

MINUTES OF THE House COMMITTEE ON Ways and Means

The meeting was called to order by Bill Bunten at \_\_\_\_\_  
Chairperson

1:30 ~~am~~/p.m. on Tuesday, March 13, 1984 in room 514-S of the Capitol.

All members were present except: Representative Wisdom (excused)

Committee staff present: Lyn Goering, Legislative Research  
Gloria Timmer, Legislative Research  
Jim Wilson, Office of the Revisor  
Dave Hanzlick, Administrative Assistant  
Nadine Young, Committee Secretary

Conferees appearing before the committee:

Bob Wooten, Governor's Office  
Mr. and Mrs. Sheeley, Atchison, KS  
Rodney Bieker, Attorney General's office  
Howard Moses, Congressman Slattery's office  
Roger McCollister, Kansas Legal Services  
Randy Tosh, Kansas Cooperative Council  
Ruth Wilkin, A. A. U. P.  
Basil Covey, K. R. T. A.  
Joan Klesath, KPERS  
Bob Ott  
Tom Kelly, KBI  
Colonel Bert Cantwell, KHP  
Major Stewart Elliott, KHP  
Jim Green, Administrative Officer, KBI  
Ron Smith, Kansas Legal Services

Others present (Attachment I)

The meeting was called to order at 1:30 p.m.

SB 311 -- an act concerning the Kansas water authority; providing for compensation of members thereof when conducting official business; amending K.S.A. Supp. 74-2622 and repealing the existing section.

Representative Arbuthnot explained the bill and made a motion to change the necessary dates. Seconded by Representative Chronister. Motion carried.  
Representative Arbuthnot moved that SB 311 be recommended favorable for passage as amended. Seconded by Representative Hamm. Motion carried.

HB 2992 -- an act concerning certain claims against the state; making appropriations, authorizing certain transfers, imposing certain restrictions and limitations, and directing or authorizing certain disbursements, procedures and acts incidental to the foregoing.

Representative Shriver handed out a proposed amendment to HB 2992 (Attachment II) relating to the claim of Keith E. Carl. Representative Shriver subsequently made a motion that we change the amount from \$75,000 to \$37,500. Seconded by Representative Mainey. Representative Helgerson made a substitute motion that we do not pay anything at all on this claim. SEconded by Representative Lowther.

Chairman responded by saying, actually we have no legal responsibility to pay on this claim, but traditionally this committee does authorize payment out of conscious in cases such as these. A vote was taken on Representative Helgerson's motion and the Naves appeared to have it. A division was called for and the results were, those in favor....10, those opposed....10. Chairman opposed the motion and the motion failed.

Representative Heinemann moved the draft be amended to reduce the payment from \$75,000 to \$25,000. Seconded by Representative Shriver. After brief discussion, Representative Heinemann closed on his motion saying there is no legal obligation to pay this claim, but common practice has been to go ahead



CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,  
 room 514-S, Statehouse, at 1:30 ~~xx~~ p.m. on Tuesday, March 13, 1984

and approve the payment of the claim. The motion lost.

Representative Miller moved that the amendment as written, be adopted. Seconded by Representative Shriver. The motion carried.

Chairman introduced an amendment to HB 2992 (Attachment III) regarding Mary Lewis and Jane Vines concerning payment with regard to the CETA program.

Representative Chronister moved we adopt this amendment. Seconded by Representative Heinemann. Motion carried.

Representative Luzzati moved that HB 2992 be recommended favorable for passage, as amended. Seconded by Representative Farrar. Motion carried.

Chairman turned to HB 3027 -- an act authorizing the Attorney General to provide certain legal services for eligible persons engaged in agriculture-related business.

Ron Smith, representing Kansas Legal Services addressed the committee and explained the bill. He introduced Mr. and Mrs. Sheeley, a farm couple from Atchison who testified in support of the bill. (Attachments IV, V & VI).

Bob Wooten, representing the Governor's office also testified in support of HB 3027 and provided a handout (Attachment VII).

Rodney Beiker, Assistant Attorney General, spoke on behalf of Attorney General Bob Stephen to express support of HB 3027.

Howard Moses, representing Congressman Slattery's office, also urged the committee's support of HB 3027 (Attachment VIII).

Roger McCollister also spoke in support of this bill (Attachment IX).

This concludes the proponents for HB 3027. We had one opponent appear to testify against the bill. Randy Tosh, representing Kansas Cooperative Council spoke against the bill, saying it is technically incorrect as the language stands today.

Chairman turned to HB 3058 -- an act concerning the Kansas public employees retirement system, police and fireman's retirement system and the retirement system for judges; relating to employer pick up of member contributions; amending K.S.A. 12-5005 and K.S.A. 1983 Supp. 20-2603, 74-4919 and 74-4965 and repealing the existing sections.

Jim Wilson passed out an amendment (Attachment X) and Bob Ott addressed the committee and explained the bill.

Ruth Wilkin, representing American Association of University Professors spoke in favor of HB 3058 and provided written testimony (Attachment XI).

Basil Covey, representing KRTA, also testified in favor of the bill (Attachment XII) saying the bill would provide a vehicle to help improve retirement benefits for KPERS retirees.

Joann Klesath, KPERS, spoke briefly on behalf of KPERS, saying any additional monetary benefits realized from the bill would certainly be a benefit for her organization.

Chairman asked for a vote on the proposed amendment to HB 3058 that was presented by Bob Ott. Representative Louis moved the amendment be adopted. Seconded by Representative Turnquist. Motion carried.

Representative Miller moved that HB 3058, as amended, be recommended favorable for passage. Seconded by Representative Louis. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,  
room 514-S, Statehouse, at 1:30 a.m./p.m. on Tuesday, March 15, 19 84

Chairman turned to HB 3088 -- an act concerning state participation in national law enforcement information systems; transferring certain powers, duties, functions and property between the Kansas Bureau of Investigation and the Kansas Highway Patrol.

Representative Chronister briefly reviewed the committee on the contents of the bill and the problems associated with this subject during the past few years.

Chairman recognized Colonel Bert Cantwell of the KHP who expressed opposition to the bill saying it is not needed and that it will mean excess work for his department (Attachment XIII).

Major Stewart Elliott, Control Terminal Operator, also addressed the committee and explained some of the problems involved in attempts to resolve this matter. He also opposes the bill.

Tom Kelly, Head of Kansas Bureau of Investigation, addressed the committee and spoke in support of this bill. He said at this point, we do not have the capability of getting immediate response to inquiries and this is something that is needed very badly. He urged the committee to look at the real problem. Kansas does deserve to have automated criminal records. They are available in D. C. through this system, but we do not have access to the system.

Jim Green, Administrative Officer for KBI addressed the committee very briefly in support of the bill saying passage of this bill will be of tremendous support in administering the duties of this office.

Chairman announced there had been much debate already concerning this bill, and it did not seem to be solving anything. No action was taken on this bill this date.

