public Library, Kansas Library Association  
Barbara Arbuthnot, North Central Library System, Mahaska, Ks.

A hearing was held on HB 2045 which would extend until January 1, 1986, the qualifying date for solar energy system income tax credits. The law presently requires the taxpayer to complete installation of the system by July 1, 1983, to be eligible for the credit.

The chairman recognized Representative Sughrue, sponsor of HB 2045, who said amendments provide for qualifications for solar tax credits and sets standards for solar systems. Lines 172 through 188, page 5, were added in order to provide protection for the consumer. (Attachment #1)

Senator Kerr commented that this bill was "word for word" the same as the bill he sponsored, SB 144.

Appearing in support of HB 2045 were the following:

Mari Peterson, Kansas Natural Resource Council, told the committee that in 1976 there were 25 homes heated with solar energy; now there are 500. Three homes had solar water heating; now about 1,000 do. She said the growth in use of solar and wind energy creates new business, industry and jobs in the state. (Attachment #2)

Dean Denner, instructor in solar energy at the University of Man and a contractor, told the committee that because conservation and renewable energy credits are available to all income levels, it is likely they will prove much more politically palatable and economically sensible than continued subsidies for utility bills. He said the increased employment spawned by the solar tax credits generates funds for the state by increasing income and sales taxes. Such employment also decreases welfare expenditures for the state by providing employment. (Attachment #3)

Ken Jones said he has solar on his home and feels he can give authoritative testimony as to the savings on his total electric home. He presented a map showing the sun areas and said that Kansas is in the next to the best place in the United States as far as use of the sun for solar energy is concerned. He said when you consider the number of solar companies in the state which provide employment, pay income and sales tax, you might not be giving away as much as you think.

Janet Stubbs, Homebuilders, said they support this bill now that the amendments have been made, particularly lines 183 through 188.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON ASSESSMENT AND TAXATION

room 526-S, Statehouse, at 11:00 a.m./~~p.m.~~ on MARCH 21, 1983

The committee held a hearing on HB 2166 which would increase the annual levy authority for regional library systems 1/4 of a mill, to a total of 3/4 mill. The following appeared in support of HB 2166:

Bud Cornish, legal counsel for the Kansas Library Association, introduced Duane Johnson, State Librarian, who said the systems have been forced to reduce their service programs to rural residents and member libraries in order to operate within the present statutory limitation. He said the financial problem of the systems will be intensified with the loss of income which will occur by the loss of assessed valuation of farm machinery. (Attachment #4)

Margaret Gates, Manhattan Public Library, said inflation has seriously restricted the services which the library system has previously made available. She called the committee's attention to a chart showing the reductions in NCKL system programs from 1975 to 1983. (Attachment #5)

Edna Buschow, Library Advisory Commission, spoke for the small libraries in the state, saying they are not able to keep up with the increase in supplies which children need for their education. She said she feels the state has a responsibility to fund their libraries and the proposed HB 2166 would be of great help to them.

Warren Robinson, Friends of Kansas Libraries, Shawnee Mission, said their board is concerned that many Kansans are being adversely affected by the diminishing capability of regional library systems to assist their libraries adequately. (Attachment #6)

Almeda Edwards, N.E. Kansas Library System, Ottawa, said she feels it is necessary for the levy to be increased to help provide funding for local libraries to serve their entire greater community and not just the taxing district of their own city on an equal basis. Grants to system libraries are an important part of local budgets. (Attachment #7)

Jim Marvin, (KLA) said the expansion of library services to previously unserved areas as well as improvements in libraries is too successful and too urgently needed to be threatened by a continued lack of funding. HB 2166, while not the total answer, is certainly a step in the right direction. (Attachment #8)

Barbara Arbuthnot, Governor's appointee to the North Central Library system, said the rural areas will have to cut down their programs without your support. She is not asking for expansion of programs but just to allow continuing the programs they have now. (Attachment #9)

The chairman asked the staff for an update on when the information would be available on classification. Tom Severn said that they have computed the amounts available for each county if a one cent sales tax increase were distributed on the same basis as the L.A.V.T.R.F. and that estimating the shifts in property taxes for each county has been started. It would probably be about Thursday before they will have the computer run for each county.

The chairman said perhaps the committee could move from that particular facet of the discussion of classification and discuss some of the other issues to be decided and get back to that later.

Senator Kerr said he would submit that with the kinds of tax shifts that will occur it would be absolutely impossible to get a two-thirds vote on the amendment in this session. He said he didn't particularly even like his proposal but is just trying to get reappraisal moving. What we are talking about is total exemption of personal property and replacing with a 1¢ sales tax - that is the motion.

