

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANSThe meeting was called to order by Senator Paul Hess at  
Chairperson11:00 a.m./p.m./ on March 27, 1984 in room 123-S of the Capitol.

All members were present except:

## Committee staff present:

Research Department: Mary Galligan, Lynne Holt, Julian Efird  
Committee Office: Mark Skinner, Doris Fager

## Conferees appearing before the committee:

John Wurth, Securities Commissioner  
Mark Heitz, Security Benefit Group  
Vincent DeCoursey, Public Assistance Coalition of Kansas  
Robert Runnels, Jr., " " " "  
Paul Johnson, " " " "  
Bob Eggold, " " " "  
Darlene Stearns, Consultation of Churches  
Lois Jebo, Kansas Action for ChildrenHB 3038 - Financing office of Securities Commissioner from the State General Fund

Mr. Wurth explained that he has a proposed amendment which would allow for \$500,000 to remain in the Fee Fund and the remainder to be transferred to the State General Fund. This would allow the Securities Commissioner to remain a fee agency, and his office is in favor of the amendment, with some minor cleanup changes. (See Attachment A) (See also Attachment B)

Mr. Wurth explained the work of the Securities Commissioner's Office. He said the registrations are continually increasing, and that is the reason for the large balance in the fee fund. When asked about the types of securities his office administers and registers, Mr. Wurth said that everything commonly thought of as a security is registered there, except for such things as annuities, insurance securities, government obligations, industrial revenue bonds and money market funds.

In answer to further questions, Mr. Wurth said that very little of the registration fees is from the State of Kansas. Most of the registrations in the state are concentrated in the Wichita area.

There was discussion concerning the reason for introduction of the bill. It was noted that there is a balance of approximately \$2.5 million in the fee fund, and the objective was to obtain some of the balance for the State General Fund. With the proposed amendment, the Agency would continue to be a fee agency, but would transfer all funds to the State General Fund over \$500,000.

Motion was made by Senator Steineger and seconded by Senator Gaines to adopt the amendments on Attachment A, plus technical cleanup of the title and other changes needed.

The Chairman asked that the committee withhold voting on the motion until Mr. Heitz could present his testimony.

Mr. Heitz said his company has been working with the Securities Commissioner's office and the securities industry, and the amendment is much more palatable than the original bill. When asked if his industry would counsel the commissioner to keep the fees low so the balance would not be over \$500,000 each year, Mr. Heitz said that would be done only if the fees were to generate much more than the budget of the office.

The above motion carried by voice vote.

Motion was made by Senator Steineger and seconded by Senator Gaines to report HB 3038 as amended favorably for passage. The motion carried by roll call vote.

SB 855 - Creating a commission on public-private responses to basic human services

Senator Doyen explained the proposal and indicated there is no fiscal note involved. He called the committee's attention to the fact that it expires December 31, 1989. In answer to questions, he said it would include most of the SRS programs under "basic human services."

Mr. DeCoursey distributed his prepared statement (Attachment C). Following his presentation of that statement, he added that there needs to be a change on line 54, page 2, where there should be a comma between "need" and "day care." He also suggested that PACK probably should be spelled out and read "Public Assistance Coalition of Kansas."

Mr. Runnels was called upon to testify, but said he had deferred to Mr. DeCoursey.

Mr. Johnson appeared as a proponent of SB 855, and distributed Attachment D. There were questions from committee members concerning the data on the attachment.

Mr. Eggold indicated his organization senses a growing interest across the state in the plight of the poor and disadvantaged. He suggested this commission will provide an appropriate forum for these issues. He said the bill is not a form of criticism, but a way of providing wide discussion about a difficult problem.

Ms. Stearns appeared as a proponent, and yielded to Ms. Jebo. Ms. Jebo said a critical factor is availability of basic needs--food, etc. She stressed that the public needs to get involved in a much greater area to look at the services available, and this commission would give groups a chance to look at the broadest possible area.

Motion was made by Senator Steineger and seconded by Senator McCray to amend SB 855 to provide that of the five members to be appointed by each house of the Legislature, the minority leader of each house would be given authority to appoint two of those members, one to be a legislator who is a member of the minority party. The motion carried by voice vote.

Motion was made by Senator Talkington and seconded by Senator Harder to amend SB 855 by spelling out PACK instead of using initials, to add a comma on line 54 after the word "need," and to spell out LCC (Legislative Coordinating Council). The motion carried by voice vote.

Motion was made by Senator Gaines and seconded by Senator Bogina to specifically designate that the Secretaries of SRS and Health and Environment should be members of the commission. Following a brief discussion, the motion lost by voice vote.