Chairman asked for approval of the Minutes from February 27 and 29, March 1 and 2. Representative Miller moved the minutes be approved as written. Seconded by Representative Hamm. Motion carried.

Meeting adjourned at 4 p.m.



3-13-84

	<u>Name</u>	<u>Address</u>	<u>Representing</u>
1.	Dick Smelon	217 SE. 4th, Topeka	PIHR, Worker's Comp
2.	Bruce Roberts	DISC	DISC
3.	Mary Fund	Box 133 Whiting Ks.	Ks Rural Center
4.	Gary Bell	Box 151 Holton Ks	
5.	Ed Reymond	Rt. 2, Goff, Ks	farmer
6.	Baril Conroy	Topeka	KRTA
7.	Harold Pitto	Topeka	TARTA
8.	Beit Pantnell	"	KHP
9.	<del>Ed Reymond</del>	"	"
10.	Ol. [unclear]	Topeka	KHP
11.	Fred Peritan	Whiting	Kansas Fundation
12.	Marvin Umbroter	Topeka	KE W League
13.	Bell McCall	Topeka	
14.	ML Jenkins	"	Speakers Office
15.	Gordon Garnett	"	KLS
16.	Ruth Wilkin	"	AAUP
17.	Howard Moses	"	Conv. [unclear]
18.	Jerry Sloan	"	Off. of Stud. Adm.
19.	Ron Hill	"	Bd of Ind Def
20.	Rid Susano Jr	"	KBI
21.	Tom Green	"	KBI
22.	Tom Kell	"	KBT
23.	Ed [unclear]	"	Budget Div
24.			
25.			

I



PROPOSED AMENDMENTS TO H.B. NO. 2992

I move to amend HOUSE BILL NO. 2992, As Amended by House Committee, On page 5, by striking all in lines 427 to 441, inclusive, and inserting in lieu thereof the following material to read as follows:

"Sec. 6. (a) The department of administration is hereby authorized and directed to pay the total amount of \$75,000 in 60 monthly payments from the Keith E. Carl claim fund as provided in this section for the payment in full satisfaction of all claims against the state and any officers and employees thereof for the incarceration of Keith E. Carl from the date of arrest on October 13, 1980, through July 13, 1982, when the judgment of guilty to the charges of certain crimes was vacated and set aside and the sentence imposed therefor was vacated based upon a confession by the person who committed such crimes. The monthly payments under this section shall be in 60 substantially equal monthly installments in accordance with vouchers prepared by the director of accounts and reports and shall be paid to Keith E. Carl, c/o Hal E. DesJardins, Attorney at Law, Suite 403, 820 Quincy, Topeka, KS 66612, except that (1) a written release and satisfaction of all claims and rights against the state of Kansas and any officers and employees of the state of Kansas regarding this claim shall be secured prior to payment of any amount under this section and (2) all amounts payable to the claimant under this section shall be subject to setoff for any amounts of money owed to the state in accordance with K.S.A. 75-6201 to 75-6214, inclusive, and any amendments to any of those statutes.

(b) There is appropriated for the department of administration from the following special revenue fund for the fiscal year ending June 30, 1984, all moneys now or hereafter lawfully credited to and available in such fund, except that expenditures shall not exceed the following:

Keith E. Carl claim fund..... \$5,000.00

(c) On the effective date of this act, the director of accounts and reports shall transfer \$75,000 from the state general fund to the Keith E. Carl claim fund."

11

PROPOSED AMENDMENTS TO H.B. NO. 2992

As Amended by House Committee

On page 10, preceding line 691, by inserting the following material to read as follows:

"Sec. 20. (a) The department of human resources is hereby authorized and directed to pay the following amount from the comprehensive employment and training act (CETA) programs -- federal fund in full satisfaction of a settlement agreement entered into by the parties in the case of Mary Lewis vs. State of Kansas, et al., Civil Action No. 81-4002, in the United States District Court for Kansas, involving federal civil rights claims against the CETA division of the department of human resources, to the following claimant:

Mary Lewis, c/o Kenneth F. Crockett, Attorney, 1324 Topeka, Topeka, KS 66612..... \$5,500.00";

Provided, That a written release and satisfaction of all claims under such case against the state of Kansas and any officers and employees of the state of Kansas shall be secured prior to payment of this amount.

(b) The department of human resources is hereby authorized and directed to pay the following amount from the comprehensive employment and training act (CETA) programs -- federal fund in full satisfaction of a settlement agreement entered into by the parties in the case of Jane Vines vs. State of Kansas, et al., Civil Action No. 81-4003, in the United States District Court for Kansas, involving federal civil rights claims against the CETA division of the department of human resources, to the following claimant:

Jane Vines, c/o Kenneth F. Crockett, Attorney, 1324 Topeka, Topeka, KS 66612..... \$5,500.00

Provided, That a written release and satisfaction of all claims under such case against the state of Kansas and any officers and employees of the state of Kansas shall be secured prior to payment of this amount.";

And by renumbering sections accordingly

III



Ron Smith  
Earl bill

# HOUSE BILL No. 3027

By Committee on Judiciary

2-17

0016 AN ACT authorizing the attorney general to provide certain legal  
0017 services for eligible persons engaged in agriculture-related  
0018 business.

0019 *Be it enacted by the Legislature of the State of Kansas:*

0020 Section 1. As used in this act:

0021 (a) "Eligible person" means any person who (1) is primarily  
0022 engaged in the business of farming, ranching, agribusiness or  
0023 other agriculture related activities; (2) is eligible for financial  
0024 assistance under any United States government program; (3)  
0025 cannot afford to pay for private legal advice and representation  
0026 by reason of low income and family obligations; and (4) meets  
0027 the eligible criteria prescribed by the attorney general.

0028 (b) "Eligible services" means the provision of (1) legal ad-  
0029 vice and representation for or on behalf of an eligible person  
0030 with respect to participation by the eligible person in any United  
0031 States government program. Such legal advice and representa-  
0032 tion may include, but is not limited to, the provision of informa-  
0033 tion, advice, counsel and representation (A) in judicial or ad-  
0034 ministrative proceedings involving federal credit agencies, (B)  
0035 for the protection of rights of redemption under state or federal  
0036 law, and (C) with regard to the credit relief provisions of 7 U.S.C.  
0037 1981a, and acts amendatory or supplemental thereto; and (2)  
0038 general information and educational outreach services concern-  
0039 ing rights in relation to the process of borrowing, debt service,  
0040 and debt relief. "Eligible services" does not include legal rep-  
0041 resentation in any action or proceeding involving a private  
0042 lending institution.

0043 (c) "United States government program" means any federal  
0044 program which is designated to benefit persons engaged in

Subsection (a): gives three statutory definitions as to who constitute "eligible persons," but note that the definition can be further modified by rule and regulation of the attorney general.