The chairman adjourned the meeting at 12:00 noon. The next committee meeting will be held at 11:00 a.m., March 22.

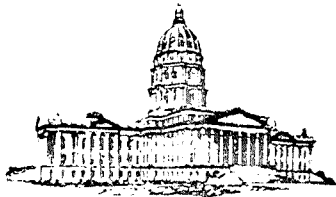
ASSESSMENT AND TAXATION

OBSERVERS  
(PLEASE PRINT)

DATE	NAME	ADDRESS	REPRESENTING
3-21	Sandra Johnson	Topeka	KTWC
	Ken Mungler	Topeka	WIBW
	Janet Stubbs	"	YBAK
	Amyda Edwards	Ottawa	Gen'l. N.E. Libran System
	Jeff Child	KEK	
	Bruce Sluder	KEK	
	Roy D. Shuckel	Shawnee	K.C.P.C.
	D. WAYNE ZIMMERMAN	TOPEKA	THE ELECTRIC Co's ASSOC. OF KS.
	Tom Whitaker	TOPEKA	KANSAS MOTOR CARRIERS ASSN.
	Tim Underwood	Lawrence	KAR
	James Swan	Great Bend	Central Kansas Library System
	T.B. COPENING, M.D.	IOLA, KS	
	Warren Robinson	Johnson Co.	Friends of Kansas Libraries
	Clifford R. Holland Jr	Russell	No. State Library Advisory Comm.
	Wayne Mayo	LAWRENCE	LAWRENCE PUB. LIBRARIAN
	Luis Adruan	Lawrence	NEKLS
	DAN MASONI	Emporia	Emporia Public Lib.
	Edgar Nickel	Norton	Northwest Ks Lib. Soc.
	Don Corsett	Manhattan	Manhattan Area Energy Alliance
	Mari Peterson	Shawnee Mission	KS Natural Resource Council
	Dean Donner	Manhattan	University For Men Instructor
	Ken Jones	Lyndon	SOLSTAR
	Steve K. Bluffie	Clatsop	SOLSTAR
	James H. Carter	Clatsop	SOLSTAR
	Jim Marucci	Topeka	16. Int. Assoc.
	Ray Willson	Iola	SEK Libran System
	Edna Burchow	Valley Center	Kans. Libraries
	Barbara Curbishol	Mahaska	NEK Regional Librarian
	Margaret E. Gites	Manhattan, Ks	" " "



#1  
 KATHRYN SUGHRUE  
 REPRESENTATIVE  
 FORD COUNTY  
 614 MEADOWS  
 TOPEKA CITY, KANSAS 66601



TOPEKA

HOUSE OF  
 REPRESENTATIVES

March 21, 1983

Mr. Chairman, members of the Committee

H. B. 2045 extends the solar income tax credit to January 1, 1986. Under present law the tax credit is scheduled to terminate July 1, 1983.

The Kansas Legislature passed solar and conservation tax credits and property tax rebates for solar and wind systems in 1976. They were enhanced in 1980 by increasing the maximum dollar limits and the total credit from 25 to 30% of the cost of the system.

As Legislators, we need to encourage the use of renewable sources of energy.

Decreasing supplies of Kansas fossil fuel resources dictate the need for promoting other alternative energy sources.

Solar energy is clean, its free its plentiful. It develops energy sources available within the state, sun, wind, etc.

By the year 2020 scientists estimate that solar energy will furnish 25% of our needs.

The basis for the income credit (which was changed in 1980) is as follows:

<u>Tax Year</u>	<u>Residential % of Adjusted Basis of the Energy System</u>	<u>Maximum Amount Allowed</u>
1981	30%	\$ 1,500
1980	30	1,500
1979	25	1,000
1978	25	1,000

<u>Tax Year</u>	<u>Business % of Adjusted Basis of the Energy System</u>	<u>Maximum Amount Allowed</u>
1981	30%	\$ 4,500
1980	30	4,500
1979	25	3,000
1978	25	3,000

Attch. 1

SOLAR ENERGY INCOME TAX CREDITS BY TAX YEAR

Number of Claims

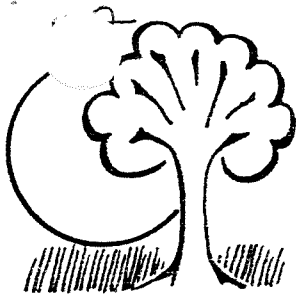
<u>Tax Year</u>	<u>Residential</u>			<u>Business</u>	<u>Total</u>
	<u>New Claims</u>	<u>Carry-over</u>	<u>Total</u>		
1976	38	0	38	1	39
1977	112	22	134	5	139
1978	124	55	179	7	186
1980	473	112	585	30	615
1981	352	83	435	17	452