Motion was made by Senator Gaines and seconded by Senator McCray to provide that the word "representative" be deleted in line 24 of SB 855 and the word "commissioner" be inserted; and that the word "representative" be deleted in line 26 and the words "director of a division" be inserted. The motion carried by voice vote.

Motion was made by Senator Doyen and seconded by Senator McCray to report SB 855 as amended favorably for passage. The motion carried by roll call vote.

SB 770 - Amendments to Bingo Statute

Senator Hess indicated he would like for the committee to act upon this issue, and there was extended discussion.

Motion was made by Senator Steineger and seconded by Senator McCray to amend SB 770 on line 73 to delete "\$.50", and to insert "no more than \$1.00"; and to also change this in other places in the bill to make it consistent. The motion carried by voice vote.

Motion was made by Senator McCray and Seconded by Senator Steineger to report SB 770 as amended favorably for passage. The motion lost by roll call vote, with all members voting "No" except Senators Hess, McCray, Steineger and Werts.

Motion was made by Senator Doyen and seconded by Senator Gaines to report SB 770 adversely. The motion carried, will all members voting "Yes" except Senators Hein, Hess, McCray and Steineger.

The meeting was adjourned by the Chairman.

# HOUSE BILL No. 3038

By Committee on Ways and Means

2-20

Material within brackets would be deleted

A  
3-27-84

0015 AN ACT concerning the office of the securities commissioner of  
0016 Kansas; relating to financing such office from the state general  
0017 fund; abolishing the securities act fee fund and creating the  
0018 securities commissioner refund fund; amending K.S.A. 17-  
0019 1280 and K.S.A. 1983 Supp. 17-1270, 17-1271 and 75-3170a,  
0020 and repealing the existing sections.

and 17-1271

0021 *Be it enacted by the Legislature of the State of Kansas:*  
0022 Section 1. K.S.A. 1983 Supp. 17-1270 is hereby amended to  
0023 read as follows: 17-1270. (a) This act shall be administered by the  
0024 securities commissioner of Kansas.

0025 (b) All fees herein provided for shall be collected by the  
0026 commissioner. All salaries and expenses necessarily incurred in  
0027 the administration of this act shall be paid ~~from the securities act~~  
0028 ~~fee fund~~ by the securities commissioner in accordance with the  
0029 provisions of appropriations acts.

from the securities act fee fund

0030 (c) The commissioner may, except with respect to securities  
0031 exempt under K.S.A. 17-1261 and amendments thereto and  
0032 transactions exempt under K.S.A. 17-1262 and amendments  
0033 thereto, by rule and regulation or order require the filing of any  
0034 prospectus, pamphlet, circular, form letter, advertisement, or  
0035 other sales literature addressed or intended for distribution to  
0036 prospective investors.

0037 (d) The books and records of every person issuing or guaran-  
0038 teeing any securities subject to the provisions of this act and of  
0039 every broker-dealer or investment adviser registered under this  
0040 act shall, as the commissioner deems necessary or appropriate in  
0041 the public interest or for the protection of investors, be subject at  
0042 any time, or from time to time, to such periodic or special  
0043 examinations by the commissioner, or such accountant or exam-  
0044 iner as the commissioner may determine. The person, broker-

Atch. A

00- aler or investment adviser subject to the examination shall pay  
0046 a fee for each examiner or accountant employed to make such  
0047 examination of not to exceed \$100 for each day or fraction  
0048 thereof, plus the actual expenses, including the cost of transpor-  
0049 tation of ~~said~~ *the* accountant or examiner, while absent from such  
0050 accountant's or examiner's office for the purpose of making such  
0051 examination, except that no such fee shall be charged to an  
0052 investment adviser who does not maintain custody of customers'  
0053 moneys, securities or other property. For the purpose of avoiding  
0054 unnecessary duplication of examinations, the commissioner may  
0055 cooperate with other proper authorities.

0056 (e) The commissioner may require any registered broker-  
0057 dealer, registered investment adviser or issuer who has regis-  
0058 tered securities under this act to file a semiannual report con-  
0059 taining such reasonable information, except with respect to  
0060 securities exempt under K.S.A. 17-1261 and amendments thereto  
0061 or transactions exempt under K.S.A. 17-1262 *and amendments*  
0062 *thereto*, as the commissioner may believe necessary regarding  
0063 the financial condition of such person and the securities sold in  
0064 this state by such person. Each such report shall be accompanied  
0065 by a filing fee of \$5.