Eligible services" includes two basic types: (1) of a litigation or pre-litigation type of legal service for eligible persons concerning United States Government Programs only. Such types fall into three categories only.

Second, in line 37, eligible services consist of services of a "general information and educational outreach" nature. This contemplates a contracting provider to work with law schools and extension services at KSU to provide information concerning work within U.S. Government Programs.

[[[NOTE THE AMENDMENT]]]

Note that eligible services does not include representation against a private lending institution.

TH

0045 agriculture related business activities and includes specifically  
 0046 any program offered by the farmers home administration, federal  
 0047 land banks or production credit associations. "United States  
 0048 government program" does not include any credit program of-  
 0049 fered by a private lending institution.

0050 (d) "Private lending institution" means any state or federally  
 0051 chartered bank, savings and loan association, credit union or any  
 0052 corporation owning a bank under Kansas law and any subsidiary  
 0053 activity of such a corporation.

0054 (e) "Legal services provider" means any nonprofit corpora-  
 0055 tion organized under the laws of this state which receives funds  
 0056 directly from the legal services corporation pursuant to the legal  
 0057 services corporation act (42 U.S.C. 2996, et seq.).

0058 Sec. 2. (a) The attorney general may provide, supervise and  
 0059 coordinate, in the most economical manner possible, eligible  
 0060 services for eligible persons.

0061 (b) In order to comply with the requirements of subsection  
 0062 (a), the attorney general shall enter into contracts with legal  
 0063 services providers to provide for eligible services for eligible  
 0064 persons. Any such contract shall specify that only eligible ser-  
 0065 vices may be provided and that such services may only be  
 0066 provided for eligible persons.

0067 (c) The attorney general shall adopt rules and regulations  
 0068 necessary to effectuate the provisions of this act and shall pre-  
 0069 scribe by rules and regulations the criteria for determining  
 0070 eligible persons. In prescribing such criteria, the attorney gen-  
 0071 eral shall consider the following factors:

- 0072 (1) Household income as defined in the homestead property  
 0073 tax relief act;
- 0074 (2) family size;
- 0075 (3) medical, child care and work-related expenses;
- 0076 (4) cost of legal assistance if provided by a private attorney;
- 0077 (5) the size and type of the agricultural business operation;
- 0078 (6) liquid and nonliquid assets;
- 0079 (7) net worth; and
- 0080 (8) any other factors which the attorney general deems nec-  
 0081 essary for determining whether a person is financially unable to

U.S. Government program specifically excludes  
 credit programs offered by private lending  
 institutions.

"Private lending institution" includes the  
 holding company owning a bank, or any of such  
 bank holding company's subsidiary activities  
 that are authorized by the federal reserve  
 board.

"Legal Services provider" pertains to Kansas  
 Legal Services, Inc.

Eligible services may be provided only to those  
 persons who meet the eligibility requirements of  
 the act.

Attorney General implements using rules and regulations,  
 which can be reviewed by the legislature next session.

Statutory considerations as to eligibility.

Attorney general has considerable leeway in determining  
 which persons are eligible for assistance, using the  
 rule and regulation process.



2 employ private legal counsel.

0083 Sec. 3. (a) Any legal services provider which enters into a  
0084 contract with the attorney general under authority of this act  
0085 shall:

0086 (1) Cooperate, to the fullest extent feasible, with the Kansas  
0087 state university agricultural extension service so that its eco-  
0088 nomic and farm management counseling services are utilized by  
0089 eligible persons.

0090 (2) Utilize, to the fullest extent feasible, existing resources of  
0091 accredited law schools within the state of Kansas to provide  
0092 consulting assistance to attorneys performing eligible services  
0093 under this act.

0094 (3) Assist, to the fullest extent feasible, accredited law  
0095 schools within the state of Kansas in enhancing their expertise in  
0096 the area of agricultural law so that all attorneys within the state  
0097 will have a resource available to provide training and expertise  
0098 in the agricultural law field.

0099 (b) Any legal services provider which enters into a contract  
0100 with the attorney general under authority of this act shall submit  
0101 its annual operating budget for the next fiscal year of the state,  
0102 including projected salaries and all anticipated expenses of  
0103 operation, to the attorney general. Such budget shall set forth the  
0104 maximum obligation of financial aid and contributions proposed  
0105 for payment by the state and the availability of any additional  
0106 funds from the federal government and other sources to meet  
0107 such expenses of operation. At the end of each fiscal year any  
0108 contracting legal services provider and the attorney general shall  
0109 furnish to the post auditor and the director of the budget an  
0110 audited statement of actual expenditures incurred.

0111 (c) Contracts entered into pursuant to this section shall pro-  
0112 vide for any contractual payments to the legal services provider  
0113 to be made monthly.

0114 Sec. 4. This act shall take effect and be in force from and  
0115 after its publication in the statute book.

Section 3(a) makes certain statutory requirements of the person or corporation that contracts pursuant to this act:

--- work with KSU agricultural extension service  
--- farm management counseling

--- use resources of Kansas law schools to provide assistance to those attorneys providing the services.

--- work with law schools to help create specialties in agricultural law for those attorneys who one day might provide these types of services to private clients outside this act.

Providers must:

1. Submit proposed budget for next FY
2. List any eligible funds which can augment the state general fund for this activity;
3. furnish post audit accounting statement at end of FY

Allows monthly statements to the provider, per the contract.

July 1, 1984 effective date

Ron Smith

LEVY, SMITH, GARRETT, & SMITH  
LAWYERS

JEFF K LEVY P.A.  
RONALD D SMITH  
GORDON T GARRETT  
JANET JO SMITH

JAYHAWK TOWER  
SUITE 1000  
700 JACKSON  
TOPEKA KANSAS 66603  
(913) 232-2727

M E M O R A N D U M

DATE: March 7, 1984  
TO: Members of the House Ways & Means Committee  
FROM: Ron Smith  
RE: HB 3027; Legal Services for Eligible Farm Families

HB 3027 is currently in the House Ways & Means Committee. Chairman Buntin indicates hearings will be forthcoming. This firm represents Kansas Legal Services with regard to this bill. The attached information is being offered in this form at this time so that the actual time needed for a hearing on this bill is reduced.

HB 3027's purpose is not adversarial. The bill is designed to bridge the procedural gap between farmers who have considerable credit problems with Farmers Home Administration (FmHA), production credit associations, and the federal land bank. These organizations are classified as "federal credit agencies" in the bill. I have attached a memo which explains the status of PCA's and the federal land bank. We believe they are quasi-public lending institutions and as such should remain in this legislation.

The bridge we are attempting to construct is one of administrative teamwork as much as legal advocacy, designed to help farmers with loan application and procedures problems with these federal credit agencies. Testimony in the Judiciary Committee indicated that FmHA loan applications are now 26 pages long. Considerable expertise is now required to deal with these lending agencies and an additional ability to present complicated plans of operation is also required. In short, the business of farming



--especially for those farmers who rely heavily upon federal credit agencies - is becoming intensely complicated. To most farmers with the financial means, the expertise is available to them. However, to insure that all family farm operations in this state have an opportunity to make a go of it, legal services should be available to those families whose cash flow prohibits them from hiring private legal counsel for such advice.