Amount of Credit

<u>Tax Year</u>	<u>Residential</u>			<u>Business</u>	<u>Total</u>
	<u>New Claims</u>	<u>Carry-over</u>	<u>Total</u>		
1976	\$ 14,316	\$ 0	\$ 14,316	\$ 6,241	\$ 20,557
1977	31,642	4,783	36,425	8,391	44,816
1978	51,376	14,630	65,906	9,021	74,927
1979	68,517	23,473	91,990	36,537	128,527
1980	227,817	25,743	253,560	55,597	309,157
1981	231,512	25,222	256,734	78,423	335,157

PROPERTY TAX REFUNDS

<u>Tax Year</u>	<u>Number</u>	<u>Amount</u>
1980	89	\$18,447
1981	148	45,881



Kansas  
Natural  
Resource  
Council

5130 Mission Road  
Shawnee Mission, Ks 66205  
913 362-5933

Attachment  
#2

Testimony

before the

Senate Assessment & Taxation Committee

by

Mari Peterson

March 21, 1983

Re: Support for H.B. 2045 as amended

I am here to voice the support of the Kansas Natural Resource Council and the Environmental Lobbying Conference\* for the amended version of House Bill 2045 - extension of the solar tax credits.

The Kansas solar tax credits have served to demonstrate the feasibility and practicality of solar and wind technologies in this state. The Federal government has cut its solar development and information programs. Kansas has discontinued its energy research and development and solar and wind programs. Without these programs, the solar tax credits become the primary vehicle for advancing the development and application of solar and wind technologies. These credits have served to encourage the growth of a new business and industry in this state. In addition, people in Kansas are developing a confidence in these technologies by seeing how they work effectively for others.

The tax credits were not used to any great extent until 1979 because the industry was so new. There is a lead time involved in developing new solar and wind businesses and in gaining customer confidence. Businesses and individuals have just recently begun to take advantage of the credits. In addition, the wind industry develop-

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\*Includes the Kansas Audubon Council, Kansas Sierra Club, The Land Institute, the Kansas Natural Resource Council, the Friends of the Earth, and 18 other environmental and energy organizations which had representatives at the Third Annual Environmental Lobbying Conference.

Atch. 2

ment has been held back, in part, due to the uncertainties surrounding the establishment of a buy-back rate for electricity produced from small systems. The Kansas Corporation Commission recently determined a buy-back rate which compensates the small wind electric producer for the energy and some of the capacity provided by the machine. Now, given renewal of the solar tax credit, the wind industry in Kansas might more fully develop.

In 1976 there were 25 homes heated with solar energy; now there are over 500. In 1976, 3 homes had solar water heating; now approximately 1,000 do. Over this same time period, the number of farmers using wind energy to pump water has increased nearly 50%. Currently there are around 50 wind electric systems in Kansas, none of which existed prior to the credits. Businesses are beginning to make use of solar energy and some industries are using solar energy for their industrial process heating requirements. Last year, Osage City was selected as the site of a U.S. Department of Energy pilot project to demonstrate the feasibility of a 100 kilowatt solar-powered electric generating facility.

This growth in the use of solar and wind energy translates into the creation of new businesses, industries, and jobs within the state. As of the end of 1981, Kansas had over 110 solar businesses. Thirty-five of these were engaged in the construction or manufacture of solar equipment. There are approximately 10 wind machine manufacturers or distributors in Kansas. Over 125 passive solar architects reside in the state. In addition, various state, private, and non-profit groups have been actively promoting hands-on construction of solar systems to further disseminate the technology.

The solar tax credits are vital to all this activity. Without the credits, businesses would fold and consumer interest in these



technologies would dampen. There are enough problems and uncertainties in the building and operating of a small business without having to also worry about changes in the tax credits. The investment marketplace requires a consistent and stable public policy at this time. These technologies are just beginning to become commercialized and a momentum is developing. If the credits are withdrawn now, much of this effort could come to a halt. The next three years are very important for gaining consumer confidence and business stability.

These credits should not be viewed so much as a subsidy but as an infant industry incentive. The development of this industry creates a new tax base, retains dollars in the state, and provides employment. As the industry stabilizes, the credits can be phased out and this new industry will be able to stand on its own.

A recent study conducted by Arthur D. Little for the U.S. government, and another conducted by the Sheet Metal Workers International Union found that the federal solar tax credit actually brings in more tax dollars than it costs. No studies such as this have been done in Kansas to my knowledge, but we can be assured that the cost of the credit is reduced via an increase in the tax base. Already 110 businesses exist due primarily to the credit.