0066 (f) The commissioner may from time to time adopt, amend,  
0067 and revoke such rules and regulations, orders and forms as may  
0068 be necessary to carry out the provisions of this act. In prescribing  
0069 rules and regulations and forms, the commissioner may cooper-  
0070 ate with the securities administrators of the other states and the  
0071 securities and exchange commission with a view to effectuating  
0072 the policy of this statute to achieve maximum uniformity in the  
0073 form and content of registration statements, applications, and  
0074 reports wherever practicable. All rules and regulations and forms  
0075 of the commissioner shall be published. No provision of this act  
0076 imposing any liability applies to any act done or omitted in good  
0077 faith in conformity with any rule and regulation, form, or order of  
0078 the commissioner, notwithstanding that the rule and regulation,  
0079 form or order may later be amended, revoked or rescinded or be  
00- determined by judicial or other authority to be invalid for any  
reason. Every hearing in an administrative proceeding shall be

0082 public unless the commissioner in the commissioner's discretion  
0083 grants a request joined in by all the respondents that the hearing  
0084 be conducted privately.

0085 (g) A document is filed when it is received by the commis-  
0086 sioner. The commissioner shall keep a register of all applications  
0087 for registration and registration statements which are or have  
0088 ever been effective under this act and all denial, suspension, or  
0089 revocation orders which have ever been entered under this act.  
0090 The register shall be open for public inspection. The information  
0091 contained in or filed with any registration statement, application,  
0092 or report may be made available to the public under such rules  
0093 and regulations as the commissioner may adopt. Upon request  
0094 and after payment of a fee per page in an amount fixed by the  
0095 commissioner and approved by the director of accounts and  
0096 reports under K.S.A. 45-204 *and amendments thereto*, the com-  
0097 missioner shall furnish to any person photostatic or other copies  
0098 of any entry in the register or any document which is a matter of  
0099 public record, which copies shall be certified under the com-  
0100 missioner's seal of office if requested. In any proceeding or  
0101 prosecution under this act, any copy so certified is prima facie  
0102 evidence of the contents of the entry or document certified. The  
0103 commissioner in the commissioner's discretion may honor re-  
0104 quests from interested persons for interpretative opinions.

0105 Sec. 2. K.S.A. 1983 Supp. 17-1271 is hereby amended to read  
0106 as follows: 17-1271. ~~Whenever (a) The securities commissioner~~  
0107 ~~shall receive any remit all moneys received from all fees,~~  
0108 ~~charges, deposits or penalties which have been collected under~~  
0109 ~~the Kansas securities act or other laws of this state regulating the~~  
0110 ~~issuance, sale or disposal of securities or regulating dealers~~  
0111 ~~therein, such commissioner shall remit all moneys received by or~~  
0112 ~~for the securities commissioner from such fees, charges or pen-~~  
0113 ~~alties in this state or under the uniform land sales practices act,~~  
0114 to the state treasurer at least monthly. Upon receipt of any such  
0115 remittance, the state treasurer shall deposit the entire amount  
0116 thereof in the state treasury. ~~Twenty percent of each such de-~~  
0117 ~~posit shall be credited [and shall credit such amount] to the state~~  
0118 ~~general fund and the balance shall be credited to the securities~~

Twenty percent of each such deposit shall be credited

0120 the securities act fee fund, less such amounts that are required to be credited  
 0121 to the securities commissioner refund fund under subsection (b).  
 0122 (b) [The securities commissioner refund fund is hereby es-  
 0123 tablished in the state treasury. The securities commissioner  
 0124 shall finance and maintain such refund fund by authorizing and  
 0125 directing the state treasurer to credit amounts, from time to  
 0126 time, from the moneys remitted to the state treasurer under  
 0127 subsection (a) so that a sufficient balance, which shall not be  
 0128 more than \$100,000, is maintained in such refund fund to meet  
 0129 current refunding requirements under the Kansas securities act,  
 0130 the uniform land sales practices act and other acts administered  
 0131 by the securities commissioner.] All expenditures from such the  
 0132 securities [commissioner refund] fund shall be made in accord-  
 0133 ance with appropriation acts upon warrants of the director of  
 0134 accounts and reports issued pursuant to vouchers approved by  
 0135 the securities commissioner or by a person or persons designated  
 0136 by the securities commissioner.

0137 (c) [On the effective date of this act, the director of accounts  
 0138 and reports shall transfer all moneys in the securities act fee  
 0139 fund to the state general fund. After such transfer, the securities  
 0140 act fee fund is hereby abolished and all liabilities of the securi-  
 0141 ties act fee fund are hereby transferred to and imposed upon the  
 0142 office of the securities commissioner of Kansas.]

