

MINUTES OF THE House COMMITTEE ON Ways and Means

The meeting was called to order by Bill Bunten at _____
Chairperson

10:00 a.m./p.m. on Tuesday, April 23, 1985 in room 514-S of the Capitol.

All members were present except: Representative Dyck (excused)

Committee staff present: Gloria Timmer, Legislative Research
Laura Howard, Legislative Research
Ed Ahrens, Legislative Research
Mary Galligan, Legislative Research

Conferees appearing before the committee: (Attachment 1)

Chairman Bunten called the meeting to order at 10:05 a.m.

Continued with consideration of subcommittee recommendations on Omnibus bill items.

DEPARTMENT OF REVENUE

- A. Technical adjustment on salary adjustment. Subcommittee concurs.
- B. Passed over.
- C. Liquor legislation. Subcommittee recommends partial funding as follows:

ABC requested a liquor control investigator at \$25,682 relating to SB 126. Subcommittee concurs.

HB 2067. Department is requesting four (4) investigators and two (2) clerks to handle extra duties related to 19 and 20-year olds being prohibited from consuming cereal malt beverages. Subcommittee recommends \$87,032 for the positions of Investigator; one Clerk II position at \$14,316; \$57,347 for OOE and one-time capital outlay expenses; for a Grand Total of \$158,695.

SB 187. Subcommittee does not recommend - they feel the positions can be absorbed.

Total for Item "C" -- \$184,377

- D. (1) SB 95 requires agency to notify quarterly filers what their withholding tax deposit is. Agency is asking for \$6,996. Subcommittee recommends \$5,000.
- (2) SB 321 relating to vehicle dealers and manufacturers fee fund. Subcommittee recommends separate line item at zero limitation.

Staff pointed out that on page 24, second paragraph regarding Field Service agents in 1986, these two positions were missed in the budget. Subcommittee recommends the fund be reduced by \$50,000. It is the intent of the subcommittee to pay for these expenditures next year out of that fee fund.

- (3) HB 2150 relating to preparation of additional tax tables. Agency requests one time cost of \$4,320. Subcommittee concurs.
- (4) HB 2333 relating to Motor Vehicle Dealer's Stamp Tax. Request for additional \$1,841 in FY 1985 to purchase stamps. Subcommittee concurs.

E. SB 84 relating to leasing of telephonic receiving and transmitting equipment. Subcommittee recommends holding up on this item at this time.

HB 2159 would permit merchants to deduct operating costs and expenses up to 60%. Subcommittee recommends taking no action.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
 room 514-S, Statehouse, at 10:00 a.m. ~~p.m.~~ on Tuesday, April 23, 1985.

- F. Amendment No. 3, Item 11. Governor recommends additional FY 1986 expenditures of \$87,321. Subcommittee concurs.
- G. Records Shelving
 Agency requested \$128,560 to purchase automated shelving, but House Committee did not allow.

Several options were submitted and subcommittee has recommended construction of a building to house the records and appropriation of \$96,000. Subcommittee also recommends that Secretary be exempt from the bidding process. Subcommittee also approves additional cost of \$40,000 for permanent metal shelving.

Committee turned back to Item "B" on Statewide Reappraisal (page 23). Subcommittee feels it is time to begin the planning process for reappraisal and recommends \$350,000 be added on a bid basis for a consultant for implementation of computer software. Subcommittee also recommends \$200,000 on a bid basis for professional consultants on the reappraisal planning side.

Subcommittee also recommends the addition of six (6) FTE positions as follows: One (1) project coordinator; two (2) mapping coordinators; one (1) computer modeling expert; one (1) property appraiser I; and one (1) systems analyst at a total cost of \$167,950. Also recommended is \$22,200 for OOE and one-time capital outlay. This comes to a grand total for reappraisal planning of \$740,150 and six (6) F.T.E. positions.

COUNTY INHERITANCE TAX DISTRIBUTION FUND

Subcommittee has discovered that counties no longer collect the tax but state is still paying 5% fee. Subcommittee stated that if a bill is introduced and passed during this session, that additional revenues totaling \$1.5 million will be generated for the state general fund. Subcommittee recommends K.S.A. 79-1578 be either repealed or revised. Representative Duncan moved that this portion of the report be adopted. Seconded by Representative Ott. Motion carried.

STATE BOARD OF TAX APPEALS

- A. HB 2434 requires County Treasurer to notify all remaining taxing districts of Board orders. Revision in proposed budget accounts for a savings of \$2,700. Subcommittee concurs.
- B. Data Processing Equipment. Subcommittee recommends Alternative 2. Going with the Zenith system will result in additional training costs and will be absorbed by the agency. Subcommittee recommends re-inserting \$4,261 that was removed from the budget. Representative Duncan moved that this portion of the report be adopted. Seconded by Representative Ott. Motion carried.

HUMAN RESOURCES

- A. Technical Adjustment re SB 86. Subcommittee concurs.
- B. Wage Claim Litigation. Governor's Budget Amendment No. 2-12 recommends a supplemental appropriation of \$33,000 from state general funds in FY 1985 to finance an attorney and clerk to represent claimants in court litigation. Subcommittee concurs.

SB 352 would change wording from "may" to "shall" to provide legal assistance in wage claim cases. This bill is presently on the calendar. Subcommittee is recommending no action until action is taken on SB 352.

- C. Governor's Budget Amendment No. 3-2 relating to limitations for the Job Training program. Subcommittee concurred with all of Item "C".
- D. Medication and Fact-Finding Services. Agency requested \$7,500 to finance impasse fact-finding and mediation services. Subcommittee does not recommend.

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room 514-S, Statehouse, at 10:00 a.m./~~pm~~ on Tuesday, April 23, 1985

- E. OSHA Financing. Subcommittee concurs with Conference Committee report on SB 86. No action required by subcommittee.

A handout (Attachment 2) was provided which is a request for \$25,000 by Wheat Harvest Program and is an amendment to SB 161 (a provision for funding for Wheat Harvest offices). Representative Guldner moved for adoption of the amendment. Seconded by Representative Turnquist. Motion carried.

Representative Miller objected to the amendment on the basis that the agency has approximately \$600,000 in discretionary federal funds available that the \$25,000 could have come from; however, it was determined that the bill has probably already been signed and on its way.

BOARD OF NURSING

Department of Administration, Division of Personnel, did approve a 2-range increase for Executive Administrator. There was also consideration of range increases for their other two professional staff. Division of Personnel did not approve those; however they did give the Board of Nursing authority to hire at first step on the range. They have asked for authority to increase their salary line item this year by \$4,404 in order to permit them to hire at those higher ranges. Representative Miller, then moved that the salary line item be increased by \$4,404. Representative Heinemann seconded. Motion carried.

FISH & GAME COMMISSION

- A. Governor's Budget Amendment 3-3 contains Governor's recommendation regarding additional federal funds to be received through the federal Dingell-Johnson expansion. Subcommittee concurred.

Representative Duncan provided a handout (Attachment 3) which is a proviso request for \$120,000 for the Cheyenne Bottoms project fund. Note was made of an error in Item (e) which should read "June 30, 1986" rather than 1985. Representative Duncan moved that the proviso be adopted and included in the Omnibus bill. Representative Solbach seconded. Motion carried.