Kansas has reached a point where it is now a net importer of energy for the first time in this century. Kansas needs an energy policy which increases utilization of energy resources within the state. These tax credits are an important component of a new energy policy which encourages utilization of the state's energy resources for the benefit of the state economy. Without such an energy policy, we must rely increasingly on imported fuels from other states and countries, sending many Kansas dollars elsewhere. This outflow of dollars will have a negative impact on job creation and the tax

base. Money not spent for purchases of imported fuel can be reinvested into productive economic growth.

Within the next few years, there is the potential for new forms of energy investment to take place in this state, especially if the investment climate is favorable. The concept of third party financing is gaining momentum in this country. Newton is considering having a third party invest in a wind farm to pump water for the city. Newton would then buy the wind farm from the investors after they had achieved a reasonable return on their investment through use of the solar tax credits and other business credits. Third party financing is also gaining popularity in other parts of the country through solar leasing programs. These investors lease solar water heating systems to middle and lower income families at monthly rates comparable to their current energy bills for water heating. In the process, the investors claim the credits.

If these concepts gain popularity in Kansas, they will surely improve the market for solar and wind businesses, thereby increasing their stability. Kansas has very favorable sun and wind energy potential. Together with the credits, we should be able to establish a significant amount of renewable energy investment in the state and create profitable, stable, new businesses and industries. While this new market is being developed, I encourage you to extend the solar tax credits as a necessary incentive for its development.

*Dean Dean*

#3  
Testimony before the Assessment and Taxation Committee in support of Bill  
to extend the Kansas Solar Tax Credits to 1986.

Kansas is one of the few remaining energy-exporting states in the nation. For every 5 BTU's of energy produced in Kansas, 4 BTU's are consumed, while one is exported from the state.<sup>1</sup> However, the Kansas Geological Survey reports that our conventional sources of fuel have passed their peak of production and in fact the reserves are in sharp decline; coal production peaked around 1915, petroleum around 1957 and the proven natural gas reserves around 1970. A 1978 annual Department of Energy report showed total remaining "proven natural gas reserves" in Kansas to be 10.99 TCF.<sup>2</sup> At the current annual production rate of .80 TCF, Kansas's natural gas reserves will last approximately 12 more years. In order to avoid an energy-purchasing cash flow out of the state, alternative energy sources must be developed. The energy source most prolonged by the Kansas Solar Tax Credits is natural gas. This is due to the fact that the Solar Tax Credits most readily facilitate residential space heating and approximately 3/4 of our homes use natural gas for this purpose. To a lesser extent, natural gas generated electricity is also used in resistance heating. Solar daytime heating, (the simplest and most cost effective solar application) could easily slow this particular drain by 30 to 40%.

With reserves diminishing, gas companies will blend in more and more Alaskan, Canadian and Mexican natural gas, at greatly increased prices, from the interstate pipelines. The recent KCC intervention in Washington over the gas service company rate increases is evidence this is already happening. Blending of expensive interstate gas, was upheld by the Federal Energy Regulatory Commission, and the Department of Energy just announced we can expect 25% price

*Attch. 3*

ases this year. Hardest hit are the elderly, handicapped and other low and fixed income households. Their homes lack proper insulation and are heated with the least efficient heating units.

The state of Kansas is to be commended upon the compassion demonstrated by her willingness to appropriate funds to pay the heating bills of those suffering due to their inability to pay. Unfortunately, such a plan eases the symptoms not the problem; leaky houses and obsolete heating systems. Increased electrical generation is not the solution due to the high capital costs of plant construction. Also the primary fuels, coal and uranium are imported from out of state; a cash flow out.

Even those accustomed to the typical middle-class comforts are being forced to accept major change in their lifestyles. A 1982 survey of Riley county households showed 58% believing that the energy problem would cause them major difficulty in the next 10 years. It is probable that the rest of Kansas has similar feelings. Because the Conservation and Renewable Energy Credits are available to all income levels, it is likely that they will prove much more politically palatable and economically sensible than continued subsidies for utility bills, especially since a very large and increasing portion of those bill payments are leaving the local and state economies. The recipients need for state funds can be diminished by an investment in conservation and renewable energy sources not bound to escalating fuel costs. The additional employment involved in insulating and retrofitting solar collectors serve to decrease the number of people in the unenviable position of choosing between utility bills and the purchase of other necessities.

