

Approved 4-4-86
Date

MINUTES OF THE House COMMITTEE ON Ways and Means

The meeting was called to order by Bill Buntten at
Chairperson

1:30 ~~xx~~ p.m. on Monday, March 24, 19 86n room 514-S of the Capitol.

All members were present except:

Committee staff present: Jim Wilson, Revisor's Office
Gloria Timmer, Legislative Research
Laura Howard, Legislative Research
Sharon Schwartz, Administrative Aide
Nadine Young, Committee Secretary

Conferees appearing before the committee:
Senator Vidricksen
Charles Dodson, KAPE
Herman Hafenstein, SRS
Leonard Ewell, Director of Industries for DOC
Warren Corman, Board of Regents
John Hipp, State Architect
Others Present (see Attachment A)

Chairman Buntten called the meeting to order at 1:30 p.m.

SB 581 -- an act establishing certain employee award programs; establishing an employee award board and providing for the powers, duties and functions thereof; providing for maximum cash awards; and repealing K.S.A. 75-2956b.

Senator Vidricksen presented the bill to the committee, which proposes to establish an award program for certain employees who submit suggestions that result in substantial savings or improvement in state operations. There is no suggested appropriation for funding the program - it would come out of the agency's budget. He said that the award program has proven to be a very effective tool in private business and should be equally rewarding for the state.

Charles Dodson, Kansas Association of Public Employees testified in support of SB 581. He said that state employees need some way for them to have some input of what goes on in the state system. This would encourage them to be more interested and receiving recognition for their ideas would give the employees a real incentive for making improvements.

Representative Wisdom suggested that a small percentage of an award would go to the employee's supervisor. Mr. Dodson said he would support that idea as there must be encouragement from the top.

Herman Hafenstein appeared for Dr. Robert Harder on behalf of SRS and presented a proposed amendment (Attachment B) that would also include staff of the Fiscal Department.

Alden Shields briefly stated that Department of Administration supports the bill and also suggested that \$25,000 be appropriated from SGF from which to make the awards. He also said that Line 38 needs a technical amendment. The intent was three persons - it's correct in the bill, but the bill brief is incorrect.

Representative Chronister moved that ",staff" on line 65 be stricken. This would more clearly include a greater number of possible recipients. Seconded by Representative Wisdom. Motion carried.

Representative Wisdom suggested an additional amendment, perhaps get some additional incentives behind such a measure as this.

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 1:30 ~~xxx~~ p.m. on Monday, March 24, 1986

Chairman Buntten suggested that we would hold off voting on this bill, to allow Representative Wisdom to have some time to work on his amendment.

SB 619 -- an act relating to surplus property; transferring certain functions to the secretary of corrections and the director of Kansas correctional industries; amending K.S.A. 27-311, 27-314, 75-3738 and K.S.A. 1985 Supp. 75-6601 to 75-6605, inclusive, and repealing the existing sections.

Senator Vidricksen presented a handout (Attachment C) which contains background information from the Department of Administration. SB 619 would transfer the administration of the surplus property program from DOA to the Department of Corrections, and they would operate the program with inmate labor. Finance Council approved this program in October, 1985.

Leonard Ewell, Director of KCI appeared briefly in support of this bill and provided a handout (Attachment D) which gives the background information in support of the program. Mr. Ewell introduced Bob Kelly, manager of the program who testified that overhead costs would be substantially reduced. He said his department works in screening, searching for property and finding eligible donees.

On the bill, Representative Ott moved that SB 619 be recommended favorably for passage. Seconded by Representative Rolfs. Motion carried.

SB 645 -- an act concerning capital improvement projects for educational institutions under the control and supervision of the state board of regents; authorizing certain projects by endowment associations; prescribing guidelines.

Warren Corman, representing Board of Regents, explained the bill. SB 645 would allow endowment associations to remodel or renovate state buildings and facilities with private funds. It requires prior approval of Board of Regents. He suggested an amendment clarifying language to say that Board would first consult with joint committee on building construction. Representative Shriver made the motion to amend the bill accordingly. Representative Solbach seconded. Motion carried.