The Attorney General would be responsible for setting up eligibility guidelines and contracting the services. The bill has a sunset provision. The Governor's Office supports the legislation, as does the Attorney General. The Governor is planning a budget amendment to be sent to the Legislature in the amount of \$135,000.00 to fund the program.

Many have asked "why should the general fund support this program?" There are two reasons: one is practical, and the other is philosophical. First the farm economy has not rebounded like the rest of the economy from our recession. There is a significant need for legal services for certain farm families who no longer have the financial resources to hire private counsel to help them through the maze of requirements available to farm families working with FmHA. FmHA has certain due process procedures available to farm families on a variety of loan applications, especially the foreclosure option. But farmers cannot exercise these rights without legal help. From a non-adversarily viewpoint, legal help in structuring a plan of operation for a original loan from a federal credit agency can assure that future foreclosure operations may not be necessary.

The second argument is philosophical. Agriculture is important to Kansas. While this program is unique in the country, it is appropriate for Kansas. If we can help save only a few farmers who might have otherwise gone under because of the lack of legal help at a time when they need it, if we can provide a minimal fiscal outlay and help those who otherwise have no resources to help themselves, then the program has a public benefit which is immeasurable.

The question arose whether banks and other private lending institutions should be included in the advocacy provisions of the bill. We believe not. First, the addition of these lenders in the advocacy portion increases the fiscal note on the bill ( or it reduces the ability of legal services to use the appropriation for its more limited function, thereby reducing the entire services

Memo to: Members of the House Way & Means Committee  
Page 7, 1984  
Page three

allowed by the existing fiscal note). Secondly, in most instances a person who has gone to a federal credit agency has done so because they were "non-bankable". Most persons eligible for this program are not eligible for bank financing and thus may not have any need for advice or counseling in that area anyway. This is not universally true, but since banks would be involved in such a small part, we believe not including the banks in the program is the appropriate response.

In two years, however, we hope the farm economy is brighter than it is now and if that is the case, the sunset authority may be the most applicable and appropriate future solution.

I believe Kansas farmers, whether eligible for the program or not, can look to what this legislature does with this program as a true measure of the state's concern for agriculture. It is a positive step toward the preservation of the tradition of the small family farm in Kansas.

If you have further questions, please let me know.

RDS/tm

# Kansas Legal Services, Inc.

COLUMBIAN BUILDING, ROOM 202  
112 WEST SIXTH STREET, TOPEKA, KANSAS 66603  
TELEPHONE 913/233-2068

HON. CHARLES E. WORDEN  
President, Board of Directors  
ROGER L. McCOLLISTER  
Executive Director

COPY

March 2, 1984

Mr. Gordon Garrett  
Attorney at Law  
Jayhawk Towers, Suite 1000  
Topeka, Kansas 666512

Dear Gordon:

Subject: HB 3027: Status of Federal Land Banks and  
Production Credit Associations.

You have asked me to comment as to whether FLB's and PCA's should be classified as private or public lending institutions for purposes of HB 3027. It is my opinion they are quasi-public institutions and should be considered as covered under eligible activities in Sect. 1(b) and (c) of the bill. The following are reasons why they should be considered quasi-public institutions and instrumentalities of the United States Government:

- 1) PCA's and FLB's are the integral working parts of our national Farm Credit System, designed by Congress to "accomplish the objective of improving the income and well-being of American farmers and ranchers. . . ."

12 U.S.C. § 2001(a)  
12 C.F.R. § 611.400

- 2) PCA's and FLB's are closely regulated and chartered by the Farm Credit Administration, which is administered through the Office of the Executive. PCA's and FLB's are considered to be "an instrumentality of the United States, created to carry out the congressional policy and objectives of the Act."

12 C.F.R. § 611.200  
12 C.F.F. § 611.400(a)



- 3) PCA's are instrumentalities of the United States Government, and as such, all notes, debentures, and other obligations issued by them are exempt, both as to principal and interest, from all taxation imposed by the United States or any state, territory, or local taxing authority. Also, their property, franchises, capital, reserves, surplus, and any other funds, and their income are exempt from federal, state, or local taxation.  
12 U.S.C. § 2098
- 4) FLB's are exempt from federal, state, and local taxation as to their capital, reserves, surplus, and income. Mortgages held by FLB's, along with notes, bonds, debentures, and other obligations, are considered instrumentalities of the United States Government, and as such, they and any income derived are exempt from federal, state, and local taxation.  
12 U.S.C. § 2055
- 5) Interest rates set by PCA's and FLB's are set by its own board of directors, with approval of the Farm Credit Administration, and are to be set at the "lowest reasonable costs on a sound business basis." Interest rates are considered exempt from state usury laws.  
12 U.S.C. § 2015.  
McGovern v. FLB (1941) 209 Minn. 403, 296 N.W. 473.  
12 U.S.C. § 2096(b).
- 6) PCA's and FLB's administer such special programs as the Young, Beginning, and Small farmers and ranchers program (YBS) whereby loans may be made up to 97% of appraised value and are guaranteed by the Farmers Home Administration or other federal agency.  
Legislative Hist., P.L. 96-592, p. 19 (U.S. Code Congressional and Admin. News, Vol. 6, p. 7102.  
12 C.F.R. § 614.4165.  
12 U.S.C. § 2207.

From the above material, we can conclude that FLB's and PCA's are integral parts of the National Farm Credit System set up by Congress and administered by the Farm Credit Association through the Office of the Executive. As part of this system, they are exempt from taxation and their interest rates are not subject to state usury laws. As part of their responsibility of carrying out the intent of Congress to "improve the income and well-being of American farmers and ranchers," they administer special programs such as the Young, Beginning, and Small farmers and ranchers program where loans are guaranteed by the federal government.

It seems clear that federal statutes and regulations specifically refer to PCA's and FLB's as "instrumentalities of the United States." Considering this statutory reference and their mandate from Congress, it seems inescapable to conclude PCA's and FLB's are not in the same category as private banks. Nevertheless, they are cooperatively owned and are operated by separately organized and chartered boards of directors. Because of this organizational structure, coupled with a strong federal oversight and connection, PCA's and FLB's are properly labeled as quasi-public institutions and not independent private banks.

Their tax preferences, lack of interest regulation, and federal guarantees of selected loans, remove them from the private loan competition of private banks. They are mandated to carry out Congressional intent regarding the well-being of American farmers and ranchers.

Therefore, for purposes of HB 3027, advocacy and advice regarding PCA's and FLB's should be included as eligible services, and they should not be classified as private lending institutions.