0143 Sec. 3. K.S.A. 17-1280 is hereby amended to read as follows:  
 0144 17-1280. (a) Upon the filing of an application for a hearing under  
 0145 subsection (a) of K.S.A. 17-1277(a) 17-1277 and amendments  
 0146 thereto with the securities commissioner, the target company  
 0147 shall pay to the office of the commissioner a filing fee of two  
 0148 hundred fifty dollars (\$250) \$250 and shall deposit with such  
 0149 office a sum, not in excess of seven hundred fifty dollars (\$750),  
 0150 as the commissioner may require an amount fixed by the com-  
 0151 missioner of not more than \$750 for the purpose of defraying the  
 0152 costs of the hearing provided for in subsection (a) of K.S.A.  
 0153 17-1277(a) 17-1277 and amendments thereto and of any inves-  
 0154 tigation which the securities commissioner may make in con-  
 0155 nection therewith: *Provided, That.* Any portion of the seven  
 0156 hundred fifty dollar (\$750) amount of the hearing cost deposit

and the balance shall be credited to the securities act  
 fee fund

On the last day of each fiscal year, the state treasurer  
 shall transfer from the securities act fee fund to the  
 state general fund any amount in the securities act fee  
 fund exceeding \$500,000 so that the beginning balance in  
 the securities act fee fund on the first day of each  
 fiscal year is \$500,000.

securities act fee

All amounts transferred from the securities act fee fund  
 to the state general fund under subsection (b) are to  
 reimburse the state general fund for accounting, auditing,  
 budgeting, legal, payroll, personnel and purchasing ser-  
 vices and any other governmental services which are per-  
 formed on behalf of the state agency involved by other  
 state agencies which receive appropriations from the state  
 general fund to provide such services. Such reimbursements  
 are in addition to those authorized by K.S.A. 75-3170a and  
 amendments thereto.

0156 which is not utilized or necessary to defray the costs of the  
0157 hearing shall be returned refunded to the applicant. Any hearing  
0158 authorized under the provisions of this act shall be held within  
0159 thirty (30) 30 days of the date a filing is made pursuant to  
0160 subsection (a) of K.S.A. 17-1277(a), 17-1277 and amendments  
0161 thereto and a determination shall be made by the commissioner  
0162 within a reasonable time after such filing.

0163 (b) All fees herein provided for shall be moneys collected by  
0164 the commissioner, and for fees or deposits under this section  
0165 shall be turned over to the state treasury. The state treasurer and  
0166 controller shall credit the amounts prescribed by K.S.A. 75-3170  
0167 to the general revenue fund of the state for the purpose of  
0168 reimbursing such fund as provided for in said K.S.A. 75-3170,  
0169 and the balance thereof shall be credited to a separate fund for  
0170 use of the securities commissioner for paying the cost of admin-  
0171 istering this act remitted to the state treasurer and disposed of as  
0172 prescribed by K.S.A. 17-1271 and amendments thereto.

0173 [Sec. 4. K.S.A. 1983 Supp. 75-3170a is hereby amended to  
0174 read as follows: 75-3170a. (a) The 20% credit to the state general  
0175 fund required by K.S.A. 1-204, 2-2609, 2-3008, 9-1703, 16-609,  
0176 16a-2-302, ~~17-1271~~, 17-2236, 17-5609, 17-5610, 17-5612, 17-5701,  
0177 20-1a02, 20-1a03, 34-102b, 44-926, 47-820, 49-420, 55-131, 55-  
0178 155, 55-609, 55-711, 55-901, 58-3074, 65-6b10, 65-1718, 65-1817a,  
0179 65-2011, 65-2418, 65-2855, 65-2911, 65-4610, 66-1,155, 66-1503,  
0180 74-715, 74-1108, 74-1405, 74-1503, 74-1609, 74-2704, 74-2902a,  
0181 74-3903, 74-5805, 74-7009, 74-7506, 75-1119b, 75-1308 and 75-  
0182 1509 and acts amendatory of any of the foregoing including  
0183 amendments by other sections of this act is to reimburse the state  
0184 general fund for accounting, auditing, budgeting, legal, payroll,  
0185 personnel and purchasing services, and any and all other state  
0186 governmental services, which are performed on behalf of the  
0187 state agency involved by other state agencies which receive  
0188 appropriations from the state general fund to provide such ser-  
0189 vices.

0190 (b) Nothing in this act or in the sections amended by this act  
0191 or referred to in subsection (a) of this section, shall be deemed to  
0192 authorize remittances to be made less frequently than is autho-]

zed under K.S.A. 75-4215 and amendments thereto.