DEPARTMENT OF ECONOMIC DEVELOPMENT

Governor's Budget requested that KDED budget be appropriated \$45,000 for international representation for the State of Kansas. Subcommittee concurs.

Subcommittee submitted for consideration, a handout (Attachment 4) which is a request for \$80,000 to fund a Small Business Development Demonstration Project. Representative Lowther moved that this be included in the Omnibus bill. Seconded by Representative Hoy. Motion carried. The purpose of the project is to assist certified development companies in implementing the SBA 503 loan program in Kansas.

GRAIN INSPECTION DEPARTMENT

- A. SB 300 requires the Grain Inspection Department to examine each licensed warehouse at least 3 times in each 24-month period. Subcommittee recommends \$41,726 be designated to finance salaries for two F.T.E. warehouse positions. No additional funding is required. End result is net reduction of 1.0 F.T.E. position. Representative Turnquist moved for adoption of the report. Seconded by Representative Guldner. Motion carried.

WHEAT COMMISSION

- A. Governor recommends an increase of \$7,116 in FY 1986 for the salary range increase of an Agricultural Marketing Specialist and reallocation of a Nutritionist and a Public Information Officer. Subcommittee is not recommending, but said they would like to take a look next year.

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room 514-S, Statehouse, at 10:00 a.m./~~p.m.~~ on Tuesday, April 23, 1985

Representative Louis read a letter from one of his constituents regarding a newly developed remote sensing device to be used in determining the quality of wheat. He suggested to the committee that perhaps this product could be of benefit to the Wheat Commission and could have a tremendous impact on the export market. Staff reported that there has been no research done, but could be a potential project for next year.

PARK & RESOURCES

Agency requests \$26,926 be appropriated for flood damage repairs at Elk City and Fall River; also \$12,000 to replace a sewage pump at Wilson Park. Subcommittee is recommending addition of \$36,696 to the budget to handle these two items.

DEPARTMENT OF AGING

Subcommittee recommends that the \$50,000 expenditure limitation be increased and that the agency contract with Health & Environment for technical expertise for research on the disease. That would be \$17,380 for the DOA to spend and would allow \$31,744 for the contract. Subcommittee recommends limitation be increased and a proviso be included that directs the agency to contract with Health & Environment. Representative Duncan moved for adoption of this portion. Representative Ott seconded. Motion carried.

Meeting adjourned at 12:00 Noon and reconvened at 1:30 p.m.

STATE LIBRARY

Subcommittee recommends adding \$100 to the \$25,000 appropriation for the interlibrary loan development plan. Chairman Bunten commented that leadership met with the Governor this morning and had a productive talk and that everyone seemed to agree on this matter. Representative Hoy moved for adoption of this portion of the report. Seconded by Representative Lowther. Motion carried.

PUBLIC TV BOARD

The Board requested \$4,500 be appropriated for operation of the Board. Subcommittee reduced that by \$2,000. Representative Fuller moved for adoption of the report. Seconded by Representative Wisdom. Motion carried.

DEPARTMENT OF EDUCATION

HB 2165 changes the rates for community colleges and Washburn credit hour state aid and out-district tuition. (Refer to Attachment 5)

- A. shows revised enrollment figures.
- B. SB 366 creates Advisory Council - no additional funding recommended.
- C. HB 2040 relating to instructional equipment pool for use by area schools - no additional funding recommended.

Representative Solbach brought before the committee the subject of Hall of Fame for teachers (Attachment 6) and moved that \$10,000 grant be funded for 1986. Representative Hamm seconded. The motion failed.

Turning back to Department of Education:

- D. SCR 1619 relating to study of performance-based salary plans for public school employees. Subcommittee recommends no funding.

- E. Inservice Education. Subcommittee recommends no change.

Representative Fuller moved that the subcommittee report for Department of Education be adopted. Seconded by Representative Wisdom. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means

room 514-S, Statehouse, at 10:00 a.m./~~p.m.~~ on Tuesday, April 23, 1985

INSURANCE DEPARTMENT

A. SB 267 relates to expert witness report. Subcommittee recommends no change.

Agency requested \$15,596 for a clerk typist to handle extra work. Subcommittee does not recommend.

REGENTS Systemwide

Staff reported that presently there is a surplus of FY 1985 funds, system-wide, \$297,549 of which would be reappropriated to FY 1986 for energy conservation. K-State is requesting \$155,000 supplemental because of a deficit of this amount. It was also noted that K-State is the only one of the regents' institutions whose gas rate went up this year.

Chairman commented that committee needs to make a decision on whether or not the FY 1986 amounts appropriated for K-State should be adjusted upward and those for other institutions should be adjusted downward to accurately reflect the FY 1985 base and asked for a motion. Representative Rolfs moved and Representative Wisdom seconded. Motion carried.

Representative Wisdom offered a motion to appropriate \$75,000 for the Agriculture safety and health program to come out of the extension service budget. This is not new money. Representative Rolfs seconded. Motion carried.

Representative Mainey presented a document (Attachment 7) relating to Small Business Development Centers and offered a motion that \$40,160 be appropriated to the Wichita State budget for this program. Seconded by Representative Luzzati. Motion carried.

Representative Duncan offered a motion on a proviso allowing Kansas University to spend \$70,000 for purposes of renovating Hayward Hall. The funds would be taken from surplus funds.

Subcommittee notes that Kansas University's law enforcement training program has a shortfall of \$200,000. Subcommittee recommends that legislation be introduced to set up a permanent 25%/75% relation fee to take care of the \$200,000 deficit. Representative Duncan moved to include these two items in the KU budget in the Omnibus bill. Representative Ott seconded. Motion carried.

BOARD OF REGENTS -- Following are additional items that are not included in the draft copy.

SB 237 requires \$1500 as a grant. Subcommittee is not recommending.

State Board of Regents requesting per diem be increased for a total of \$14,937 to be comparable with State Board of Education. Subcommittee concurs.

Subcommittee recommends that Board of Regents cancel a surety bond, resulting in savings of \$154,000 to be returned to state general funds.

Subcommittee recommends that the \$200,000 that was removed by the Senate for the state scholarship program and the \$50,000 for the job training program be reinserted in the budget. Representative Duncan moved for adoption of this portion of the report. Representative Ott seconded. Motion carried.

EMPORIA STATE UNIVERSITY

Subcommittee recommends that this school be allowed to transfer \$27,000 in student wages to the broader scope - this is a technical amendment and is merely a shift in the base adjustment. Representative Miller moved and Representative Teagarden seconded. Motion carried.

Representative Teagarden offered a motion to add \$128,000 to the Kansas State University budget from state general funds for the International Livestock program. Rep. Chronister seconded. Motion carried. Page of

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Hazardous Duty Pay

Representative Miller reported on a new recommendation by Joint committee and subcommittee is recommending the following new plan:

All classifications paid on their normal pay range that are identified as hazardous duty would receive \$150/month addition to the base. Some positions have been identified by the Department as currently receiving hazardous duty pay, but actually do not warrant the pay. The differential will be phased out over a 5-year period through attrition. Subcommittee is recommending that \$186,581 be added to the omnibus bill. It is the intent of the committee that no one receives less money.

