

Approved _____

Date

4-4-86

MINUTES OF THE House COMMITTEE ON Ways and Means

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

1:00 ~~xxx~~ p.m. on Wednesday, March 26, 19 86 in room 313-S of the Capitol.

All members were present except:

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

Conferees appearing before the committee:

Mrs. Ann Garvin, Chairperson, Washburn University Board of Regents
Dr. John Green, President - Washburn University
Dr. Richard Shermoen, Chairman-Washburn University Math Department
Mr. Mark Groves, Student and Speaker for A.S.K.
Mr. Ben Blair, President-Coldwell Banker, representing Washburn Alumni
Mr. Doug Wright, Mayor of Topeka
Mr. Phil Wolfe, Chairman-Greater Topeka Chamber of Commerce
Mr. Eldon Danenhauer, Association for Action and President of Lapeka, Inc.
Mr. David Monical, Vice President Planning and Government Relations, Washburn University
Representative Hayden
Stan Koplik, Board of Regents
Jamie Schwartz, Secretary of KDED
Belden Daniels, Consultant for Economic Development
Representative Braden
Don Jacka, Assistant Secretary of Agriculture
Others present (see Attachment A)

Chairman Bunten called the meeting to order at 1:00 p.m. and began by hearing conferees on HB 3107 -- relating to Washburn University of Topeka, establishing Washburn State University.

Ann Garvin, Washburn University Board of Regents, spoke in support of the bill. She said it represents a culmination of several months of work among the committee, and the Board would continue to pursue affiliation until the transition is accomplished.

Dr. John Green, President of Washburn University used a chart for his presentation. #1 - The bill calls for Washburn to come into the system July, 1988. #2 - No immediate entry cost for Washburn to become a state university, and no state pick-up money until 1990, \$1.1 million will be needed then, and \$1.4 later for a total of \$2.5 total pick up cost for Washburn. #3 - The \$2.5 million capital outlay mill levy would remain in effect. #4 - With the continuation of the local support from the Citizens of Topeka, we do not feel this in any way should be considered a "bail out".

Representative Mike Hayden appeared to give his support. He said, "I come before you as a legislator who has studied this issue for six years, and I also come before you as a graduate of two of our state's universities. I urge the committee to do everything within its capability to resolve this".

Letter from Tom Docking

Lt. Governor Tom Docking had been invited to today's meeting to voice his thoughts concerning HB 3107; however he was unable to be here, but did provide written comments which were read by Representative Shriver (Attachment B).

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 313-S, Statehouse, at 1:00 ~~a.m.~~/p.m. on Wednesday, March 26, 1986

Richard Shermoen, Math Department of Washburn addressed the committee in support of HB 3107. His primary concern is with the maintenance of high quality instruction, the imparting of knowledge and search for the truth and sharpness of an inquiring mind is what the school wants to maintain.

Mark Groves, Speaker of the House for Washburn Student Association spoke in support of the legislation. His testimony dealt with tuition fees. He said it is important for the students to continue their education at a local school where most hold jobs here. They cannot continue to go along with the outrageous tuition fees.

Ben Blair, a 1965 graduate of Washburn School of Law, spoke in support of the bill. He said many of Topeka and Kansas citizens today are here because they came from other states to attend the fine law school offered by Washburn, and chose to remain here.

Mayor Doug Wright appeared on behalf of the Topeka City Council saying they wholeheartedly support HB 3107.

Tom Hanna, representing Shawnee County Commission testified in support of the bill. The Commission passed a resolution last week with 100% in favor of this measure.

Phil Wolfe, Chairman of the Greater Topeka Chamber of Commerce, gave his support of Washburn becoming a state university. He said that Washburn began receiving state financial support in 1962, and since then that support has increased because of the Kansas Legislature. There are 100 statutes governing the university and it's now time for Washburn to take the final step and become part of the state board of regents. It is a \$60 million physical plant and Topeka Chamber of Commerce supports this issue.

Eldon Danenhauer spoke in support of the issue, on behalf of Association for Action. He said this legislation will allow for a greater degree of planning and control and possibly a chance of lower property taxes for citizens of Topeka.

David Monical appeared and distributed handouts, a memo (Attachment C) which itemizes the major provisions of the bill, and another memo (Attachment D) which explains the financial implications. A lengthy question and answer period followed.

Stan Koplik, Kansas Board of Regents

The Board held a special meeting in September, 1985 to discuss the status of Washburn University and to take a position. A copy of his remarks is included as Attachment E. Mr. Koplik cited the biggest disadvantage of the school becoming a state institution would be directly related to economics and the overall financial situation. The Board's position is not intended to reflect negatively, but rather to reflect the reality that financial support for the existing Regents institutions is currently inadequate. It would establish yet another institution which increasingly, in the future, lay claim to the state's limited resources.

Asked if he was appearing in opposition, he said "any reasons cited by the Board as outlined here revolves around financial consideration. If the State would make a commitment in terms of improving funding of current institutions, while at the same time addressing genuine needs of Washburn as a member of the family, I think you would see the opposition in terms of the fiscal reasons cited, disappear."

Mr. Koplik directed the committee's attention to what he believes to be a problem with the bill itself, as it relates to current employees of Washburn University (beginning with Line 146 of the bill). He suggested clarifying language to avoid any disension among the two groups of employees, if the bill goes into law.