#### RENEWABLE ENERGY AND SALES TAX REVENUE

In our county, two thirds of the fuel used in the commercial sector and half of that used in industrial buildings is natural gas burned directly for heating and processing.<sup>3</sup> Obviously, the declining supplies are reflected in the cost of goods and services, making them less affordable to household

budgets already pressed against their own utility bills. One response especially of smaller business is to shorten hours in order to control operating costs. The net result for Kansas is declining revenues from both state sales and income tax.

Balancing these unquantified but certainly serious revenue losses against the small investment in renewables the Kansas energy credits make, the program more than pays for itself without even considering the added benefits of a more stable energy supply and added employment.

#### EMPLOYMENT

At a time when financing difficulties and economic uncertainties have idled thousands of construction workers, the low capital costs of self-employment in solar energy and energy conservation allow an option to the unemployed. The easily understood designs and readily available parts of simple daytime air collectors lend themselves to construction by even semi-skilled workers.

The increased employment spawned by the Solar Tax Credits generates funds for the state by increased income and sales taxes. Such employment also decreases welfare expenditures for the state precisely by providing employment. The dollars invested in renewables in Kansas multiples within the state while those sent out of the state or nation are but a drain on the state and local economies.

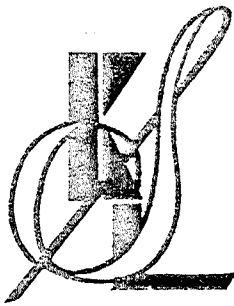
Contrary to popular opinion, solar heating is available for low as well as moderate and high income families. Solar systems designed for supplemental daytime heating, capable of providing 30-40% of a home's heating have been constructed in Manhattan and elsewhere for around \$1200. The locally available materials for these site-built collectors are about one third of the cost. Plans for such solar collectors are readily available in numerous publications including a Kansas Energy Extension publication. Hence a homeowner with basic carpentry skills can build a collector if the cost of hiring a carpenter is prohibitive. Those homeowners

or whom even this investment is burdensome have been aided by the current Kansas Solar Tax Credits which allow for the credit to be carried forward for three years, after which any remaining balance is reimbursed to the taxpayer. This wise provision includes very-low income families who would otherwise be asking for aid in paying utility bills.

The state of Kansas will experience long term benefits from the extension of the Solar Tax Credits by helping to reserve increasingly expensive conventional fuels for uses that specifically demand them; by creating jobs within the state; and by generating state revenues through investing our money within Kansas where it will multiply in addition to creating further income and sales taxes.

*Dean Demmer 708 Lee St. Manhattan KS. 66502*

1. Riley County Energy Project, Manhattan Area Energy Alliance, Inc. Riley County, Kansas 1982 p. 14.
2. Kansas Geological Survey, 1979. U.S. DOE/EIA, U.S. Crude Oil and Natural Gas Reserves - 1978 Annual Report, p.10.



# State Library of Kansas

(913) 296-3296

Third Floor, State Capitol,

Topeka, Kansas 66612

## SENATE ASSESSMENT AND TAXATION COMMITTEE

March 21, 1983 - 11:00 a.m.

### Background Information Relating to House Bill 2166

1. H.B. 2166 would amend K.S.A. 75-2551, the statute which states the authorization for financing the seven Kansas regional library systems of cooperating libraries.
2. The amendment would increase the annual levy authority 1/4 of a mill, to a total of 3/4 mill.
3. The regional library systems have operated under the present levy limitation since the law establishing the systems was passed in 1965.
4. The systems have been at their mill levy maximums for the past several years and have been forced to reduce their service programs to rural residents and member libraries in order to operate within the statutory limitation.
5. While all of the seven systems have had to make service reductions or changes, two of the areas are now at a critical financial condition for continued operation with any meaningful program of service.
6. The financial problem of the systems was seriously intensified with the loss of the assessed valuation of farm machinery, loss of income from which will occur with 1983 levies for operations beginning January 1, 1984. The exemption results in a revenue reduction to the systems of approximately \$170,000.
7. With the reduction of the farm machinery valuation, the levy which would be authorized by H.B. 2166 would result in a possible net revenue increase of approximately \$880,000.

For additional information contact:

Duane F. Johnson  
State Librarian  
Phone - 3296

Atch. 4

#5

Margaret Gale

NORTH CENTRAL KANSAS LIBRARIES SYSTEM

Attachment #5

North Central Kansas Libraries System is a service organization created and maintained by trustees of the local public library districts and Governor Appointees representing the rural system taxing district.

NCKL operates in the 11 counties of Clay, Dickinson, Geary, Lyon, Marion, Marshall, Morris, Pottawatomie, Riley, Wabaunsee and Washington serving 46 libraries and their users. Residents of this area number 201,585. The System is financed in part by a 1/2 mill tax on the areas not now being taxed by a city or county library district.