WINFIELD STATE HOSPITAL

An amendment (Attachment 8) was offered relating to federal mandates for mental retardation institutions. This came about as a result of a federal audit of Winfield State Hospital and the need for a program to institute "protection from harm". A special training unit and additional staff are needed at a cost of \$100,000 for the rest of FY 1985. Subcommittee recommends \$1.5 million be appropriated in FY 1986 to handle the 97 new positions required for this purpose.

There was discussion and some committee members objected to the federal visits. Representative Duncan explained that federal funding will be jeopardized unless the state of Kansas complies. Representative Duncan moved that the \$1.5 million be appropriated. Representative Shriver seconded. Motion carried. The deadline for getting the program on line is April 29, 1985.

KANSAS STATE HISTORICAL SOCIETY

Subcommittee recommends that the Society be allowed to transfer \$20,119 FY 1985 funds to FY 1986 for Lake Scott archeological work. Moved by Representative Guldner and seconded by Representative Turnquist. Motion carried. Subcommittee also recommends a proviso be included in the Fish and Game budget and include in the omnibus bill \$300,000 for dredging the lake. There is possibility of getting some funds from HUD and if the funds come through, then the other proviso will not be necessary. Representative Guldner moved and Representative Heinemann seconded. Motion carried.

HIGHWAY PATROL

HB 2057 provides for one range reclassification. Subcommittee recommends appropriation in HB 2075 be left in the bill, but that the money not be spent for that range increase until a study is completed and accepted by the State Finance Council and then funds could be expended by the Finance Council to implement the bill. Subcommittee recommends that \$17,432 be appropriated in FY 1985 for a study.

Subcommittee notes that language should be added with specific instruction to come up with a career ladder plan. There is presently a potential for as much as a 20% increase for some troopers and it's felt that is way too much. Representative Solbach moved for adoption of this portion and Representative Lowther seconded. Motion carried.

STATE CONSERVATION COMMISSION Re: Project for Centralia Lake
 Subcommittee recommends \$250,000 be transferred from the State Conservation Storage and Water Supply fund to a new fund titled "Multi Purpose Small Lakes Demonstration Project" on July 1, 1985. Any unencumbered funds would be transferred back at the end of the fiscal year. Representative Guldner moved and Representative Heinemann seconded. Motion carried.

Representative Chronister moved that the Omnibus bill, as amended, be introduced and referred to the Committee of the Whole. Representative Teagarden seconded. Motion carried.

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A draft bill (Attachment 9) relating to appropriation of water for beneficial use was presented for consideration. The bill will adjust fees to have more funds to take care of the backlog. Representative Guldner moved that it be introduced and referred to the Committee of the Whole. Representative Chronister seconded. Motion carried.

Meeting adjourned at 3:30 p.m.

1985
GUESTS

Date 4-23-85.

Name

Address

Representing

Joan Workman

Capitol

St. Library

Lois Ince

Rt. 1, Meriden

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Eugene Brault

Topeka

KDOR

3 Duff

"

Budget

Ernest Cooper

Garden City

Greater Southwest

Craig Dant

Lawrence

K-NEA

Norothy Stottman

Wenfield

Rep. - 78th District

Sid Snider

Topeka

Dept. of Human Resources

Oliver Knott

Topeka

Dept. on Aging

Joyce V. Romero

TOPEKA

DEPT. ON AGING

JACKSON AMBRISTEER

TOPEKA

KHP

4/23/85

(1)

John Carlin, Governor

Larry E. Wolgast, Secretary



DEPARTMENT OF HUMAN RESOURCES

OFFICE OF THE SECRETARY

401 Topeka Ave.
Topeka, Kansas 66603
(913) 296-7474

April 18, 1985

The Honorable William Buntен
Chairman of the House Ways and
Means Committee
State Capitol Building
Room 514S
Topeka, Kansas 66612

Dear Representative Buntен:

I appreciate your consideration of Senate Bill 161 and a provision within it that provides funding for Wheat Harvest offices. I would suggest that since the wheat harvest normally begins in May and ends in July that consideration be given to appropriating the full amount in SFY 1985 with appropriation language allowing any unexpended balance to be reappropriated and expended in SFY 1986 for the Wheat Harvest Program. The wheat harvest depends on the weather as to its start and finish, language which would allow use of the \$25,000 in State Fiscal Year 1985 and 1986 would give us the needed financial flexibility for this program.

Thank you for your support of this important program.

Sincerely,

Larry E. Wolgast, Ed.D.
Secretary of Human Resources

LEW:GS:bjk

cc: Julian Efirđ, Legislative Research
Alden K. Shields, Budget Division

4/23/85

(2)

Sec. .

KANSAS FISH AND GAME COMMISSION

(a) There is appropriated for the above agency from the following special revenue funds for the fiscal year specified, all moneys now or hereafter lawfully credited to and available in such funds, except that expenditures other than refunds authorized by law shall not exceed the following:

	<u>Fiscal Year</u> 1985	<u>Fiscal Year</u> 1986
Cheyenne Bottoms project fund.....		\$120,000

Provided, That the Kansas fish and game commission may make expenditures from this fund pursuant to a contract which is hereby authorized and directed to be entered into by the Kansas fish and game commission, the state biological survey and the state geological survey: Provided further, That such contract shall provide for research and study as to the geologic, biologic, ecologic and hydrologic conditions in and around the Cheyenne Bottoms water fowl management area: And provided further, That the Kansas fish and game commission shall submit a report on such research and study to the governor and the legislature on or before January 12, 1987.

~~Cheyenne Bottoms project gift fund~~ (3)

(b) On July 1, 1985, the director of accounts and reports shall transfer \$10,000 from the nongame wildlife improvement fund to the Cheyenne Bottoms project fund.

(c) On July 1, 1985, the director of accounts and reports shall transfer \$50,000 from the state general fund to the Cheyenne Bottoms project fund.

(d) On July 1, 1985, the director of accounts and reports shall transfer \$60,000 from the forestry, fish and game commission fee fund to the Cheyenne Bottoms project fund.

(e) On June 30, 1985, the director of accounts and reports shall transfer \$50,000 from the Cheyenne Bottoms project gift fund to the state general fund and, after such transfer, the director of accounts and reports shall transfer any remaining moneys in the Cheyenne Bottoms project gift fund to the forestry, fish and game commission fee fund.

4/23/85 (3)

KDED
Include with Minutes
on Omnibus bill

Future Funding to
be evaluated by KDED.
Possible federal funding
through CDBG & JTPA.

SMALL BUSINESS DEVELOPMENT

DEMONSTRATION PROJECT

Nine County Development, Inc., of Pratt and Greater Southwest Kansas Certified Development Company of Garden City are requesting \$80,000 State Assistance to carry out a demonstration project. The purpose of the demonstration is to assist Certified Development Companies in implementing the SBA 503 loan program in Kansas.

The purpose of Certified Development Companies is to create jobs and stimulate investment in the local economies. These goals are accomplished by a vigorous economic development program principally utilizing the SBA 503 loan program. This SBA program provides long term, low interest rate financing to new and expanding small businesses. The Certified Development Companies package and service these loans in addition to other economic development activities.