0195 (c) Notwithstanding any provision of any section referred to  
0196 in or amended by this act or referred to in subsection (a) of this  
0197 section, whenever in any fiscal year such 20% credit to the state  
0198 general fund in relation to any particular fee fund is \$200,000, in  
0199 that fiscal year the 20% credit no longer shall apply to moneys  
0200 received from sources applicable to such fee fund and for the  
0201 remainder of such year the full 100% so received shall be  
0202 credited to such fee fund, except as otherwise provided in  
0203 subsection (d) of this section.

0203 (d) Notwithstanding any provision of K.S.A. 2-2609 and 2-  
0204 3008 and amendments thereto or any provision of any section  
0205 referred to in subsection (a) of this section, the 20% credit to the  
0206 state general fund no longer shall apply to moneys received from  
0207 sources applicable to the wheat commission fund, the Kansas  
0208 corn commission fund, the Kansas grain sorghum commission  
0209 fund and the Kansas soybean commission fund, as specified for  
0210 each such fund by this subsection, and for the remainder of a  
0211 fiscal year the full 100% of the moneys so received shall be  
0212 credited to the appropriate fund of such funds, whenever in any  
0213 fiscal year:

0214 (1) With respect to the wheat commission fund, such 20%  
0215 credit to the state general fund in relation to such fund in that  
0216 fiscal year is equal to that portion of \$200,000 that bears the same  
0217 proportion to \$200,000 as the amount credited to the wheat  
0218 commission fund during the preceding fiscal year bears to the  
0219 total of the amounts credited to the wheat commission fund, the  
0220 Kansas corn commission fund, the Kansas grain sorghum com-  
0221 mission fund and the Kansas soybean commission fund during  
0222 the preceding fiscal year;

0223 (2) with respect to the Kansas corn commission fund, such  
0224 20% credit to the state general fund in relation to such fund in  
0225 that fiscal year is equal to that portion of \$200,000 that bears the  
0226 same proportion to \$200,000 as the amount credited to the  
0227 Kansas corn commission fund during the preceding fiscal year  
0228 bears to the total of the amounts credited to the wheat commis-  
0229 sion fund, the Kansas corn commission fund, the Kansas grain



0230 sorghum commission fund and the Kansas soybean commission  
0231 fund during the preceding year;

0232 3) with respect to the Kansas grain sorghum commission  
0233 fund, such 20% credit to the state general fund in relation to such  
0234 fund in that fiscal year is equal to that portion of \$200,000 that  
0235 bears the same proportion to \$200,000 as the amount credited to  
0236 the Kansas grain sorghum commission fund during the preceding  
0237 fiscal year bears to the total of the amounts credited to the wheat  
0238 commission fund, the Kansas corn commission fund, the Kansas  
0239 grain sorghum commission fund and the Kansas soybean com-  
0240 mission fund during the preceding fiscal year; and

0241 (4) with respect to the Kansas soybean commission fund,  
0242 such 20% credit to the state general fund in relation to such fund  
0243 in that fiscal year is equal to that portion of \$200,000 that bears  
0244 the same proportion to \$200,000 as the amount credited to the  
0245 Kansas soybean commission fund during the preceding fiscal  
0246 year bears to the total of the amounts credited to the wheat  
0247 commission fund, the Kansas corn commission fund, the Kansas  
0248 grain sorghum commission fund and the Kansas soybean com-  
0249 mission fund during the preceding fiscal year.]

0250 Sec. 5. K.S.A. 17-1280 and K.S.A. 1983 Supp. 17-1270, 17-  
0251 1271 and 75-3170a are hereby repealed.

0252 Sec. 6. This act shall take effect and be in force from and  
0253 after its publication in the statute book.

Session of 1984

Proposed Amendment to House Bill No. 3038

By Committee on Ways and Means

2-20

TITLE ON THIS OK

0015 AN ACT concerning the office of the securities commissioner of Kansas;  
 0016 relating to financing such office, ~~from the state general fund; abolishing~~ *relating to the reimbursement of the general*  
 0017 ~~fund for services performed on behalf of the commissioner;~~ *fund for services performed on behalf of the commissioner;*  
 0018 ~~the securities act fee fund and creating the securities commissioner~~  
 0019 ~~refund fund;~~ amending K.S.A. 17-1280 and K.S.A. 1983 Supp. 17-1270,  
 17-1271 and 75-3170a and repealing the existing sections.

0020 Be it enacted by the Legislature of the State of Kansas:

0021 Section 1. K.S.A. 1983 Supp. 17-1270 is hereby amended to read as  
 0022 follows: 17-1270.(a) This act shall be administered by the securities  
 0023 commissioner of Kansas.