Respectfully,

---

Roger L. McCollister,  
Executive Director

RLM:rc

HA 3027

Grace Sheeley

TESTIMONY FOR THE HOUSE JUDICIARY COMMITTEE

February 27, 1984

My name is Grace Sheeley. My husband, Bob, and I farm 280 acres near Nortonville, Ks. in Atchison County. We operate a 50 cow dairy and a purebred hog operation, and feed the grain we grow to our livestock. We have farmed all our lives. Our parents were farmers. We hope to pass the farm on to our children. One of our daughters comes home on weekends to help with the work, and our 13 year old son, who also helps with the work, is interested in farming.

As is well known, farmers have been hit with hard times in recent years. Since 1980, every year has presented weather problems: drought in 1980 and 1983; cool, wet planting seasons in 1981 and '82; and an early fall frost in 1982 hurt our feed grain crops. The cost of the things we buy continues to go up and interest rates stay high. Yet the prices we receive have remained low. These circumstances have not only hurt our ability to repay farm debt and meet our living and operating expenses, but have made us even more dependent upon credit.

In the mid-70's, we turned to the Farmers Home Administration for our credit needs. Today we have outstanding real estate and operating loans, and because of poor weather conditions, disaster and emergency loans. We do not have enough land to provide all our livestock feed, so we have had to borrow to purchase the additional feed. Currently we pay FmHA 50 per cent of our monthly milk check for debt repayment. However, since much of our debt is short term, this has not been enough to meet our full annual debt obligation to FmHA. Adverse weather conditions and unstable livestock markets have created difficulties in meeting our annual debt payments.

We are hopeful, however, that with careful management (and we are working with K-State farm management specialists), one or two years of normal weather, and a more stable farm economy, our debt situation will improve. But until then, like many other farmers, we face immediate credit problems and complicated legal questions.

While we already have outstanding FmHA loans, last fall we were forced to turn to them once more for a loan for livestock feed. Two months ago, after working with us for several years, FmHA denied our loan eligibility. We appealed their decision, and after several meetings and a hearing we are still trying to establish

TH



our eligibility. With the assistance of a lawyer, this issue might have already been resolved.

If we are determined eligible for FmHA assistance, we then have to negotiate the loan. How long this process will take, I do not know. But while we wait, our livestock continue to eat. Our current feed supply was purchased with the sale of a few head of dairy cows. If we do not get the loan, we will be forced to liquidate our herd. If we liquidate our herd, we're out of farming.

I understand that FmHA could let us keep more of our milk check, but they don't want to do this. Not being familiar with FmHA rules, regulations and procedures, we don't know what our rights are and what assistance they can give. We have heard about loan deferrals, refinancing and other FmHA assistance, but how these apply to us we don't know without legal assistance.

All the programs, procedures, and regulations are very complicated and confusing. We already work 12 to 14 hours a day to get our farm work done. We spend additional time maintaining our financial records. We do not have the time, and I fear we are not qualified, to learn all the regulations and procedures governing FmHA. The FmHA appeal process is very difficult to go through without help, and we have friends and neighbors who face similar problems and need assistance.

Because we already have difficulty meeting all our debt payments and other expenses, we cannot afford to hire an attorney. With the complex credit problems facing ourselves, some of our neighbors, and many other farmers, the availability of free legal assistance would help resolve some of the credit problems, reduce the high level of farm stress, and give many families the opportunity to work out their debt problems and remain in farming. We encourage you to support House Bill 3027.

Thank you very much for the opportunity to speak. We would be happy to answer any questions.

AVAILABLE ADMINISTRATIVE REMEDIES  
WITH  
FARMERS HOME ADMINISTRATION

Farmers Home Administration is a lender of last resort. However, when farmers are faced with problems within FmHA, they can use any or all of the following administrative remedies:

- restructuring of the credit needs of the small agri-businessman.
- deferral of principal and/or interest payments for a certain period of time;
- development and financing of new operational plans for the agri-business
- release of all or part of the federal credit agency's security interest(s) in order to provide a farmer the flexibility to sell products or livestock and thereby improve cash flow;
- an agency appeals process to insure that decisions are fairly made and consistent with federal laws and policies;

STATEMENT BY HOWARD MOSES, DISTRICT AIDE TO CONGRESSMAN JIM SLATTERY, REGARDING THE PROVISION OF LEGAL ASSISTANCE TO FARMERS

My name is Howard Moses. I am a District Aide in the Kansas Office of Congressman Jim Slattery. My duties include responding to constituent problems in the area of agriculture. Problems with Farmers Home Administration loan applications and servicing are a large part of the agricultural inquiries the Congressional Office receives.

During the first thirteen months of Congressman Slattery's term of office, we have received thrity-two requests for assistance with problems regarding FmHA. Several of these requests have been through referrals from Members of the Kansas House of Representatives and the Kansas Senate, both Democrat and Republican.

Most of these requests for assistance pertained to applications for Farm Operating Loans, and to a smaller extent, Farm Ownership Loans. The individuals seeking FmHA financing tend to be smaller farmers with marginal incomes. Most of the individuals contacting our office are either younger farmers, ages 22-30, or older producers, ages 50-60. Almost all of them are in severe need of credit assistance. A sizable percentage are facing partial or full liquidation.

Assistance for these farmers is extremely limited. Farm management consultation from the Kansas State University Extension Service is one of our primary referrals. Direct assistance for preparing farm plans, loan applications, and appeals of eligibility decisions is almost nonexistent for small, marginal farmers unable to afford legal of financial counseling due to their financial crisis. Information



on Limited Resource Loans from FmHA and other avenues of funding is limited at best.

The initiation of the Coordinated Financial Statement system by FmHA has further complicated the procedure for this group. The new 26-page farm loan application replaces the old standard four-page form. The intent of the new system is to give the agency a better idea of a farmer's repayment ability and to give the farmer a better picture of his financial situation. However, a FmHA District Director from Northeast Kansas stated that insufficient staff time is available to counsel farmers on the completion of the new forms.

Richard Denison, head of Pennsylvania Farm Management estimates that 95 percent of FmHA borrowers will not have the ability to satisfactorily complete the forms.

Robert A. Luening, a farm records specialist and professor at the University of Wisconsin, indicates that the new forms "appear to be lender rather than farmer oriented."

The Kansas Farmers Home Administration Office has been responsive to congressional inquiries. However, the level of assistance that can be provided by congressional staff members in no way meets the current need for legal assistance that a substantial number of farmers now have.

####

Roger mc Collister

# Kansas Legal Services, Inc.

COLUMBIAN BUILDING, ROOM 202  
112 WEST SIXTH STREET, TOPEKA, KANSAS 66603  
TELEPHONE 913/233-2068

HON. CHARLES E. WORDEN  
President, Board of Directors  
  
ROGER L. McCOLLISTER  
Executive Director

TO: Members of the Ways and Means Committee  
  
FROM: Roger L. McCollister, Executive Director  
  
SUBJECT: Fiscal Note HB 3027  
  
DATE: March 12, 1984

## M E M O R A N D U M

The purpose of this memo is to provide information concerning the fiscal note of HB 3027. The sum of \$135,000 has been requested, and it is our understanding that the Governor is going to or has submitted a budget amendment for this program.