Each CDC was organized by virtue of local impetus and effort. Some are only recently certified by SBA and some have been in operation for 18 months. However, the CDC's have a common problem of inadequate start-up funding. This grant program would be administered by the Kansas Department of Economic Development in conjunction with its Small Business Initiative.

The \$40,000 grant figure was based on the following typical budget.

Director/Loan Packager	\$30,000
Bookkeeper/Closing Officer	16,000
Secretary	12,000
Office & Utilities	6,000
Telephone	3,600
Travel	4,800
Misc. & Supplies	3,600
Professional Services	4,000
Total	<u>\$80,000</u>

This demonstration project is proposing that each CDC match the state grant on a one-to-one basis with other economic development monies. The CDC should also provide a place of business, a full time professional staff and commit to a minimum level of production.

10 projects per year
\$1,000,000 in federal funds
\$2,500,000 fixed assets investment
66 jobs created (SBA requires 1 job/\$15,000
debenture cost)

4/23/85 (4)

Based on a study by the Institute for Economic and Business Research, University of Kansas, for KDED, the creation of these jobs will have a multiplying effect of creating additional jobs. According to the economic model, for each 100 manufacturing jobs created, an additional 358 jobs will be created within 5 years. The jobs created by the CDC's make-up the entire spectrum of the businesses eligible for SBA financing, not just manufacturing. However, the study, directed at a single county, provides a loss to neighboring counties, which would not apply to the state as a whole. For comparative purposes of this proposal, the same multiplier of 4.6 based on 66 jobs will generate the following:

Sales Tax	\$ 65,538
Property Tax	116,424
Income Tax	101,574
Total	<u>\$283,536</u>

* 10 year average annual tax generation

The direct cost to the state would amount to \$610/job. Using the multiplier, the cost after 5 years drops to \$133/job. The comparative cost of \$40,000 to the annual generation of \$280,000 in taxes is significant in today's economy.

Both "Nine County" and "Greater Southwest" have exceeded the goals of job creation and investment. Also, these are not abstract statistics but are verifiable by SBA reporting requirements.

A proposal to provide assistance to all Certified Development Companies in Kansas will be submitted to the Governor for consideration in next year's budget. This demonstration project will assist KDED in developing the guidelines and goals of the program state-wide.

NINE COUNTY DEVELOPMENT, INC.

NAME	DEB. SOLD	TOWN	PROJ. AMT.	1st LENDER	SBA	CLIENT	CREATED JOBS	RETAINED JOBS
Skate Center, Inc.	X	Great Bend	480,000	235,000	198,000	47,000	16	
Thriftway Grocery	X	Haviland	33,500	13,000	14,000	6,500	3	
Steve's Truck Repair	X	Claflin	54,800	26,500	23,000	5,300	2	
3-D Lumber	X	Great Bend	164,000	80,000	68,000	16,000		7
Gt Bend School of Gym.	X	Great Bend	67,000	32,500	28,000	6,500	3	2
Brendon Lodging		Pratt	1,199,900	588,200	494,000	117,700	35	
Larry's Body Shop	X	Great Bend	94,800	46,500	39,000	9,300	3	3
UBEX Motel	X	Great Bend	770,000	377,500	317,000	75,500	20	
Pawnee Valley Rac.Club	X	Larned	53,200	26,000	22,000	5,200	2	
Del-Mar, Inc. -Lil' Short	X	Great Bend	291,000	142,500	120,000	28,500	8	
Lee's Lawn & Gard. Cnt.	X	Great Bend	192,000	95,000	78,000	19,000	8	6
McDonald's Drive-In	X	Great Bend	284,200	138,500	118,000	27,700	8	47
Grain Elevator		Albert	102,000	50,000	42,000	10,000	1	2
Taylor Equipment		Great Bend	143,000	70,000	59,000	14,000	4	17
International Tours	X	Great Bend	92,000	45,000	38,000	9,000	3	2
Express Lane		Med. Lodge	189,000	78,500	78,000	32,500	6	
Clark's Repair	X	Great Bend	72,000	32,000	30,000	10,000	3	
Foremost Laundry	X	Great Bend	234,400	122,000	88,000	24,400	6	
Lords & Ladies Hair Cr.	X	Great Bend	113,000	45,000	47,000	21,000	4	
Mr. Squeaky's Drive-In	X	Kinsley	118,000	57,500	49,000	11,500		16
Bison Mercantile	X	Bison	26,600	13,000	11,000	2,600		2
Bobby J. Beard, Inc.	X	Great Bend	72,000	35,000	30,000	7,000		3
Vista Drive-In	X	Great Bend	643,000	301,500	265,000	76,500	35	
Pizza Hut	X	Great Bend	366,400	179,500	151,000	35,900	25	
G.B. Electric		Great Bend	153,000	75,000	63,000	15,000	1	9

NINE COUNTY DEVELOPMENT, INC. (Cont.)

NAME	DEB. SOLD	TOWN	PROJ. AMT.	1st LENDER	SBA	CLIENT	CREATED JOBS	RETAINED JOBS
Kids Corner		LaCrosse	51,000	25,000	21,000	5,000	2	
S & S Investments		Macksville	268,000	98,880	91,120	78,000	15	
Kummer Wholesale		Great Bend	317,800	159,000	127,000	31,800	2	10
O.M.R.		Great Bend	70,000	35,000	28,000	7,000	2	3
Johnson Electric		Great Bend	285,000	142,500	114,000	28,500	3	7
	<u>20</u>		<u>7,000,600</u>	<u>3,365,580</u>	<u>2,851,120</u>	<u>783,900</u>	<u>220</u>	<u>136</u>

7-A LOANS PROCESSED

Thriftway Grocery		Haviland	57,500	57,500				
Brendon Lodging		Pratt	236,300	236,300				
Lee's Lawn & Garden Ctn.		Great Bend	45,000	45,000				
McDonald's Drive-In		Great Bend	235,700	235,700				
Express Lane		Medicine Ldg	40,000	40,000				
Mr. Squeaky's Drive-In		Kinsley	5,975	5,975				
Bison Mercantile		Bison	18,000	18,000				
Beckwith Funeral Home		Jetmore	35,000	35,000				
			<u>673,475</u>	<u>673,475</u>				

Department of Education

A. House Bill No. 2165. H.B. 2165 changes the rates for community college and Washburn University credit hour state aid and out-district tuition. Credit hour state aid for community college and Washburn University undergraduate students is increased from \$25.00 to \$26.25 per hour. Payment for hours taken by graduate (nonlaw) students at Washburn University remains at \$25.00 per hour. Hours taken by law students at Washburn University will be reimbursed at a rate 1.5 times the undergraduate credit hour rate, resulting in an increase from \$26.00 to \$39.38 per hour. The rate for state and county out-district tuition is increased from \$22.00 to \$23.00 per hour for both community colleges and Washburn University.

Appropriations for community colleges and Washburn University are contained in S.B. 88, based upon current credit hour and out-district tuition rates. Those appropriations total \$30,507,520. The additional state aid needed to fund the higher rates contained in H.B. 2165 is \$520,335.