0024 (b) All fees herein provided for shall be collected by the commissioner.  
 0025 All salaries and expenses necessarily incurred in the administration of this  
 0026 act shall be paid from the securities act fee fund.

0027 (c) The commissioner may, except with respect to securities exempt  
 0028 under K.S.A. 17-1261 and amendments thereto and transactions exempt  
 0029 under K.S.A. 17-1262 and amendments thereto, by rule and regulation or  
 0030 order require the filing of any prospectus, pamphlet, circular, form letter,  
 0031 advertisement, or other sales literature addressed or intended for  
 0032 distribution to prospective investors.

0033 (d) The books and records of every person issuing or guaranteeing any  
 0034 securities subject to the provisions of this act and of every broker/dealer  
 0035 or investment adviser registered under this act shall, as the commissioner  
 0036 deems necessary or appropriate in the public interest or for the protection  
 0037 of investors, be subject at any time, or from time to time, to such periodic  
 0038 or special examinations by the commissioner, or such accountant or examiner  
 0039 as the commissioner may determine. The person, broker/dealer or  
 0040 investment adviser subject to the examination shall pay a fee for each  
 0041 examiner or accountant employed to make such examination of not to exceed  
 0042 \$100 for each day or fraction thereof, plus the actual expenses, including  
 0043 the cost of transportation of the accountant or examiner, while absent from  
 0044 such accountant's or examiner's office for the purpose of making such

0045 examination, except that no such fee shall be charged to an investment  
0046 adviser who does not maintain custody of customers' moneys, securities or  
0047 other property. For the purpose of avoiding unnecessary duplication of  
0048 examinations, the commissioner may cooperate with other proper authorities.

0049 (e) The commissioner may require any registered broker/dealer,  
0050 registered investment adviser or issuer who has registered securities under  
0051 this act to file a semiannual report containing such reasonable information,  
0052 except with respect to securities exempt under K.S.A. 17-1261 and  
0053 amendments thereto or transactions exempt under K.S.A. 17-1262 and  
0054 amendments thereto, as the commissioner may believe necessary regarding  
0055 the financial condition of such person and the securities sold in this state  
0056 by such person. Each such report shall be accompanied by a filing fee of  
0057 \$5.

0058 (f) The commissioner may from time to time adopt, amend, and revoke  
0059 such rules and regulations, orders and forms as may be necessary to carry  
0060 out the provisions of this act. In prescribing rules and regulations and  
0061 forms, the commissioner may cooperate with the securities administrators of  
0062 the other states and the securities and exchange commission with a view to  
0063 effectuating the policy of this statute to achieve maximum uniformity in the  
0064 form and content of registration statements, applications, and reports  
0065 wherever practicable. All rules and regulations and forms of the  
0066 commissioner shall be published. No provision of this act imposing any  
0067 liability applies to any act done or omitted in good faith in conformity with  
0068 any rule and regulation, form, or order of the commissioner,  
0069 notwithstanding that the rule and regulation, form or order may later be  
0070 amended, revoked or rescinded or be determined by judicial or other  
0071 authority to be invalid for any reason. Every hearing in an administrative  
0072 proceeding shall be public unless the commissioner in the commissioner's  
0073 discretion grants a request joined in by all the respondents that the  
0074 hearing be conducted privately.

0075 (g) A document is filed when it is received by the commissioner. The  
0076 commissioner shall keep a register of all applications for registration and  
0077 registration statements which are or have ever been effective under this act  
0078 and all denial, suspension, or revocation orders which have ever been

0079 entered under this act. The register shall be open for public inspection. The  
0080 information contained in or filed with any registration statement, application,  
0081 or report may be made available to the public under such rules and regulations  
0082 as the commissioner may adopt. Upon request and after payment of a fee per page  
0083 in an amount fixed by the commissioner and approved by the director of accounts  
0084 and reports under K.S.A. 45-204 and amendments thereto, the commissioner shall  
0085 furnish to any person photostatic or other copies of any entry in the register or  
0086 any document which is a matter of public record, which copies shall be certified  
0087 under the commissioner's seal of office if requested. In any proceeding or  
0088 prosecution under this act, any copy so certified is prima facie evidence of the  
0089 contents of the entry or document certified. The commissioner in the commissioner's  
0090 discretion may honor requests from interested persons for interpretative opinions.