Representative Hoy moved that SB 645, as amended, be recommended favorably for passage. Seconded by Representative Louis. Motion carried.

SB 662 -- an act relating to the Kansas National guard; concerning the appointment of officers; amending K.S.A. 48-208 and repealing the existing section.

Adjutant General Tice appeared in support of the bill (see Attachment E). He said that recent expansion of the Guard makes it more complicated to obtain senate confirmation in that it causes delays in making appointments of commissions. They oftentimes have to go back and make another selection if senate decides not to confirm.

SB 669 -- an act concerning architectural services for state agencies; relating to required services and fees for project architects; amending K.S.A. 75-1254, 75-1259 and 75-1263 and repealing the existing sections.

John Hipp, State Architect, explained the provisions of the bill. SB 669 would allow them the opportunity to contract and pay for additional services for the architects that are hired. It would allow the state to go above the maximum, but never exceed the appropriation. Any negotiation for a fee above that maximum must be reported to the Joint Building Construction.

Representative Braden was recognized and appeared before the committee to request introduction of a bill (Attachment F) concerning economic development. The bill would create standing committee in the House and Senate. On a motion by Representative Louis and a second by Representative Hoy, the bill was introduced.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
room 514-S, Statehouse, at 1:30 a.m./p.m. on Monday, March 24, 19 86

Representative Rolfs appeared before the committee and requested introduction of three bills and recommended they be referred to Assessment & Taxation. One is a rewrite of the enterprise zone legislation, one relates to the current reappraisal law, and the other would consolidate some of the hearings of cases currently on the Board of Tax appeals.

Representative Miller moved that the three bills be introduced. Representative Lowther seconded. Motion carried.

Chairman asked for a motion on the minutes for March 17, 18, 19 and 20. On a motion by Representative Chronister and a second by Representative Hamm, the minutes were approved as written.

Meeting adjourned at 2:45 p.m.

GUESTS

Date 3-24-86

Name	Address	Representing
Larry Cowan	700 Jackson..	KDOC
ROBERT F KELLEY	3400 E. 10 th	KDOC
Lenny Ewell	Lansing Ks	KDOC
Steve Jack	Topeka	Gov's Office
Ralph & Fern	Topeka	TAG
Cory D. Cole	Topeka	The City Gen Serv.
A. Don R. Shultz	"	DRA
Lynn Himm	"	"
WARREN CORMAN	"	BD. OF REGENTS
George Barber	"	Ks Consulting Engrs.
Susan A. Luff	Topeka	Budget Div.
Herman J. Hefner	Topeka	SRS
Jean Sagan	TOPEKA	BD of Regents

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STATE OF KANSAS

JOHN CARLIN, GOVERNOR

STATE DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

ADMINISTRATIVE SERVICES

ROBERT C. HARDER, SECRETARY

STATE OFFICE BUILDING
TOPEKA, KANSAS 66612

TO: Honorable Members House Ways & Means Committee

FROM: Secretary Robert C. Harder *RCH*
Kansas Department of Social and Rehabilitation Services

SUBJECT: Questions Regarding Senate Bill 581

DATE: March 24, 1986

The purpose of this memorandum is to outline the Kansas Department of Social and Rehabilitation Services' question regarding Senate Bill 581, line 0065 on page 2.

As we understand the bill as written, any staff of the major Fiscal and Administrative Policy Departmental Director would not be eligible for an employee award. We feel it is unfair to exclude clerical staff from the awards because they happen to be working for a Fiscal Department rather than another unit within State Government.

We would recommend either deleting the word **staff** or inserting the word **immediate** before the word staff.