The information below shows levels of funding for Washburn University and community colleges contained in S.B. 88 based upon the enrollment figures used at the time S.B. 88 was being considered by the Legislature. The second column shows levels of funding under H.B. 2165. The figures in the second column have been adjusted both to reflect the higher state aid rates and also to reflect revised enrollment estimates. Because Washburn University and the community colleges have reduced their enrollment estimates for FY 1986, the increase in funding due to higher state aid rates will be offset somewhat by a decrease due to lower enrollment figures.

4/23/85

(5)

STATE AID TO WASHBURN UNIVERSITY AND COMMUNITY COLLEGES FY 1986

(Revised 4-23-85)

	<u>S.B. 88</u>	<u>H.B. 2165</u>	<u>Increase</u>	<u>Percent</u>
Washburn University				
Credit Hour State Aid				
Undergraduate	\$ 3,089,925	\$ 3,144,750	\$156,875	5.1%
Graduate (Nonlaw)				
Law School	391,170	528,204	137,034	35.0
Subtotal	<u>\$ 3,481,095</u>	<u>\$ 3,775,004</u>	<u>\$293,909</u>	8.4%
Out-District State Aid	\$ 640,948	\$ 675,280	\$ 34,332	5.4%
Total Washburn University	<u>\$ 4,122,043</u>	<u>\$ 4,450,284</u>	<u>\$328,241</u>	8.0%
Community Colleges				
Credit Hour State Aid	\$21,054,013	\$20,991,495	\$(62,518)	(.3)%
(Audit Adjustment	(225,000)	(225,000)	—	
Subtotal	<u>\$20,829,013</u>	<u>\$20,766,495</u>	<u>\$(62,518)</u>	(.3)%
Out-District State Aid	\$ 5,601,464	\$ 5,856,076	\$254,612	4.5%
(Audit Adjustment)	(45,000)	(45,000)	—	
Subtotal	<u>\$ 5,556,464</u>	<u>\$ 5,811,076</u>	<u>\$254,612</u>	4.5%
Total Community Colleges	<u>\$26,385,477</u>	<u>\$27,693,871</u>	<u>\$192,094</u>	.7%
GRAND TOTAL	<u>\$30,507,520</u>	<u>\$32,144,155</u>	<u>\$520,335</u>	1.7%

In addition to revising credit hour estimates for FY 1986, Washburn University and the State Department also have revised their estimates for the current year. (These revisions are in addition to previous revisions that already have been taken into account by the Governor and by the Legislature.)

Based upon the most recent information available for Washburn University, expenditures for credit hour state aid in FY 1985 can be further reduced by \$24,693 for a total expenditure of \$3,456,402. (The amount appropriated for Washburn University credit hour aid for FY 1985 was \$3,635,882. Based on revised estimates, the Governor recommended expenditures of \$3,500,000, a reduction of \$135,882. The estimate was revised again during the 1985 Session and the Legislature reduced expenditures by an additional \$18,905.)

Estimates for Washburn University out-district tuition also have been revised. The University now estimates expenditures of \$644,732, an increase of \$3,784 over the previous estimate of \$640,948. Because the revised estimate is still within the amount appropriated for the current year, no adjustment by the Legislature is necessary. (The FY 1985 appropriation for out-district state aid to Washburn University was \$665,082. The Governor recommended expenditures of \$652,465, a reduction of \$12,518. The Legislature further reduced expenditures by \$11,616, for a total of \$640,948.)

The effect of these most recent adjustments to Washburn University credit hour and out-district state aid is a net reduction in estimated expenditures from the State General Fund for the current year of \$20,909.

Based upon the most recent information about community college enrollments during the current year, expenditures for credit hour state aid are expected to total \$19,092,938, a reduction of \$1,142,000 from the prior estimate. (The FY 1985 appropriation for credit hour state aid was \$21,186,800. Based upon revised enrollment projections, the Governor recommended expenditures of \$20,234,938, a reduction of \$951,862. The current expenditure estimate of \$19,092,938 is a reduction of \$1,142,000 from the Governor's recommendation.)

In summary, revised FY 1985 expenditure estimates for Washburn University and community colleges will result in a total of \$1,162,909 being lapsed at the end of the current year. This amount is in addition to reduced expenditure estimates that have already been taken into account by the Governor and the Legislature.

Sec. .

GRANT -- KANSAS TEACHERS' HALL OF FAME

(a) There is appropriated for the Kansas teachers' hall of fame from the state general fund the following:

Grant for fiscal year 1986 to be paid by the director of accounts and reports upon presentation of a claim by the Kansas teachers' hall of fame.....	\$10,000
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(6)

4/23/85

Kansas
Small Business Development Centers

current year Projects - (2nd yr of grant)

<u>Institution</u>	<u>Federal</u>	<u>matching</u>	<u>total</u>
Kansas State	\$ 37,033.	\$ 48,800.	\$ 85,833.
Pittsburg State	41,120.	41,828.	82,948.
Johnson Co. CC	40,114.	47,032.	87,146.
Washington	37,311.	38,197.	75,508.
Emporia St.	32,152.	32,301.	64,453.
Sent Hays St.	34,425.	35,433.	69,858.
Kansas Univ	26,371.	29,802.	56,173.
* Wichita State	<u>88,090</u>	<u>84,300</u>	<u>172,390</u>
totals	<u>\$ 336,616</u>	<u>\$ 357,693</u>	<u>\$ 694,309</u>

* W.S.U. responsible for state wide coordination and management.

the \$40,160. will cover directors position now taken from college of Business Faculty.

Don Murray

4/23/85

(7)

Small Business Reentry Centers.
Business Saved

Oct 24 1983 through Feb 15 1985

Emporia State	75
East Hayes	141
Johnson Co. SC	140
KSU	99
Pittsburg	86
KU	116
Wenckheim	131
WSU	217
total	<u>1005</u>