0091 Sec. 2. K.S.A. 1983 Supp. 17-1271 is hereby amended to read as follows: 17-1271.

0092 (a) Whenever the securities commissioner shall receive any fees, charges or penalties  
0093 which have been collected under the Kansas securities act or other laws of this  
0094 state regulating the issuance, sale or disposal of securities or regulating dealers  
0095 therein, such commissioner shall remit all moneys received by or for the securities  
0096 commissioner from such fees, charges or penalties in this state or under the uniform  
0097 land sales practices act, to the state treasurer at least monthly. Upon receipt  
0098 of any such remittance, the state treasurer shall deposit the entire amount thereof  
0099 in the state treasury. Twenty percent of each such deposit shall be credited to the  
0100 state general fund <sup>and</sup> the balance shall be credited to the securities act fee fund.  
0101 On the last day of each fiscal year, the state treasurer shall transfer from the  
0102 securities act fee fund to the state general fund any amount in that fund exceeding  
0103 \$500,000. This shall leave an opening balance of \$500,000 in the securities act  
0104 fee fund at the beginning of each fiscal year. (b) All expenditures from such fund  
0105 shall be made in accordance with appropriation acts upon warrants of the director of  
0106 accounts and reports issued pursuant to vouchers approved by the securities

0107 commissioner or by a person or persons designated by the securities commissioner.

0108 (c) All amounts transferred from the securities act fee fund to the state general  
0109 fund under this subsection are to reimburse the state general fund for accounting  
0110 auditing, budgeting, legal, payroll, personnel and purchasing services and any  
0111 other governmental services which are performed on behalf of the state agency  
0112 involved by other state agencies which receive appropriations from the state general  
0113 fund to provide such services. Such reimbursements are in addition to those  
0114 authorized by K.S.A. 75-3170a.

0115 Sec. 3 K.S.A. 17-1280 is hereby amended to read as follows: 17-1280. (a) Upon  
0116 the filing of an application for a hearing under subsection (a) of K.S.A. 17-1277  
0117 and amendments thereto with the securities commissioner, the target company shall  
0118 pay to the office of the commissioner a filing fee of \$250 and shall deposit with  
0119 such office an amount fixed by the commissioner of not more than \$750 for the purpose  
0120 of defraying the costs of the hearing provided for in subsection (a) of K.S.A.  
0121 17-1277 and amendments thereto and of any investigation which the commissioner may  
0122 make in connection therewith. Any portion of the amount of the hearing cost deposit  
0123 which is not utilized or necessary to defray the costs of the hearing shall be  
0124 refunded to the applicant. Any hearing authorized under the provisions of this act  
0125 shall be held within 30 days of the date a filing is made pursuant to subsection  
0126 (a) of K.S.A. 17-1277 and amendments thereto and a determination shall be made by  
0127 the commissioner within a reasonable time after such filing.

0128 (b) All moneys collected by the commissioner for fees or deposits under this  
0129 section shall be remitted to the state treasurer and disposed of as prescribed by  
0130 K.S.A. 17-1271 and amendments thereto.

TESTIMONY  
of Vincent DeCoursey  
Senate Ways & Means Committee  
March 27, 1984  
S.B. 855

I am Vincent DeCoursey, Chairman of the Public Assistance Coalition of Kansas, appearing here today in support of S.B. 855.

The Public Assistance Coalition of Kansas has been a representative of the poor during every session of the Kansas legislature since 1971. Its sole purpose is to speak for those of our citizens who must rely upon state assistance for their very existence.

Basically, PACK is the creation of most of the churches of Kansas: including Catholic, Methodist, Lutheran, Presbyterian. It is empowered by them to speak for them before legislative committees and the governor in matters that concern the poor.

We are not naive. We understand the constraints on state government in the light of federal cutbacks in welfare programs. We accept the fact that churches and other private charitable organizations are now facing and will continue to face increased responsibilities in providing for the poor.

It is for this reason that we are in support of S.B. 855. It is a viable, imaginative effort to bring together at least an understanding of the limits as well as the extent of public and private resources to care for the poor. If we are to avert many tragic happenings to those poor it is essential that there be a communication and a cooperation between public and private resources.

This bill creates no bureaucracy; it expends no additional state money. What it will do is to provide an annual evaluation of the realities of needed assistance for the poor in order that both governor and legislature be aware of specific problems and of possible remedies. Both public and private resources have a common goal: the welfare of our own people.

The legislature is to be commended for this imaginative approach to the problem. There may be similar efforts in other states but I am not aware of them. Enactment of S. B. 855 will place Kansas in the forefront of states grappling with the needs of the poor. The Public Assistance Coalition of Kansas commends this thoughtful legislative approach to the problem and urges passage of S.B. 855.