RCH:HJH:jkb

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H. W. M. 3/24/86 *B*

STATE OF KANSAS



TOPEKA

SENATE CHAMBER

BEN E. VIDRICKSEN

SENATOR, DISTRICT 24
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COMMITTEE ASSIGNMENTS

CHAIRMAN: GOVERNMENTAL ORGANIZATION
VICE-CHAIRMAN: ENERGY AND NATURAL RESOURCES
MEMBER: CONFIRMATIONS
FEDERAL AND STATE AFFAIRS
PUBLIC HEALTH AND WELFARE
TRANSPORTATION AND UTILITIES
ELECTIONS
LEGISLATIVE POST AUDIT
MEMBER: WATER PLANNING ADVISORY COMMITTEE
MEMBER: NATIONAL CONFERENCE OF STATE
LEGISLATURES

TO: House Ways & Means Committee.

FROM: Senator Ben E. Vidricksen
24th District

DATE: March 24, 1986

RE: SB 619 - Transfer of Surplus Property Program - Background Information
from the Department of Administration

Over the last few years, the cash balance of the Federal Surplus Property Program has been dwindling to a point where alternatives were being looked at on almost a daily basis.

The first step actually taken to curtail costs was the closing of a satellite location in Hays, on June 15, 1984. At that time, the one employee transferred to the Division of Purchases, where the State Surplus Property Program had been established, with the intention of both programs being housed in the same facilities, serving essentially the same clientele.

With a moratorium on declaration of property as surplus at the federal level, the availability of useable federal surplus property became less and less. Revenue to support the Federal Surplus Property Program is generated solely by the "sales" of property to eligible recipients. In July and August 1985, it became necessary to subsidize the Federal Surplus Property Program, utilizing the General Fund appropriation of the Division of Purchases. Recognizing the ultimate recovery capability, and yet the impropriety of those transactions, an analysis of revenue and expenditure projections was made to determine the likelihood of breaking even. A brief "spurt" in sales activity was generated in September, which allowed for the reimbursement to the Division of Purchases, but with the federal moratorium still impeding the flow of property, it was determined that the program was not able to be continued with any degree of confidence in its ability to be self-sufficient.

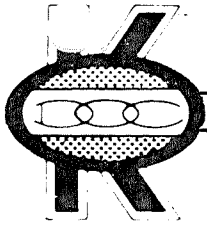
On August 28, 1985, all eleven employees of the Surplus Property Programs (10 federal, and 1 state) were advised by the Secretary of Administration that their positions would be terminated at the close of business on October 1, 1985. They were also advised that negotiations were being conducted with the Department of Corrections relative to an assumption of the program by them, in order to provide continuity to both the program and their employment. At that time it was hoped that the Department of Corrections, through the use of inmate labor, could operate the programs at a lower cost. Such was determined to be the probabl case, and an effective date of October 4, 1985 was estab-

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lished as the change-over date. Six of the eleven employees were retained by the Department of Corrections, and the remaining five have been employed by various other agencies in Topeka. The annual salaries reduction impact was \$54,000, which should make the new operation much more able to break even.

From the perspective of the Department of Administration, they are pleased to have been able to work out the problems, with the help of the Department of Corrections, with the following positive results:

1. Continuity of Surplus Property Programs
2. Continuity of employment for all employees of the programs.
3. Increased utilization of inmate labor.



KANSAS DEPARTMENT OF CORRECTIONS

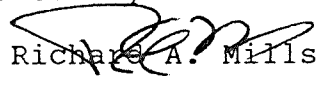
JOHN CARLIN — GOVERNOR

RICHARD A. MILLS — SECRETARY

JAYHAWK TOWERS • 700 JACKSON • TOPEKA, KANSAS • 66603-3798
913-296-3317

March 21, 1986

TO: House Ways & Means

FROM:  Richard A. Mills, Secretary of Corrections

SUBJECT: Senate Bill 619

ISSUE

Providing for the transfer of the Surplus Property Program from the Department of Administration to the Department of Corrections.

BACKGROUND

The Department of Corrections assumed control of the Surplus Property Program per a memorandum of agreement with the Department of Administration on 10-4-85. Prior to that time, the Department of Administration had announced the termination of the program and had issued layoff notices to the program's 11 employees. Upon assuming the program's operations, 6 employees were rehired and 10 inmates were also placed to assist in program operations. Currently, the program is financially solvent and is undergoing a major facelift.