### Demand for the Services

According to the 1980 Census, Kansas has approximately 86,000 persons engaged in farming. The Census reports that about 23%, 19,000, are below the federal poverty guidelines. We anticipate this figure has increased since 1980 due to the severe recession in the agricultural economy.

Based on previous experience, demand for legal services is about 4.76% of the target population. If this percentage is applied to a total of 19,000 low-income farmers, we can expect

IX

a demand for services from 900 to 1,000 requests<sup>1</sup> for this program.

#### Anticipated Program

The legal services provider should expect to substantially meet this demand next year through:

1. Providing legal representation to eligible persons where such representation will be most beneficial;
2. By providing advice and analysis, including assistance in completing FmHA's consolidated financial statement and other counseling regarding federal financial programs to a significant number of such eligible persons; and
3. By developing and providing training programs regarding the legal aspects of federal farm credit programs, including presentations on eligibility requirements, as well as legislative and regulatory mandates.

#### Expected Costs and Results

In developing a fiscal note for this bill, the proper approach, in our opinion, should assure that appropriated funds will not be spent unless services are actually delivered. A cost reimbursement for each hour of service produced is suggested.

---

<sup>1</sup> The need for legal services may increase as congressional mandates designed to assist young beginning or small farmers are implemented. For instance, FmHA has been required by the U. S. District Court for Kansas to implement a loan deferral program in Kansas. Also, in 1980, Federal Land Bank associations and PCAs were required to develop and assist young beginning or small farmers. In a General Accounting Office report issued in March, 1983, it was concluded that these programs had not been adequately implemented. As the Federal Land Banks and PCAs comply with these requirements, legal assistance regarding rights under these programs may be required. Finally, FmHA is required to devote 20% of its funds in Kansas to limited resource borrowers. In the past, this amount has not been allocated. As FmHA complies with this directive, legal assistance with this limited resource program may be needed.



Should Kansas Legal Services, Inc. be the contractor under this program, we propose to charge two hourly rates: (1) one for each hour of paralegal services, and (2) one for each hour of attorney services.

The hourly rate billed to the Attorney General for these services will represent the total amount of expenses involved. Salaries, fringe benefits, secretarial and support staff, accounting services, administrative coordination, rent, utilities, telephone, library, materials, insurance, and travel are all included in the projected hourly rates.

The Attorney General will monitor the reasonableness of such expenditures.

The attorney rate is projected to be \$30.06 per hour; the paralegal rate is projected at \$22.43 per hour. Note, however, that these rates are greatly below the hourly rates charged by private attorneys in Kansas. They are also much below the rate awarded as fees in Kansas federal courts in cases where attorneys fees are awarded to prevailing parties. Salary costs utilized by KLS in developing these projected rates is comparable with that of an Attorney-II in state government with five years' experience. The cost for paralegals is comparable to an entry-level Income Maintenance Technician-I with SRS. The average attorney in KLS has five years' experience, and it is expected that attorneys working on this project would have an average of five years' experience--should KLS be the contractor.

At these rates, KLS would be able to make 3430 hours of attorney time and 1400 hours of paralegal time available for the project. Depending upon complexity, it is expected that between five and twenty five hours will be spent by attorneys representing each client. Legal advice should take between two and five attorney hours per person advised, depending upon the difficulty of the legal issues, and the facts involved. Based on these estimates, KLS should be able to represent 100 - 140 eligible farmers and advise, counsel, and assist another 375. Of course, since this is a pilot project unprecedented in the nation, more precise estimates are difficult to make.

KLS is also prepared to provide at least twenty training sessions held throughout the state, with at least one-half west of Highway 81. We anticipate at least 2,000 persons might attend these sessions. KLS attorneys and paralegals will participate in ongoing coordination efforts with the extension service and law schools as required in the bill, will maintain ongoing communications with the Attorney General to assure that

the program is administered in accord with the contract, will do comprehensive intake and evaluation for the services provided in the bill, and will work with the legislative committees as required.

#### KLS Accounting System

Our accounting system is adequate to assure that funds appropriated for the program are spent in accordance with the legislative mandate. Each attorney reports all hours spent daily for each activity and case. KLS has a staff CPA who functions as a comptroller and maintains the books. Currently, KLS receives funds from county and city governments, local United Way funds, the national Legal Services Corporation, area agencies on aging, as well as other sources. Even with the diversity and complexity of its funding, KLS has never had a questioned cost on any annual or other audit.



## Cooperative Extension Service

Office of the Director  
Umberger Hall  
Manhattan, Kansas 66506  
913-532-5820

February 24, 1984

COPY

Mr. Roger L. McCollister  
Executive Director  
Kansas Legal Services, Inc.  
Columbian Building, Room 202  
112 West Sixth Street  
Topeka, KS 66603

Dear Mr. McCollister:

I thoroughly enjoyed visiting with you and Mr. Metcalf yesterday afternoon. As you know, I was not aware until earlier this week that House Bill No. 3027 had been introduced by the Committee on Judiciary.

Certainly, these are very difficult economic times for agriculture. Many farmers need very intensive counseling to help them make the best management decisions on their farms, and to prepare good documented information to work with credit agencies to obtain credit or refinance their existing loan structure. I am sure there are many instances where these individuals need legal assistance and counseling which cannot be provided by the Cooperative Extension Service. As you know, the Cooperative Extension Service has been providing educational programs for 70 years to the people of Kansas who are engaged in agriculture and agricultural-related activities. Farmers have been seeking advice from us on all aspects of farming. We work with them, providing information and advice from specialists and county agents.

For services in which we don't have expertise, we refer farmers to those agencies that can provide the appropriate help. Certainly, if House Bill No. 3027 is passed to expand the efforts of Kansas Legal Services, Inc., we would be very pleased to cooperate with you in directing the appropriate clientele to you and continue to provide economic and farm management counseling and educational services to all eligible persons who request them within the existing scope of our work and personnel. The additional services as proposed in the legislation could provide very valuable legal assistance to qualified clientele. This type of service could be of substantial benefit to many farmers.

Sincerely,

Fred D. Sobering  
Director of Extension

cc: President Duane Acker, Dean John Dunbar

Proposed Committee Amendment to H.B. No. 3058

"AN ACT concerning the Kansas public employees retirement system, police and firemen's retirement system and the retirement system for judges; relating to employer pick up of member contributions; amending K.S.A. 12-5005 and K.S.A. 1983 Supp. 20-2603, 74-4919 and 74-4965 and repealing the existing sections."