cities served	149
counties served	74

BUSINESS TYPE BY SURCENTER AND CITY

1-15-1985

Page 1

SURCENTER	CITY	SE	RE	WH	MA	CO	OT	AGRIBUSINESS
EMFORIA	AMERICUS	0	2	0	1	0	0	
EMFORIA	COLONY	1	0	0	0	0	0	
EMFORIA	COTTONWOOD FALLS	3	0	0	0	0	0	
EMFORIA	COUNCIL GROVE	0	2	0	0	0	0	FARM EQUIPMENT
EMFORIA	EMFORIA	39	20	0	11	2	0	3 FARM SUPPLIES
EMFORIA	HARTFORD	2	0	0	0	0	0	
EMFORIA	HILLSBORO	2	1	0	1	0	0	
EMFORIA	OSAGE CITY	1	1	0	1	0	0	
EMFORIA	READING	1	1	0	1	0	0	
EMFORIA	TORONTO	0	2	0	0	0	0	
EMFORIA	YATES CENTER	0	2	0	0	0	0	
FORT HAYS	AGRA	1	0	0	0	0	0	
FORT HAYS	ATWOOD	2	0	0	0	0	0	ELEVATOR
FORT HAYS	COLBY	4	4	0	0	2	0	
FORT HAYS	DERBY	0	1	0	0	0	0	
FORT HAYS	DOWNS	0	1	0	0	0	0	
FORT HAYS	ELLIS	6	0	0	0	0	0	ELEVATOR, VET
FORT HAYS	GARDEN CITY	5	2	0	1	0	0	SUNFLOWER SEED PLANT. REAL ESTATE CO. FOR FARMERS
FORT HAYS	GOODLAND	0	1	0	0	0	0	
FORT HAYS	GRAINFIELD	0	1	0	0	0	0	
FORT HAYS	GREAT BEND	6	2	0	1	0	0	
FORT HAYS	GREENSBURG	0	1	0	0	0	0	
FORT HAYS	HAYS	16	18	0	1	1	1	
FORT HAYS	HILL CITY	3	2	0	0	0	0	ELEVATOR, AGRICULTURAL SPRAYING
FORT HAYS	HOXIE	0	1	0	0	0	0	
FORT HAYS	HUGOTON	2	0	0	0	0	0	VET
FORT HAYS	LACROSSE	1	2	0	1	0	0	
FORT HAYS	LARNED	3	5	0	1	0	0	
FORT HAYS	LIBERAL	0	0	0	1	0	0	ALFALFA
FORT HAYS	LOGAN	2	3	0	0	0	0	
FORT HAYS	LOGAN	2	3	0	0	0	0	
FORT HAYS	MORLAND	0	1	0	0	0	0	
FORT HAYS	NESS CITY	1	0	0	0	0	0	
FORT HAYS	NORTON	1	0	0	0	0	0	
FORT HAYS	OAKLEY	0	0	0	1	0	0	
FORT HAYS	OSBERLIN	0	5	0	0	0	0	
FORT HAYS	OSBORNE	1	3	0	2	0	0	
FORT HAYS	OVERLAND	1	0	0	1	0	0	
FORT HAYS	PHILLIPSBURG	1	0	0	0	0	0	
FORT HAYS	PLAINVILLE	0	1	0	0	0	0	
FORT HAYS	PORTIS	0	1	0	0	0	0	
FORT HAYS	FRATT	0	1	0	0	0	0	
FORT HAYS	QUINTER	1	1	0	1	0	0	
FORT HAYS	RANSOM	0	0	0	1	0	0	
FORT HAYS	RUSSELL	3	1	0	0	0	0	
FORT HAYS	SALINA	0	0	0	1	0	0	
FORT HAYS	SCOTT CITY	3	2	0	1	0	0	GRAIN
FORT HAYS	SELDEN	0	1	0	0	0	0	
FORT HAYS	STOCKTON	1	1	0	1	0	0	
FORT HAYS	TIMKEN	0	1	0	0	0	0	

BUSINESS TYPE BY SUBCENTER AND CITY

02-15-1985

Page 2

SUBCENTER	CITY	SE	RE	WH	MA	CO	OT	AGRIBUSINESS
FOOT HAYS	ULYSSES	0	0	0	1	0	0	
FOOT HAYS	WAKEENY	6	3	0	2	0	0	
FOOT HAYS	ZURICH	1	0	0	0	0	0	
JOHNSON COUNTY	BUCKNER, MO ?	0	0	0	0	1	0	
JOHNSON COUNTY	EUDORA	1	0	0	0	0	0	
JOHNSON COUNTY	FAIRWAY	0	1	0	0	0	0	
JOHNSON COUNTY	GARDNER	1	0	0	0	0	0	
JOHNSON COUNTY	GRAND VIEW, MO ?	0	2	0	0	0	0	
JOHNSON COUNTY	GRANDIS MILLS, MO)	1	0	0	0	0	0	
JOHNSON COUNTY	INDEPENDENCE, MO)	0	0	0	1	0	0	
JOHNSON COUNTY	KCKS	4	1	0	1	0	0	
JOHNSON COUNTY	KCMO - ?	7	6	0	3	0	0	
JOHNSON COUNTY	LEAWOOD	0	0	0	1	0	0	
JOHNSON COUNTY	LENEXA	6	6	2	1	1	0	
JOHNSON COUNTY	MERRIAM	2	2	1	0	1	0	
JOHNSON COUNTY	NEWPORT, RI	0	1	0	0	0	0	
JOHNSON COUNTY	OVERLAND PARK	27	17	5	5	3	0	FARM EQUIPMENT, RADIOS FOR FARM EQUIPMENT
JOHNSON COUNTY	PAOLA	0	1	0	0	0	0	
JOHNSON COUNTY	PRAIRIE VILLAGE	2	1	1	1	0	0	
JOHNSON COUNTY	RAVENWOOD, MO	0	0	1	0	0	0	
JOHNSON COUNTY	RAYTOWN, MO	0	1	0	0	0	0	
JOHNSON COUNTY	ROELAND PARK	3	0	0	0	0	0	
JOHNSON COUNTY	SHAWNEE MISSION	9	5	2	2	1	0	
JOHNSON COUNTY	WESTWOOD	1	0	0	0	0	0	
JOHNSON COUNTY	WICHITA	0	0	0	1	0	0	
K-STATE	ABILENE	0	1	0	0	0	0	EQUIPMENT
K-STATE	ALTA VISTA	1	0	0	0	0	0	
K-STATE	BELLEVILLE	0	1	0	0	0	0	
K-STATE	CLAY CENTER	2	2	0	0	1	0	FEED MANUFACTURE/HATCHERY
K-STATE	COLBY	0	1	0	0	0	0	GRAIN ELEVATOR
K-STATE	COUNCIL GROVE	0	2	0	0	0	0	
K-STATE	DELPHOS	0	0	0	1	0	0	FARMER
K-STATE	DODGE CITY	1	0	0	0	0	0	
K-STATE	GREENLEAF	2	0	0	0	0	0	
K-STATE	HAYS	1	0	0	0	0	0	NURSERY
K-STATE	HILLSBORO	0	1	0	0	0	0	
K-STATE	JUNCTION CITY	5	1	0	0	1	0	
K-STATE	KANSAS CITY	0	2	0	0	0	0	
K-STATE	LEARNARDVILLE	1	0	0	0	0	0	
K-STATE	LEAVENWORTH	0	0	0	1	0	0	
K-STATE	MANHATTAN	45	13	0	4	3	0	2 NURSERIES, SEED SUPPLY, FARM SUPPLY & EQUIP, 2 VETS
K-STATE	MARYSVILLE	4	1	0	0	2	0	
K-STATE	MCPHERSON	0	0	0	1	0	0	
K-STATE	MEDICINE LODGE	1	0	0	0	0	0	AGFINANCIAL SERVICE
K-STATE	NEWTON	1	0	0	0	0	0	
K-STATE	OGDEN	0	1	0	0	0	0	
K-STATE	OLDSBURG	1	0	0	0	0	0	LIVESTOCK
K-STATE	SALINA	2	1	0	3	0	0	
K-STATE	SOLOMON	0	0	0	1	0	0	
K-STATE	ST GEORGE	1	0	0	0	0	0	