Summary of the Surplus Property Center Operations (Federal)

From October 4, 1985 through February 28, 1986

The Federal Surplus Property Center (Federal) screens, analyzes and inspects Federal Surplus Property to determine the potential need for and utilization by eligible donees within the state of Kansas. There are some 1500 eligible donees, which include counties, cities, townships, school districts, libraries, museums, state agencies, and certain types of non-profit organizations. Kansas competes with all other states for available surplus property. Once the property is allotted to Kansas, the Surplus Property Center transfers the property to the requesting eligible donee. A transfer charge is assessed to the recipient donee, and these monies are used to pay for all of the overhead and operating expenses of the Surplus Property Center.

The Department of Corrections assumed the responsibility for the Surplus Property Center on October 4, 1985. From that time through February 28, 1986, the Center has distributed property with an acquisition cost of \$1.3M to various donees. The transfer charges collected for this same property totaled \$168K.

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The following are but a few examples of major items transferred to donees during the period of October 4, 1985 through February 28, 1986.

<u>DONEE</u>	<u>ITEM TRANSFERRED</u>	<u>ACQUISITION COST</u>	<u>TRANSFER CHARGE</u>
City of Mulvane	1 road grader	120,000	14,000
Ford County	2 locomotives	196,000	19,640
Historic Railroad Preservation Found.	8 railroad cars		
	1 crane	50,000	5,000
USD 475 Junction City	1 fork lift	8,330	2,250
Kansas Technical Institute, Salina	1 aircraft	53,500	1,000
Kansas State Penitentiary, Lansing	1-44 Passenger School Bus	41,674	750
City of Parsons	1459 ft. pipe	15,558	1,800
Nemaha County, Seneca	1333 ft. pipe	12,392	2,000
Metropolitan Topeka Airport Authority	1 cargo truck	13,548	750
	1 dump truck & spare parts	21,875	7,000
Kansas University Dept. of Facilities	1 road grader	22,000	7,000

Financial Statement for Surplus Property Center (Federal)
(as of February 28, 1986)

Unencumbered Balance/Cash	\$	57,584.76
Accounts Receivable		<u>54,040.20</u>
TOTAL	\$	111,625.05

Summary of the Surplus Property Center Operations (State)
From October 4, 1985 through February 28, 1986

The 1985 session of the Legislature authorized the Director of Purchases to establish the State Surplus Property Program. The objectives of this Program are to:

1. Maximize the reutilization of surplus property within the state;
2. Dispose of surplus property to either entities eligible for participation in the Federal Surplus Property Program, or by sale, auction, or sealed bid.

The State Surplus Property Program is presently in an evolving, developmental stage with relevant policies and procedures undergoing final revision. The potential volume of State Surplus Property generations is currently being assessed, and this information will assist us in the development of short, mid, and long-term planning.

The State Surplus Property Program is presently being staffed with one full time state employee and two inmates. The financial status of this program, as of February 28, 1986, is as follows:

Unencumbered Balance/Cash on Hand	\$ 24,300.00*
Accounts Receivable	<u>1,821.00</u>
Total	26,121.00

*\$10,900.75 appropriated funds. \$13,399.25 sales to donees.

NOTE: Sales from October 4, 1985 through February 28, 1986 - \$7,457.20

HOUSE WAYS AND MEANS COMMITTEE
SENATE BILL 662
24 MARCH 1986

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I AM MAJOR GENERAL RALPH T. TICE, THE ADJUTANT GENERAL OF KANSAS, AND I AM HERE TO SUPPORT THE PASSAGE OF SENATE BILL 662.

THIS BILL REPEALS THE NEED FOR SENATE CONFIRMATION OF GENERAL OFFICERS OF THE NATIONAL GUARD. BECAUSE OF EXPANDED RESPONSIBILITIES OF NATIONAL GUARD OFFICERS, SELECTION OF GENERALS TO VARIOUS POSITIONS ARE NOW OCCURRING AT HIGHER LEVELS.