Be amended:

On page 3, in line 102, by striking "and state";

On page 4, in line 152, by striking "and state";

On page 5, in line 187, by striking "and state";

On page 7, in line 238, by striking "and state";





AMERICAN ASSOCIATION OF UNIVERSITY PROFESSORS

Testimony before the House Ways & Means Committee  
March 13, 1984 on HB 3058

Mr. Chairman and Members of the Committee:

I am Ruth Wilkin, representing the American Association of University Professors, and I am speaking in favor of HB 3058. The AAUP was founded in 1915 by a group that included many of the outstanding faculty members of the time, and now has a national membership of 68,000, with nearly 400 members in Kansas. It is the sole national faculty organization concerned directly with higher education above all else.

This bill offers a fringe benefit that would amount to a welcome salary increase for a state employee, but would not require a large appropriation by the state. The employee contribution would be sheltered from income tax, and possibly social security tax, until the employee retired. That can make a sizeable difference in the amount of take-home pay.

AAUP has been supportive of a similar plan involving payment of family health insurance premiums with pre-tax dollars, but apparently the IRS has not ruled on that matter yet. They have allowed other states to pay employee retirement contributions with pre-tax dollars, and we urge your support of this benefit for Kansas. A salary increase without a corresponding general fund decrease should be attractive to all legislators.





# Kansas Retired Teachers Association

1983-1984

HB 3058



*Basil Covey*

## ELECTIVE OFFICERS

- President**  
Mr. Glenn E. Burnette  
1630 Knollwood  
Topeka, Ks. 66611  
Phone 913-232-5404
- President Elect**  
Mrs. Etta Blanche Dahlgren  
4326 Waverly  
Kansas City, Ks. 66104  
Phone 913-287-2279
- Vice President**  
Mr. Morris J. Thompson  
412 E. 13th  
Hutchinson, Ks. 67501  
Phone 316-662-3002
- Secretary**  
Mrs. Thyra Olson  
106 W. Saline  
Lindsborg, Ks. 67456  
Phone 913-227-3661
- Treasurer**  
Mr. Mearle Hoover  
2135 Norton  
Salina, Ks. 67401  
Phone 913-827-5443
- Assistant Treasurer**  
Mr. Fred Jarvis  
1122 N. Cedar  
Abilene, Ks. 67410  
913-263-1533
- Chairman of Editing & Publishing Committee**  
Mrs. Elsie Klemp  
608 E. Price  
Garden City, Ks. 67846  
Phone 316-275-5322
- Legislative Chairman**  
Mr. Laurence Stanton  
406 LaVista  
Dodge City, Ks. 67801  
Phone 316-227-6877
- Past President**  
Mrs. Margaret Riddick  
2534 Broadway  
Great Bend, Ks. 67530  
Phone 316-793-3714
- DISTRICT DIRECTORS**
- District 1**  
Mr. Arnold J. Lehmann  
216 W. Wilson  
Salina, Ks. 67401  
913-827-1913
- District 2**  
Mr. Jack Rose  
808 Iowa St.  
Holton, Ks. 66436  
Phone 913-364-2965
- District 3**  
Mr. Willis Jordan  
935 Maple  
Ottawa, Ks. 66067  
913-242-6130
- District 4**  
Mrs. Ruth A. McCarty  
Box 334  
Bucklin, Ks. 67834  
Phone 316-826-3769
- District 5**  
Mrs. Martha D. Hicks  
1323 N. Erie  
Wichita, Ks. 67214  
Phone 316-682-2490
- District 6**  
Mrs. Beulah C. Bohn  
Route #1, Box 192  
Fall River, Ks. 67047  
Phone 316-736-2213

March 13, 1984

Mr. Chairman, and members of the Committee:

I want to speak in support of HB 3058. My name is Basil Covey and I represent the Kansas Retired Teachers Association which includes all retired school personnel.

It is our understanding that HB 3058 may be used as a vehicle on the floor of the House of Representatives for retirement improvements for retired school citizens in Kansas.

As you know there are several retired school groups in KPERs receiving benefits computed by different formulas. There are inequities in benefits that this bill used as a vehicle may address itself. The retired school citizens, with the exception of those retiring after 1981, were low salary earners and retirement benefits were based on the average of those low salaries.

We have to be careful that retired citizens have a standard of living that meets their needs and gives them some sense of dignity and respect. The best of planned retirement programs suffer from, and are damaged by, increased costs of living which includes increased health and utility costs.

These retired school citizens have had productive careers in Kansas and have served the youth of Kansas well and deserve to have your thoughtful assistance.

We urge you to give HB 3058 a favorable vote to allow it as a vehicle to help improve retirement benefits for KPERs retirees.

We remind you that this action will serve the best interests of retired citizens, members of KPERs, and will be funded from earned investment income, and NOT by tax funds.

Sincerely,  
*Basil Covey*  
Basil Covey  
KRTA

## APPOINTIVE OFFICERS

**Legislative Committee**  
Mr. Edwin J. Friesen  
6605 Abbottsford  
Wichita, Ks. 67206  
Phone 316-682-2349

Mr. Earl Ludlum  
Route #3 - Box 108  
Pittsburg, Ks. 66762  
316-231-5842

Dr. Calvin E. Harbin  
303 W. 19th  
Hays, Ks. 67601  
913-625-2428

Basil R. Covey  
3119 W. 31st Ct.  
Topeka, Ks. 66614  
913-272-5714

Mr. Kenneth Rogg  
110 Hillcrest Dr.  
Paola, Ks. 66071  
913-294-3933

**Historian and Parliamentarian**  
Mrs. Faye Riggs  
604 N. Washington  
Lindsborg, Ks. 67456  
Phone 913-227-3434

**Community Affairs Chairman**  
Mr. Frank Rosser  
S. Topeka  
Holton, Ks. 66436  
913-364-2860

**Necrology Chairman**  
Mrs. Eunice E. Schnitzer  
1711 N. 4th, Apt. 518  
Arkansas City, Ks. 67005  
Phone 316-442-2685

**Informative and Protective Services**  
Mrs. Lucy E. Clark  
425 Morningside Dr.  
Newton, Ks. 67114  
316-283-2421

**Retirement Planning Chairman**  
Mrs. Hazel Hawks  
7835 Sandusky  
Kansas City, Ks. 66112  
Phone 913-788-7167

**Membership Chairman**  
Mr. Elbert Fly  
1830 Cheyenne Rd.  
Topeka, Ks. 66604  
Phone 913-272-2822

**NRTA Coordinator**  
Mr. Marvin Forker  
Box 602  
Ottawa, Ks. 66067  
Phone 913-242-4616

**Corresponding Secretary**  
Mrs. Edith K. Copenhaver  
1638 Withdean Rd.  
Topeka, Ks. 66611  
913-232-5311



The Symbol of Service and Concern for the Retired Teachers of Kansas



Mr. Chairman, Ladies and Gentlemen of the Committee:

I appear today in opposition to HB 3088. It is unfortunate that someone thinks it is necessary to switch NCIC from the Highway Patrol to the KBI, because such a contention is not based on any real need or any unsolvable problems.