The ultimate goals of the library system are to help make excellent collections of books and other library materials conveniently available to all rural and city residents, to help provide the best reference and information service to these citizens, and to help local libraries provide these basic services in the most economical manner possible.

FINANCING THE NCKL SYSTEM

	<u>Population</u>	<u>Library Taxes</u>	<u>Per Capita</u>	<u>% Total System Support</u>
40 public library districts	144,000	\$1,069,808	\$7.43	80%
1/2 mill System tax	57,585	154,748	2.69	12%
State Aid to System & Libraries	<u>201,585</u>	<u>112,458</u>	<u>.56</u>	<u>8%</u>
Combined Income State-System-Local	201,585	\$1,337,014	\$6.63	100%

Local public library tax rates have increased by as much as 2.50 mills since the System was formed. Most libraries tax 2 or 3 mills while some tax as much as 4 and 5 mills.

\* \* \* \* \*

The system tax authority has been fixed at 1/2 mill for the past fourteen years. Inflation has seriously restricted the services which the system has previously made available.

\* \* \* \* \*

The proposed H. B. 2166 amendment would allow North Central Kansas Libraries System to keep operating without further reduction of services as listed on the accompanying charts.

Atch. 5



REDUCTIONS IN NCKL SYSTEM PROGRAMS 1975-1983

	<u>ROTATING BOOKS</u>	<u>MAIL-A-BOOK</u>	<u>EXTENDED SERVICE GRANTS</u>	<u>INTERLIBRARY LOAN SERVICE</u>
Full Service 1969-1974	<p>Collection of books which rotate by book van through 45 libraries providing up to 500 books to each library every month.</p> <p>-----</p> <p>1975 - Reduced trips from 12/yr. to 6/yr.</p> <p>1980 - Reduced trips from 6/yr. to 4/yr.</p> <p>1982 - Large-type print books reduced by 25%.</p> <p>1983 - Number of new books reduced by 20%</p>	<p>A direct mail service to rural citizens and towns without libraries. Books are ordered from an annual catalog with three supplements containing 1,500 to 2,000 titles. Books are mailed to patron with return label and postage.</p> <p>-----</p> <p>1980 - Reduced catalog mass mailing from 11 counties to 3 each year.</p> <p>1981 - Cut new book stock from 4,000 to 3,750.</p> <p>1982 - Cut new book stock to 3,500. Asked patrons to send 25¢ with order.</p> <p>1983 - Cut new books to 2,500. Use charge to 35¢.</p>	<p>Each library district receives a resource grant to purchase books for their library. Size of the grant depends upon the size of library. For the small library this may be the entire book budget.</p> <p>-----</p> <p>1980 - Reduced core library grant from \$4,500 to \$4,100. Raised eligibility to receive grant to 85% of tax levy limit.</p> <p>1981 - 10% of grant withheld to meet year end deficits if needed.</p> <p>1982 - Continue withholding 10%</p> <p>1983 - Continue withholding 10%.</p>	<p>Books, documents, pamphlets, maps, cassettes, records, magazines, reference information.</p> <p>Access to 3,000,000 books listed in the COM catalog of Kansas libraries. Rural patrons can phone requests to the Resource Library and any library can recover nearly any book for patrons. Over 6,000 books were borrowed in NCKL alone in 1982.</p> <p>-----</p> <p>27% increase in book cost has reduced acquisition of resource books from 1,800 in 1976 to 900 in 1982. Postage to mail a book increased from 11¢ in 1977 to 35¢ in 1982.</p>
1983 Budget	\$41,750	\$31,933	\$42,500	\$25,498
Cost to restore to 1974 level	\$11,000	\$21,000	\$ 2,800	\$ 5,000

REDUCTIONS IN NCKL SYSTEM PROGRAMS 1975-1983

CENTRAL PURCHASE  
AND PROCESSING

WORKSHOP & TRAVEL

ART & PRINTING

Full Service  
1969-1974

Volume purchase provides the smallest library with the same discount given to large accounts. Central Cataloging frees the librarian's time to help patrons, provides uniform cataloging, and lists the book in the State COM catalog for the Interlibrary Loan program.

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1980 - 35¢/book charged to local library.

1982 - Fee raised to 50¢/book.

1983 - Fee raised to 60¢/book.

Personnel training for all librarians and trustees by professional personnel. 9 or 10 workshops per year on all facets of library operation.

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1975 - Trustee Board Meeting cut from 12 to 6/yr.

1979 - Workshops cut to 7/yr.