KANSAS OBTAINED THE HEADQUARTERS FOR THE 35TH INFANTRY DIVISION, CURRENTLY LOCATED AT FORT LEAVENWORTH. THE DIVISION COVERS FIVE STATES--KANSAS, COLORADO, NEBRASKA, KENTUCKY, AND MISSOURI. THE DIVISION COMMANDER, A MAJOR GENERAL, IS SELECTED FROM CANDIDATES IN THE FIVE STATES. THE GOVERNORS NOMINATE THEIR CANDIDATES FROM SENIOR OFFICERS IN THEIR STATE. THEN A PANEL, CONSISTING OF THE FIVE ADJUTANTS GENERAL AND THE DIRECTOR OF THE ARMY NATIONAL GUARD, SELECT THE MOST QUALIFIED CANDIDATE. THE SELECTED OFFICER IS THEN PLACED IN THE HEADQUARTERS, 35TH INFANTRY DIVISION AT FORT LEAVENWORTH, KANSAS.

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ON THE AIR GUARD SIDE, THE STATE OF KANSAS HAS HAD TWO OFFICERS SELECTED TO COMMAND ON A NATIONAL LEVEL. BRIGADIER GENERAL GENE BUDIG, WHO IN HIS CIVILIAN CAPACITY IS THE CHANCELLOR OF KANSAS UNIVERSITY, HAS BEEN SELECTED TO BE THE AIR GUARD ADVISOR TO THE AIR FORCE'S TRAINING COMMAND. BRIGADIER GENERAL McMERTY, FORMERLY WITH THE 184TH TACTICAL FIGHTER GROUP AT WICHITA, KANSAS, HAS BEEN SELECTED AS THE DEPUTY DIRECTOR, AIR NATIONAL GUARD, WASHINGTON, D.C.

THESE OFFICERS WERE NOMINATED BY GOVERNOR CARLIN WITH THEIR FILES FORWARDED TO THE NATIONAL GUARD BUREAU. THEY WERE SELECTED FROM OTHER STATE NOMINEES BY THE SECRETARY OF THE AIR FORCE AND PLACED IN THEIR CURRENT POSITIONS. THEY ARE SHOWN ON MY HEAD-QUARTERS DOCUMENTS AS KANSAS GUARDSMEN, AND WILL BE CARRIED FOR THE THREE-YEAR TOUR AS KANSAS GENERALS.

BECAUSE OF THESE POSITIONS AND THEIR CONSTANT CHANGING, I SUPPORT SENATE BILL 662.

BILL NO. _____

By Committee on

AN ACT concerning economic development; providing for the establishment of certain legislative committees and task forces for the consideration of matters affecting economic development in the state; prescribing certain duties of the legislative economic development commission; and providing for the making of reports and recommendations.

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

Section 1. Need statement. (a) There exists within Kansas a substantial need to develop a stable, diversified, growing economy through the growth and development of value-added business enterprises in a diversified range of primary sectors which export innovative products, processes and services that in turn import quality jobs, wealth and income into the state in ways that are beneficial to Kansas, and Kansans in the following specific ways:

(1) Expand personal income through the development of creative Kansas business enterprises and employment opportunities which afford sufficient compensation to insure an adequate standard of living and well being for all Kansans;

(2) develop economic health and opportunities throughout the cities and counties of the state in partnership with those local governments;

(3) develop an economy that contributes to and enhances the environmental quality of the state;

(4) develop an economy which is capable of providing the necessary revenue for state government, local governments, and other political subdivisions of the state and in this way minimize the tax burden faced by all taxpayers of the state; and

(5) institutionalize ongoing means of collaboration between

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3/24/86

the executive, legislative, business, agriculture, financial sector, universities and local communities to create a developing Kansas economy whose increasing innovation, creativity, diversity and productivity is greater than any sector can achieve acting alone.