We are here today debating this as an issue when we all have better things to do--- Prior to the past two years, our two agencies rarely had differences and were always able to find an amicable solution in those instances where we disagree. The friction over the "III" issue clouds the cooperative effort that exists between the Kansas Bureau of Investigation and the Kansas Highway Patrol.

We do not belittle the importance of access to III. I would point out, however, that criminal history record information represents only (approximately) 1/2 of 1% of the total NCIC inquiries potential in Kansas. This is based on Missouri's actual use in 1983.

As you can see from the handout material, the other 99 1/2% are inquiries into the "hot files" --- wanted persons, stolen vehicles, articles, securities, boats, license plates, guns and missing persons --- the critical type of information that a trooper or other law enforcement officer needs when they stop a car on the streets or highways.

The Patrol made over 500,000 roadside traffic stops or inspections in 1983, made 631 felony arrests and had 533 NCIC "hot file" "hits" (positive responses). When you consider that over four out of five traffic stops in Kansas are made by the Patrol ---

XIII

that a trooper is usually alone when approaching a vehicle on a dark, lonely stretch of road --- not knowing what to expect --- "hot file" information from NCIC becomes critical.

Just last week a Kansas Highway Patrol trooper who was preparing to stop a speeder found out from NCIC "hot files" that the vehicle was stolen, the driver was wanted for murder in Rhode Island and the driver was armed with a 12 guage shotgun. After a high speed chase that finally ended in a wheat field, the driver was arrested. It was later determined that he was the prime suspect for a murder that had occurred at the interstate rest stop in Wabaunsee County only a few hours earlier.

The Kansas Highway Patrol has a vested interest and clear understanding of the importance of NCIC information when a speed violator is also wanted for two homicides occurring halfway across the country from each other.

I think it is interesting to note that of the 50 states, in 42 of them, the NCIC control terminal designation is with the highway patrol, state police or department of public safety. Only five NCIC control terminals are structured in bureaus of investigation or identification.

NCIC is basically a communications network and the KHP is in the communications business. Eight around-the-clock regional communications centers and 61 professional communications operators assure the speedy delivery of police information. Our system is designed to cover every square foot of this state. It supplies vital, life-protecting information to the approximately 800 mobile and portable criminal justice providers. This includes six federal and nine state agencies. The Kansas Bureau



of Investigation and its 53 agents are served by this system.

I agree that NLETS should be transferred from the KBI to the KHP because, as a communications function, that is logically where it belongs. I propose that you strike all of lines 20 through 52 and approve the remainder.

## REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Ways and Means

Recommends that Senate Bill No. 311

"AN ACT concerning the Kansas water authority; providing for compensation of members thereof when conducting official business; amending K.S.A. 1982 Supp. 74-2622 and repealing the existing section."

Be amended:

On page 1, in line 21, by striking "1982" and inserting in lieu thereof "1983";

On page 2, in line 70, by striking "1982" and inserting in lieu thereof "1983";

On page 4, in line 150, by striking "1982" and inserting in lieu thereof "1983";

On page 1, in the title, in line 18, by striking "1982" and inserting in lieu thereof "1983";

And the bill be passed as amended.

\_\_\_\_\_  
Chairperson

## REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Ways and Means

Recommends that House Bill No. 2992, As Amended by House  
Committee

"AN ACT concerning certain claims against the state; making appropriations, authorizing certain transfers, imposing certain restrictions and limitations, and directing or authorizing certain disbursements, procedures and acts incidental to the foregoing."

Be amended by adoption of the amendments recommended by House Committee on Ways and Means as reported in the Journal of the House of Representatives on February 21, 1984, and the bill, as printed with amendments by House Committee, be further amended:

On page 5, by striking all in lines 427 to 441, inclusive, and inserting in lieu thereof the following material to read as follows:

"Sec. 6. (a) The department of administration is hereby authorized and directed to pay the total amount of \$36,000 in 60 monthly payments from the Keith E. Carl claim fund as provided in this section for the payment in full satisfaction of all claims against the state and any officers and employees thereof for the incarceration of Keith E. Carl from the date of arrest on October 13, 1980, through July 13, 1982, when the judgment of guilty to the charges of certain crimes was vacated and set aside and the sentence imposed therefor was vacated based upon a confession by the person who committed such crimes. The monthly payments under this section shall be in 60 substantially equal monthly installments in accordance with vouchers prepared by the director of accounts and reports and shall be paid to Keith E. Carl, c/o Hal E. DesJardins, Attorney at Law, Suite 403, 820 Quincy, Topeka, KS 66612, except that (1) a written release and satisfaction of all claims and rights against the state of Kansas and any officers and employees of the state of Kansas regarding

this claim shall be secured prior to payment of any amount under this section and (2) all amounts payable to the claimant under this section shall be subject to setoff for any amounts of money owed to the state in accordance with K.S.A. 75-6201 to 75-6214, inclusive, and any amendments to any of those statutes.

(b) There is appropriated for the department of administration from the following special revenue fund for the fiscal year ending June 30, 1984, all moneys now or hereafter lawfully credited to and available in such fund, except that expenditures shall not exceed the following:

Keith E. Carl claim fund..... \$2,400.00

(c) On the effective date of this act, the director of accounts and reports shall transfer \$36,000 from the state general fund to the Keith E. Carl claim fund.";

On page 10, preceding line 691, by inserting the following material to read as follows:

"Sec. 20. (a) The department of human resources is hereby authorized and directed to pay the following amount from either the salaries and wages account or the other operating expenditures account of the state general fund in full satisfaction of a settlement agreement entered into by the parties in the case of Mary Lewis vs. State of Kansas, et al., Civil Action No. 81-4002, in the United States District Court for Kansas; involving federal civil rights claims against the CETA division of the department of human resources, to the following claimant:

Mary Lewis, c/o Kenneth F. Crockett, Attorney, 1324 Topeka, Topeka, KS 66612..... \$5,500.00

Provided, That a written release and satisfaction of all claims under such case against the state of Kansas and any officers and employees of the state of Kansas shall be secured prior to payment of this amount.

(b) The department of human resources is hereby authorized and directed to pay the following amount from either the salaries



and wages account or the other operating expenditures account of the state general fund in full satisfaction of a settlement agreement entered into by the parties in the case of Jane Vines vs. State of Kansas, et al., Civil Action No. 81-4003, in the United States District Court for Kansas, involving federal civil rights claims against the CETA division of the department of human resources, to the following claimant:

Jane Vines, c/o Kenneth F. Crockett, Attorney, 1324  
Topeka, Topeka, KS 66612..... \$5,500.00

Provided, That a written release and satisfaction of all claims under such case against the state of Kansas and any officers and employees of the state of Kansas shall be secured prior to payment of this amount.";

And by renumbering sections accordingly;

And the bill be passed as amended.

\_\_\_\_\_Chairperson