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3-27-84

# POVERTY IN KANSAS

## INCOME

- Consumer Price Index increase, 1979-1982: 42%
- SRS cash grant increases for 1979-1982: 10.4%
- 873,336 households in Kansas (2.3 million individuals)
- For family of 4, poverty income was \$9,862 in 1982, compared to median income of \$27,619.
- 111,685 households earn less than \$5,000/yr; 72,459 earn less than \$7,500/year
- 19.1 (433,858 persons) in Kansas live at 150% of poverty (i.e. household of one: \$5,661/yr.
- 1981-1983, a 72% reduction in dollars spent by SRS on child care
- In 1976, 74% of the unemployed were covered by unemployment compensation. In 1982: 42%
- Aid to Families with Dependent Children
  - This is the primary welfare program in the state
  - 70,549 persons on AFDC; 2/3 of those are children; avg. benefit is \$99.20/per person/per mo.
  - Only 55% of the eligible families are on the program
  - Average AFDC recipient stays on the program only two years
  - \$88 million yearly cost split 50/50 by state and federal governments
- General Assistance
  - 12,618 persons receiving GA; Average benefit is \$95.19/per person/per month

## ENERGY

- Consumer Price Index increase, 1979-1982: 56.9% (gas and electricity)
- Average Kansan spends 5-7% of income on home energy; low income household spends 15-20%
- Last summer, over 10,000 households in Kansas went without gas or electricity
- After April 1, when the KCC Cold Weather Rule expires, many more households will be shut off.
- Private sector energy assistance payments statewide have fallen from last winter; best estimate is less than \$1.5 million in total assistance for 1983-84 winter
- Low-Income Energy Assistance Program (LIEAP)
  - 55,000 households out of 120,000 eligible households will get assistance
  - Average one-time LIEAP payment is \$185
  - \$9.5 million for LIEAP payments (1983-84 winter) is all federal money--no state funds
  - 1985 Federal Budget proposal will cut LIEAP program by 5%
- Weatherization
  - 100,000 households eligible for low-income weatherization; present program doing 4,800 houses yearly
  - For \$750 conservation investment, average savings per household is \$250/year
  - State of Kansas has put no state money into this cost-effective program

## HOUSING

- Consumer Price Index increase, 1979-1982: 32.6%
- SRS shelter allowance increase from 1979-1982: 6%
- Average SRS shelter allowance: \$106/month
- Median rent for Topeka: \$179/month; Wichita: \$183/month; Department of Housing and

Urban Development fair market rent for 2-bedroom unit in Topeka: \$228/month  
--Federal funding for public housing and Section 8 housing has been cut by 2/3 since 1981.

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3-27-81

## FOOD

- Consumer Price Index increase, 1979-1982: 32.2%
- No cost of living increase in food stamp program from 1981-October 1983
- Food stamp program served 50,749 households (134,524 persons) in December 1983
- Yearly cost is approximately \$75 million
- Average monthly benefit for most elderly households is \$10/month
- For families on fixed low-incomes, the average benefit is 45¢ per person/per meal
- Food stamp program assumes that household will spend 30% of income after deductions on food (it is meant as a supplemental program)
- In 1983, Kansas now has 16 emergency feeding centers serving thousands of meals per day
- Over 350 volunteer agencies and food pantries statewide have distributed over 4 million pounds of commodities (cheese, butter, dry milk, honey, cornmeal, flour, rice) from May 1983 - January 1984
- Women, Infants and Children (WIC)
  - Special supplemental food program for women and small children (nutrition and education)
  - Over 80,000 women and children in Kansas are eligible for WIC, but due to limited funds only 21,447 (3,385 women and 18,062 children) take part
  - Studies show that one dollar spent on WIC saves \$3 in long-term medical costs
  - During 1981 and 1982, 5,107 low birth weight babies out of 81,959 live births
  - Low birth weight babies: Black: 14%; White: 6.1%

## MEDICAL

- In November 1983, 124,414 persons received \$17.8 million in medical care under SRS's Medicaid program
- In Fiscal Year 1983, SRS spent \$234 million (50/50 state and federal funds) in Medicaid (36% for nursing homes; 36% for hospital services; 9.5% for physicians; 7.8% for drugs; all other services share the remaining 10%)
- Medicaid comprised 48% of SRS's \$484 million 1983 Fiscal Year
- Medicaid comprises less than 10% of most hospital's revenue (Medicare and Blue Cross/Blue Shield comprise over 75%)
- Hospital rates under Medicaid are being increased 10.5% while the medical coverage for Medicaid recipients is being reduced.
- After May 1, 1984, most low-income Kansans in the Medicaid program will only receive life-threatening surgery
- Federal budget cuts have forced SRS to institute co-payments paid for by clients on virtually every service provided (e.g., \$1 co-pay per prescription).