Sec. 2. Mission statement. (a) The purpose of the legislative committees shall be to:

(1) Facilitate the growth, diversification and expansion of existing enterprises and the creation by Kansans of new wealth-generating enterprises;

(2) promote economic diversification and innovation within the basic industries and sectors of the state;

(3) promote increased productivity and value added products, processes and services among wealth-generating enterprises, and the export of those goods and services created by small and large Kansas enterprises to the nation and world;

(4) maintain and revitalize economically depressed rural areas and urban neighborhoods by annually targeting scarce resources by size, sector and location to communities and enterprises of particular need and opportunity, and by working in close collaboration with local communities; and

(5) protect and enhance the environmental quality of the state in ways consistent with dynamic economic growth.

Sec. 3. Senate economic development committee. There is hereby established a standing committee of the senate known as the senate committee on economic development which shall consist of 11 members of the senate. Ten members of the committee shall be appointed in the same manner as members of other standing committees of the senate. The president of the senate, or another senator of the same party designated by the president, shall be a member and chairperson of the committee.

Sec. 4. House economic development committee. There is hereby established a standing committee of the house of representatives known as the house committee on economic development which shall consist of 15 members of the house of

representatives. Fourteen members of the committee shall be appointed in the same manner as members of other standing committees of the house of representatives. The speaker of the house of representatives or another representative of the same party designated by the speaker shall be a member and chairperson of the committee.

Sec. 5. Joint economic development committee. (a) On January 1, 1987, there is hereby created the joint committee on economic development which shall be composed of five senators and eight members of the house of representatives. The five senate members shall be the chairperson of the standing committee on economic development of the senate, or a member of such committee appointed by the chairperson, two members of such committee appointed by the president and two members of such committee appointed by the minority leader. The eight representative members shall be the chairperson of the standing committee on economic development of the house of representatives, or a member of such committee appointed by the chairperson, four members of such committee appointed by the speaker and three members of such committee appointed by the minority leader.

(b) All members of the joint committee on economic development shall serve for terms ending on the first day of the regular legislative session in odd-numbered years. After June 30 in odd-numbered years, the chairperson shall be one of the representative members of the joint committee selected by the speaker and the vice-chairperson shall be one of the senate members selected by the president. After June 30 in even-numbered years, the chairperson shall be one of the senate members of the joint committee selected by the president and the vice-chairperson shall be one of the representative members of the joint committee selected by the speaker. The chairperson and vice-chairperson of the joint committee shall serve in such capacities until July 1 of the ensuing year. The vice-chairperson shall exercise all of the powers of the chairperson in the absence of the chairperson.

(c) The joint committee on economic development may meet at any time and at any place within the state on the call of the chairperson.

(d) The provisions of the acts contained in article 12 of chapter 46 of the Kansas Statutes Annotated, and amendments thereto, applicable to special committees shall apply to the joint committee on economic development to the extent that the same do not conflict with the specific provisions of this act applicable to the joint committee.

(e) In accordance with K.S.A. 46-1204 and amendments thereto, the legislative coordinating council may provide for such professional services as may be requested by the joint committee on economic development.

(f) The joint committee on economic development may introduce such legislation as it deems necessary in performing its functions.

Sec. 6. Committee operation. (a) The legislative economic development commission established pursuant to 1986 HCR 5034 shall conduct such meetings as the commission shall determine necessary for the purpose of performing the studies directed by such concurrent resolution and in making the recommendations and reports required by such resolution shall coordinate with the joint committee on economic development in the presentation of such report and recommendations to members of the 1987 regular session of the legislature.

(b) (1) The first priority of the commission shall be to oversee the implementation of the economic development initiatives adopted during the 1986 legislative session; and (2) the second priority of the commission shall be the oversight of the activities of the task forces established pursuant to section 5.