1981 - Workshops cut from 7 to 3/yr.

1982 - Consultant position eliminated.

Mileage no longer paid for Trustees meetings or workshops. Cost to be passed on to local library or individual.

Book lists, special notices, signs, patron pamphlets, Summer Reading Program, furnished by System Printing Department.

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1980 - All special order materials to be at cost price to library.

1981 - Cut monthly newsletter back to 6 times per year.

1983 - Cut out newsletter.

1983 Budget

\$58,856

-0-

\$11,566

Cost to restore  
1974 level

\$14,000

\$23,000

\$ 5,000

REDUCTIONS IN NCKL SYSTEM PROGRAMS 1975-1983

	BLIND & PHYSICALLY HANDICAPPED	AUDIO-VISUAL	SUPPORTIVE ADMINISTRATIVE SERVICE AND OPERATION	TOTAL PROGRAM COSTS	FULL-TIME EQUIVALENT STAFF REDUCTIONS
Full Service 1969-1974	<p>Talking book program for 1,200 blind or handicapped residents of NCKL. Large-print collections to 67 long term care and retirement homes. Personal recruitment of eligible users for this special population.</p> <p>-----</p> <p>1982 - Change in State funding distribution --loss to NCKL of \$5,100.</p> <p>1983 - Large-type print cut to 0. Handicapped bibliography cut to 0. Travel cut 50%. 12 county fair exhibits cut to 0.</p>	<p>Framed art reproductions, cassette recordings for small libraries. Access to 16mm projector for film use. Access to Wichita Film Program for all libraries.</p> <p>-----</p> <p>1975 - Reduced framed art reproductions to 0.</p> <p>1979 - Cassette tapes &amp; records to 0.</p> <p>1980 - 1/2 cost of \$3.00 film rental charged to local library.</p> <p>1981 - Full cost \$5.00 rental charged.</p> <p>1982 - Full cost \$12.00 film rental charged. Film use dropped 75% 1979 to 1982. Defunct projectors not replaced.</p>	<p>Overall reduction in central communications, travel and supervisory staff.</p>		<p>Erosion of programs has resulted in gradual reduction of staff. In the last 4 years staff has been reduced by 2 and 3/4 persons.</p> <p>-----</p> <p>1979 - 11.80 F.T.E. 1982 - 10.90 F.T.E. 1983 - 9.07 F.T.E.</p>
1983 Budget	\$43,758	-0-	\$42,465	\$298,326	
to restore 1974 level	\$ 6,500	\$21,000	\$20,000	\$129,300	

# FRIENDS OF KANSAS LIBRARIES

Topeka Public Library  
1500 West Tenth Street  
Topeka, Kansas 66604

## STATEMENT CONCERNING HB 2166 BY WARREN ROBINSON, PRESIDENT, FRIENDS OF KANSAS LIBRARIES, INC.

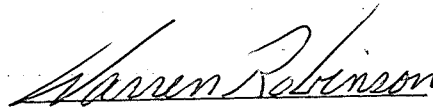
Mr. Chairman and members of the Committee, my name is Warren Robinson. I am President of Friends of Kansas Libraries, a Kansas not-for-profit corporation.

Our organization was formed last September and is growing rapidly. Our membership includes local organizations of Friends-of-library groups from throughout the State, as well as individual members from thirty-eight towns and cities. We have a quarterly newsletter, and will publish our second issue this month. Our first annual meeting will be held in Great Bend next month, April 15-16.

We believe our mission is a worthy and vital one: helping Kansas libraries meet the needs and expectations of their communities. We extend that help primarily by providing advice and assistance to local library support groups, and to persons interested in forming such groups. We expect to be successful in encouraging the formation of many additional groups this year.

Our board is concerned that many Kansans are being adversely affected by the diminishing capability of regional library systems to assist their libraries adequately. We believe the assistance provided by the regional library systems is too important to too many libraries and their patrons to be allowed to wither away for lack of sufficient funding. Surely no state committed to progress and public education can afford to let its libraries deteriorate.

The Board of Friends of Kansas Libraries wishes, therefore, to express its strong support for HB 2166.