BUSINESS TYPE BY SURCENTER AND CITY

12-15-1985

SURCENTER	CITY	SE	RE	WH	MA	CC	OT	ASRIBUSINESS
K-STATE	STERLING	0	0	0	1	0	0	HONEY MANUFACTURER
K-STATE	TOPEKA	0	1	0	0	0	0	
K-STATE	WICHITA	0	1	0	0	0	0	TREES & LANDSCAPING
PITTSBURG	ARCADIA	1	0	0	0	0	0	
PITTSBURG	BAXTER SPRINGS	0	1	0	1	0	0	
PITTSBURG	BRONSON	0	1	0	0	0	0	
PITTSBURG	CHANUTE	0	3	1	0	0	0	
PITTSBURG	CHERRYVALE	1	0	0	0	0	0	
PITTSBURG	COLUMBUS	1	3	0	0	0	0	
PITTSBURG	ERIE	0	1	0	0	0	0	
PITTSBURG	FRONTENAC	0	1	1	0	0	0	
PITTSBURG	GALENA	1	0	0	0	0	0	
PITTSBURG	GIRARD	0	1	0	0	0	0	
PITTSBURG	HEPLER	1	0	0	0	0	0	FAMILY RANCH
PITTSBURG	INDEPENDENCE	1	0	1	0	0	0	
PITTSBURG	IOLA	0	1	0	1	0	0	
PITTSBURG	JOFLIN, MO	0	2	0	0	0	0	
PITTSBURG	NEODASHA	1	0	0	0	0	0	
PITTSBURG	PARSONS	8	9	1	0	0	0	
PITTSBURG	PITTSBURG	19	17	3	1	0	0	
PITTSBURG	REDFIELD	0	1	0	0	0	0	
PITTSBURG	SCAMON	0	1	0	0	0	0	
PITTSBURG	THAYER	1	0	0	0	0	0	
PITTSBURG	TOPEKA	0	1	0	0	0	0	
PITTSBURG	WAMEGO	0	0	1	0	0	0	
PITTSBURG	YATES CENTER	0	1	0	0	0	0	
UNIVERSITY OF KANSAS	ATCHISON	0	1	0	0	0	0	
UNIVERSITY OF KANSAS	BALDWIN	0	2	0	0	0	0	
UNIVERSITY OF KANSAS	HILL CITY	0	0	1	1	0	1	RABBIT FARM
UNIVERSITY OF KANSAS	KANSAS CITY, KS	2	1	2	0	0	0	
UNIVERSITY OF KANSAS	KANSAS CITY, MO	2	1	0	1	0	0	GARDEN CENTER
UNIVERSITY OF KANSAS	LAWRENCE	48	28	9	17	2	3	RURAL PENNEL, AGRICULTURAL SERVICE
UNIVERSITY OF KANSAS	LEAVENWORTH	0	0	0	0	1	0	
UNIVERSITY OF KANSAS	LENEXA	1	0	0	1	0	0	
UNIVERSITY OF KANSAS	LINWOOD	0	0	0	0	1	0	
UNIVERSITY OF KANSAS	MANHATTAN	1	0	0	0	0	0	
UNIVERSITY OF KANSAS	MAYETTA	0	0	0	0	1	0	
UNIVERSITY OF KANSAS	MISSION	0	0	1	1	0	0	
UNIVERSITY OF KANSAS	NORTON	0	0	0	0	0	1	
UNIVERSITY OF KANSAS	OLATHE	1	1	1	2	0	0	
UNIVERSITY OF KANSAS	OVERLAND PARK	1	0	0	0	1	0	
UNIVERSITY OF KANSAS	PAOLA	1	0	0	0	0	0	
UNIVERSITY OF KANSAS	SHAWNEE	1	1	0	0	0	0	
UNIVERSITY OF KANSAS	SHAWNEE MISSION	1	2	1	3	0	1	
UNIVERSITY OF KANSAS	STANLEY	1	2	1	2	0	0	
UNIVERSITY OF KANSAS	STILLWELL	0	1	0	0	0	0	
UNIVERSITY OF KANSAS	TOPEKA	0	1	0	0	0	0	
UNIVERSITY OF KANSAS	VASSAR	1	0	0	0	0	0	
UNIVERSITY OF KANSAS	YATES CENTER	0	0	0	0	0	1	
WASHBURN	BURLINGAME	0	1	0	0	0	0	

BUSINESS TYPE BY SUBCENTER AND CITY

02-15-1985

SUBCENTER	CITY	SE	RE	WH	MA	CO	OT	AGRIBUSINESS
WASHBURN	CARBONDALE	1	0	1	0	0	0	
WASHBURN	HORTON	0	0	0	2	0	0	
WASHBURN	HOYT	0	0	0	1	0	0	
WASHBURN	MAPLE HILL	1	0	0	0	0	0	
WASHBURN	MERIDIAN	0	2	0	0	0	0	
WASHBURN	OSAGE CITY	0	1	0	0	0	0	
WASHBURN	OVERBROOK	0	0	0	0	0	1	
WASHBURN	FERRY	0	0	1	0	0	0	
WASHBURN	POWHATTAN	0	1	0	0	0	0	
WASHBURN	SILVERLAKE	1	0	0	0	0	0	
WASHBURN	ST. MARY'S	1	1	0	0	0	0	
WASHBURN	TOPEKA	50	55	6	7	7	5	
WASHBURN	VALLEY FALLS	0	2	0	0	0	0	
WASHBURN	WAMEGO	0	0	0	1	0	0	HORSE RANCH
WASHBURN	ANTHONY	0	0	0	2	0	0	WHEAT PRODUCT
WICHITA	ARKANSAS CITY	0	0	0	1	0	0	
WICHITA	AUGUSTA	3	1	0	1	0	0	GOAT CHEESE
WICHITA	BENTON	0	1	0	0	0	0	
WICHITA	CLEARWATER	2	0	0	0	0	0	
WICHITA	DERRY	0	2	2	1	0	0	
WICHITA	DODGE CITY	0	0	1	0	0	0	
WICHITA	DOUGLASS	2	0	0	0	0	0	
WICHITA	ELDORADO	0	0	0	1	0	0	
WICHITA	GAYLORD	0	0	0	0	0	0	IRRIGATION SYSTEMS
WICHITA	GODDARD	0	1	0	0	0	0	
WICHITA	HALSTEAD	0	0	0	1	0	0	
WICHITA	HAYSVILLE	0	1	0	0	0	0	
WICHITA	HESSTON	0	0	0	1	0	0	
WICHITA	HUTCHINSON	4	1	0	1	0	0	
WICHITA	KECHI	0	0	0	1	0	0	
WICHITA	MCPHERSON	0	1	0	1	0	0	
WICHITA	MEDICINE LODGE	1	0	0	0	0	0	
WICHITA	MILAN	1	0	0	0	0	0	
WICHITA	MULVANE	1	2	0	0	0	0	
WICHITA	NEWTON	2	0	1	3	0	0	
WICHITA	PARK CITY	0	1	0	0	0	0	
WICHITA	PRATT	0	1	0	0	0	0	
WICHITA	SALINA	0	1	0	0	0	0	
WICHITA	SEDAN	1	0	0	0	0	0	
WICHITA	STATE OF ARKANSAS	0	0	1	0	0	0	POULTRY FARM TO BE LOCATED IN KANSAS
WICHITA	VALLEY CENTER	2	0	0	0	0	0	
WICHITA	WALTON	0	0	0	1	0	0	
WICHITA	WICHITA	92	60	12	38	9	0	BLUEBERRY FARMER, DAIRY, RABBIT FARMER
	TOTAL							

Rep Duncan

The Committee notes that federal auditors plan to visit the other state mental retardation institutions in the near future, and that these institutions may need to respond to this federal oversight in a mannner similar to Winfield State Hospital. The Committee feels that these institutions must be able to respond to federal requirements in order to ensure that federal funds will not be jeopardized. The Committee acknowledges that these institutions may require supplemental appropriations early in the 1986 legislative session, but notes that the institutions' budgets also allow sufficient financial flexibility to immediately respond to any federal requirements.