Sec. 7. Advisory committees or task forces. For the purpose of conducting an in-depth analysis of major areas of economic development requiring legislative action in the 1987 regular session of the legislature, the legislative economic development

commission shall appoint such advisory committees or task forces as it shall determine necessary. Each task force shall consist of not less than seven and not more than 13 members representing the business community, financial institutions, institutions under the control of the board of regents and the legislature. A majority of the members of each task force shall be representative of the business and financial communities. The legislative economic development commission shall appoint the chairperson and vice-chairperson and specify the subject of study to be conducted by each task force. Each task force shall prepare policy and funding recommendations regarding the subject of study assigned and shall make a report and recommendations thereon to the legislative economic development commission on or before October 1, 1986. The provisions of the acts contained in article 12 of chapter 46 of the Kansas Statutes Annotated, and amendments thereto, applicable to special committees shall apply to the task forces appointed pursuant to this section to the extent that the same do not conflict with the specific provisions of this section. Members of such task forces shall receive compensation, subsistence allowances and mileage as prescribed by K.S.A. 75-3223, and amendments thereto. Task forces shall be established for the study of the following described purposes and may be established for such additional areas of study as the legislative economic development commission may deem necessary.

A task force shall be appointed for the study of the following:

(a) The appropriateness of Kansas agricultural research to the changing needs of the economy which shall include:

(1) An inventory of the purposes, uses and appropriateness of existing federal, state and private sector agricultural research within Kansas;

(2) agricultural diversification and identification of new products and new technologies;

(3) the scope of value added agricultural processing; and

(4) the provision of appropriate technical assistance to

farmers in each of the above research areas and marketing alternatives.

(b) The appropriateness of Kansas capital markets to the rapidly changing needs of Kansas business, industry and agriculture which shall include:

(1) The adequacy of equity and near equity capital for Kansas businesses from Kansas financial institutions;

(2) the adequacy of intermediate and long term debt capital and risk debt capital and mezzanine finance for Kansas businesses from Kansas financial institutions; and

(3) the appropriateness of Kansas state government's tax, expenditure and regulatory policies for fostering capital formation for Kansas businesses.

(c) The appropriateness of Kansas tax structure to the rapidly changing needs of the Kansas economy which shall include:

(1) An overall review of the appropriateness of the state's tax structure for its impact on economic development and capital formation; and

(2) the sales and use tax exemption on manufacturing machinery and equipment.

(d) Control, supervision and financing of postsecondary education in Kansas which shall include:

(1) A review and determination of the mission of public postsecondary education to and beyond the year 2,000;

(2) the structure, control and supervision required of public postsecondary education to accomplish such mission; and

(3) the financing of public postsecondary education necessary to accomplish such mission.

(e) The appropriateness of the state's business training and employment development programs to meet the rapidly changing needs of the Kansas economy and to carry out the 1986 economic development initiatives.

(f) The commission may appoint such other task forces as it deems appropriate to study other recommendations proposed in the final report of the Kansas economic development study to be

completed in the spring of 1986.

Sec. 8. This act shall take effect and be in force from and after its publication in the Kansas register.

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Ways and Means

Recommends that Senate Bill No. 645, As Amended by Senate
Committee

"AN ACT concerning capital improvement projects for educational institutions under the control and supervision of the state board of regents; authorizing certain projects by endowment associations; prescribing guidelines."

Be amended:

On page 2, in line 53, by striking all after "regents"; in line 59, following the period by inserting the following: "No such capital improvement project for a building or facility shall be approved by the state board of regents without having first advised and consulted with the joint committee on state building construction."; in line 66, by striking all after "regents"; in line 72, following the period by inserting the following: "No such capital improvement project to repair, remodel or renovate any state building or facility shall be approved by the state board of regents without having first advised and consulted with the joint committee on state building construction.";

And the bill be passed as amended.

 Chairperson

REPORTS OF STANDING COMMITTEES

Your committee on Ways and Means

Recommends that SB 619

"AN ACT relating to surplus property; transferring certain functions to the secretary of corrections and the director of Kansas correctional industries; amending K.S.A. 27-311, 27-314, 75-3738 and K.S.A. 1985 Supp. 75-6601 to 75-6605, inclusive, and repealing the existing sections.

be passed.

 _____ Chairman.