Warren Robinson  
March 21, 1983

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## CHAIRMAN BURKE AND COMMITTEE MEMBERS

Good morning ... I am Almeda Edwards from Ottawa ... Since 1977, I have served as the Governor's appointed representative from Franklin County ... to the Northeast Kansas Library System Board ... 3 libraries in Franklin County receive tax support from their own cities' taxpayers ... namely, Ottawa, Richmond and Wellsville. Ottawa residents pay, for example a tax levy of \$5.92 per thousand in 1982. All other areas of the county pay the library system levy of one-half mill and ... I am their representative. I attend system meetings twice yearly and vote on such matters as the annual budget, grants, etc. Usage of the libraries is not confined to those within a city limit. At Ottawa, for example, one-third of the current library cardholders are from outside the city of Ottawa. At Richmond, almost one-half reside outside town and Wellsville has 42% rural cardholders. Libraries and their patrons receive benefits from the system levy in several ways. GRANTS to system libraries are an important part of local budgets. Ottawa Library currently receives an annual grant of \$9,000.00; Richmond receives \$1,100 and Wellsville receives \$2,500.00. Member libraries also have use of a telephone credit card for certain interlibrary business, etc. There are workshops for library personnel and also a coordinated SUMMER READING PROGRAM with a theme and materials provided and paid for by the system. The system provides funding for blind and physically handicapped programs and services. There are other aids that I am sure will be mentioned here today.

I think it is important that this levy be increased from one-half to three-fourths mill to help provide the funding

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necessary for local libraries to serve their entire GREATER COMMUNITY and not just the taxing district of their own city on a free and equal basis.

My husband and I farm. We pay a substantial amount of property tax but I feel this is a worthwhile reason to stand here before you asking for this small tax increase.

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TO: Paul Burke, Chair  
and  
Members: Senate Assessment and Taxation Committee

STATEMENT: Jim Marvin

DATE: March 21, 1983

I speak to you this morning on behalf of the Kansas Library Association, a non-profit educational organization comprised of libraries, librarians and citizens dedicated to excellence in library service. Two of the purposes of Kansas Library Association are to promote library service in the state of Kansas, and to promote cooperation among all types of libraries and organizations concerned with library service.

The proposed legislation speaks directly to the purposes of the Kansas Library Association and KLA supports without reservation HB2166. In strengthening the library systems of Kansas, which are a major foundation for interlibrary cooperation within our state, library service to and for citizens in all areas of Kansas would be influenced. We urge your most careful consideration of this legislation.

My library work in Kansas spans most of the System years. The expansion of library services to the previously unserved as well as the improvements in libraries is simply unparalleled. This progressive library movement has been too successful and is too urgently needed to be threatened by a continued lack of adequate funding. HB2166, while not the total answer, is certainly a step in the right direction.

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As a Governor's appointee, appointed in 1978 by Governor Bennett and reappointed in 1982 by Governor Carlin, it is my responsibility to represent the rural population of North Central Kansas on the NCK Regional Systems Library Board. Let me assure you, the rural people of Kansas are no longer content with the Farmers Almanac, Sears and Roebuck and Gerney's seed catalogue. They are an important part of the economic population of Kansas and they have a need for the knowledge and information stored in our libraries. The library systems are providing a way for us to use these resources. They are well established and working. Without additional help in funding, we will have to continue to cut programs, good programs that will eventually diminish.

I live on the ranch 25 miles from the nearest public library. Our small town, Mahaska, is 30 miles from the library. The system serves our outlet library in the community center by dropping 750 different books every three months. This amounts to 3,000 books a year at an average cost of \$12.50 per book. We are talking about \$37,500.00 worth of books available to the local readers through the systems. This same thing is happening in small towns across the state of Kansas. Many of these readers are our elderly citizens that have a great need for the large print books available. The summer reading program makes it possible for rural children to have the same exposure as the children in our larger cities. Many of these people cannot physically or financially afford to make the 60 mile round trip to the nearest library. However, they do have the desire to read. I can pick up the phone, dial the toll free number and have books sent to me from Manhattan or any library in Kansas or borrow the current best seller from the Mail-a-Book program.

I know you are aware of the wealth of knowledge and pleasures stored in our libraries and the need for these materials to be shared. A book is of no value if it is not read. We, as educated, rural Kansas citizens, wish to continue to have access to these books through our library systems. As a former elementary teacher for 10 years, I hope every child in Kansas, regardless of where he lives, having the desire to read, has access to the books for they are the citizens that will continue to make Kansas a great state.

With the present 1/2 mill levy on our assessed valuation, my husband, Rod, and I pay \$87.16 in support of the systems. Next year, with the amount the machinery exemption reduces our assessed valuation, we would pay \$62.66 at the present mill levy. With the proposed legislation of 1/4 mill increase we would pay \$94.00. As you can see, the 1/4 mill increase does not allow for expansion of systems programs but allows for them to be maintained at the present levels of service. I feel it is a matter of economics, I could take the \$94.00 and purchase about 8 books or support the systems and have access to any book in Kansas.

*Barbara Arbutnot*

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