It is the Committee's intent that any additional staffing needs identified be met through the hiring of temporary or part-time employees and that any positions added during the interim would be re-evaluated during the 1986 legislative session.

4/23/85 (8)

PROPOSED BILL NO. _____

For Consideration by Committee on Ways and Means

AN ACT concerning appropriation of water for beneficial use; relating to fees for applications, permits and inspections; amending K.S.A. 82a-708a, 82a-708b, 82a-714 and 82a-727 and repealing the existing sections.

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

Section 1. K.S.A. 82a-708a is hereby amended to read as follows: 82a-708a. (a) Any person may apply for a permit to appropriate water to a beneficial use, notwithstanding that the application pertains to the use of water by another, or upon or in connection with the lands of another. Any rights to the beneficial use of water perfected under such application shall attach to the lands on or in connection with which the water is used and shall remain subject to the control of the owners of the lands as in other cases provided by law.

(b) Except as otherwise provided in subsection (d), each application for a permit to appropriate water, except applications for permits for domestic use, shall be accompanied by an application fee fixed by ~~rules-and-regulations-adopted-by-the-state-board-of-agriculture~~ this section for the appropriate category of acre feet in accordance with the following ~~eatergies~~ and ~~subject-to-the-following-maximum-fees-therefor~~:

Acre Feet	Maximum Fee
0 to 100.....	\$50 <u>\$100</u>
101 to 250.....	\$75
251 to 320.....	\$100 <u>\$150</u>
More than 320.....	\$100 + \$7.50 <u>\$150 + \$10</u> for each additional 200 <u>100</u> acre feet or any part thereof

4/23/85 (9)

(c) Except as otherwise provided in subsection (d), each application for a permit to appropriate water for storage, except applications for permits for domestic use, shall be accompanied by an application fee fixed by ~~rules-and-regulations-adopted-by the-state-board-of-agriculture~~ this section for the appropriate category of storage-acre feet in accordance with the following ~~categories-and-subject-to-the-following-maximum-fees-therefor:~~

Storage-Acre Feet	Maximum Fee
0 to 250.....	\$50 <u>\$100</u>
More than 250.....	\$50 + \$7.50 <u>\$100 + \$10</u> for each additional 500 <u>250</u> storage-acre feet or any part thereof

(d) For any application for a permit to appropriate water, except applications for permits for domestic use, which proposes to appropriate by both direct flow and storage, the fee charged shall be the fee under subsection (b) or subsection (c), whichever is larger, but not both fees. ~~The--application--fee--in effect--under--this--section--on--the--day--preceding--the--effective--date of--this--act--for--permits--to--appropriate--water--shall--continue--in effect--until--the--state--board--of--agriculture--adopts--rules--and regulations--fixing--a--different--fee--therefor--under--this--section.~~

(e) All fees collected by the chief engineer ~~shall remit all moneys received by or for the chief engineer--under~~ pursuant to this section shall be remitted to the state treasurer as provided in K.S.A. 82a-731 and amendments thereto.

Sec. 2. K.S.A. 82a-708b is hereby amended to read as follows: 82a-708b. (a) Any owner of a water right may change the place of use, the point of diversion or the use made of the water, without losing priority of right, provided such owner shall: (1) Apply in writing to the chief engineer for approval of any proposed change; (2) demonstrate to the chief engineer that any proposed change is reasonable and will not impair

existing rights; (3) demonstrate to the chief engineer that any proposed change relates to the same local source of supply as that to which the water right relates; and (4) receive the approval of the chief engineer with respect to any proposed change. The chief engineer shall approve or reject the application for change in accordance with the provisions and procedures prescribed for processing original applications for permission to appropriate water. If the chief engineer disapproves the application for change, the rights, priorities and duties of the applicant shall remain unchanged. Any person aggrieved by an order or decision by the chief engineer relating to an application for change may appeal to the district court in the manner prescribed by K.S.A. 82a-724 and amendments thereto.

(b) Each application to change the place of use, the point of diversion or the use made of the water under this section shall be accompanied by a fee ~~fixed by rules and regulations adopted by the state board of agriculture, except that such fee shall not exceed~~ \$25 of \$50. All fees collected by the chief engineer pursuant to this section shall be remitted to the state treasurer as provided in K.S.A. 82a-731 and amendments thereto.

Sec. 3. K.S.A. 82a-714 is hereby amended to read as follows:
82a-714. (a) Upon the completion of the construction of the works and the actual application of water to the proposed beneficial use within the time allowed, the applicant shall notify the chief engineer to that effect. The chief engineer or ~~his or her~~ the chief engineer's duly authorized representative shall then examine and inspect the appropriation diversion works and, if it is determined that the appropriation diversion works have been completed and the appropriation right perfected, in conformity with the approved application and plans, the chief engineer shall issue a certificate of appropriation in duplicate. The original of such certificate shall be sent to the applicant and shall be recorded with the register of deeds in the county or counties wherein the point of diversion is located, as are other instruments affecting real estate, and the duplicate shall be

made a matter of record in the office of the chief engineer.

(b) Except for works constructed to appropriate water for domestic use, each notification to the chief engineer under subsection (a) shall be accompanied by a field inspection fee of \$150. Failure to pay the field inspection fee, after reasonable notice by the chief engineer of such failure, shall result in the permit to appropriate water being revoked, forfeiture of the priority date and revocation of any appropriation right that may exist. All fees collected by the chief engineer pursuant to this section shall be remitted to the state treasurer as provided in K.S.A. 82a-731 and amendments thereto.

Sec. 4. K.S.A. 82a-727 is hereby amended to read as follows:
82a-727. (a) Subject to existing water rights and the principle of beneficial use, the chief engineer may grant upon application made therefor temporary permits and extensions thereof to appropriate water in any case where the public interest in such water will not be unreasonably or prejudicially affected, except that the chief engineer shall not grant any such permit to appropriate fresh water in any case where other waters are available for the proposed use and the use thereof is technologically and economically feasible. No such temporary permit or any extension thereof shall be granted for a period of time in excess of six months. Each application submitted for a temporary permit or extension thereof shall be accompanied by an application fee ~~fixed by rules and regulations adopted by the state board of agriculture, except that such fee shall not exceed \$25. The application fee in effect on the day preceding the effective date of this act shall continue in effect until the state board of agriculture adopts rules and regulations fixing a different fee therefor under this section~~ of \$50.

(b) The chief engineer shall adopt rules and regulations to effectuate and administer the provisions of this section.

(c) Nothing in this section shall be deemed to vest in the holder of any permit granted pursuant to provisions of this section any permanent right to appropriate water except as is

provided by such permit.

(d) All fees collected by the chief engineer pursuant to this section shall be remitted to the state treasurer as provided in K.S.A. 82a-731 and amendments thereto.

Sec. 5. K.S.A. 82a-708a, 82a-708b, 82a-714 and 82a-727 are hereby repealed.

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