Representative Mainey suggested that staff needs to look at the bill as far as any technical adjustments. With that, he moved that HB 3107 be recommended favorably for passage. Seconded by Representative Heinemann. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means

room 514-S, Statehouse, at 1:30 ~~am~~/p.m. on Wednesday, March 26, 1986

Chairman turned to HB 3122 -- 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.

Representative Braden explained the provisions of the bill, which would establish standing committees in the House (15), Senate (11) and Joint (13) in interim on economic development. Also four task forces as follows: (Attachment F)

1. Agricultural Research
2. Kansas capital markets
3. Tax structure
4. Postsecondary education
5. Business training and employment development programs.
6. Commission may appoint other task forces.

Jamie Schwartz, Secretary of KDED, appeared in support of the proposal.

Belden Daniels made a brief statement and stood for questions. He noted that this particular bill is a strong recommendation of the Redwood study. He commended the people of Kansas for their support and cooperation, and believes those efforts will be recognized by the Conference of State Legislators as a model to other states.

After brief discussion, Representative Heinemann moved that HB 3122 be recommended favorably for passage. Seconded by Representative Mainey. Motion carried.

HB 2951 -- an act concerning economic development in Kansas; establishing a Department of Commerce.

This bill would put into effect Initiative No. 7 (see Attachment G). The purpose is to ensure the organized, coordinated implementation of economic development policy by restructuring KDED into the Kansas Department of Commerce.

A balloon amendment to HB 2951 was presented for consideration (Attachment H). The amendment includes a new Section 1 and lists a "Need Statement". Representative Turnquist moved for adoption of the amendment. Representative Chronister seconded. Motion carried.

Don Jacka, Assistant Secretary of Agriculture appeared on behalf of Secretary Harland Priddle and presented a position statement (Attachment I). "We agree with establishing an international trade division within the new Department of Commerce, but would suggest, however, that the Legislature consider giving serious consideration to retaining agricultural international activities within the Board of Agriculture.

Representative Turnquist presented a proposed amendment to HB 2951 (Attachment J) which would restructure the current State Fair Board and attach it to Department of Commerce. It sets up a board with the Secretary of Agriculture, and the intent would be to provide a better united voice. Discussion followed, and consensus of opinion was that the amendment should be put in a separate bill and introduced, allowing the contents to be examined. With that, Representative Turnquist withdrew his motion. Representative Wisdom said he supports the concept, but will withdraw his second to the motion.

Representative Chronister moved that HB 2951, as amended, be recommended favorable for passage. Seconded by Representative Turnquist. Motion carried.

INTRODUCTION OF BILL

Representative Turnquist was recognized and requested introduction of a bill that would provide for the state fair board as representatives of Kansas agriculture - (refer to Attachment J). Representative Rolfs seconded. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,
room 313, Statehouse, at 1:00 ~~am~~/p.m. on Wednesday, March 26, 1986.

HB 2960 -- an act establishing the state economic development policy committee; providing for the membership and organization thereof; prescribing powers, duties and functions therefor.

Representative Braden explained the bill. HB 2960 would carry out Initiative No. 9 (see Attachment K) and would create Kansas, Inc., a not-for-profit quasi-public corporation similar to the Kansas Turnpike Authority, run by 15 predominate private sector members to:

- a. coordinate activities of all agencies working on economic level.
- b. oversee implementation of state's economic development plan.
- c. educating on long range vitality of state's economy.
- d. replace existing advisory committee.

A balloon amendment (Attachment L) was presented by Representative Helgerson, and after brief discussion, moved for adoption. Representative Shriver seconded. Motion carried.

On the bill, Representative Helgerson moved that HB 2960, as amended, be recommended favorable for passage. Seconded by Representative Hoy. Motion carried.

HB 2789 -- an act establishing the state gaming revenues fund and providing for the use and expenditure of moneys credited thereto.

An amendment (Attachment M) was presented that changes the language "gaming revenues" to "progressive Initiatives" throughout the bill. It also adds a new section 4 insert. Representative Chronister moved and Representative Rolfs seconded that the amendment be adopted. Motion carried.

Representative Fuller proposed an amendment to include funding of detention centers for juveniles in the 10% that is set aside for corrections. Seconded by Representative Helgerson. Motion carried.

Representative Duncan stated opposition to the language in the bill that refers to a specific percent and suggested leaving it subject to appropriation. Representative Ott seconded. Motion failed.

Representative Guldner offered an amendment (Attachment N) that would allocate 10% of the fund to Parks and Resources fund for historical sites. Representative Dyck seconded. Motion failed. He then offered a substitute amendment to strike the sunset provision. Seconded by Representative Dyck. Motion failed.

On the bill, Representative Chronister moved that HB 2789, as amended, be recommended favorable for passage. Representative Rolfs seconded. Motion carried.

Meeting adjourned at 3:30 p.m.

P.S. Attachment O is Letter from Henry A. Bubb in support of HB 3107.

(1)

Date 3-26-86

Name	Address	Representing
Lubin Primer	Topeka	Washburn Univ.
David Winchester	Topeka	Washburn Univ.
Dianna Lowers	Topeka	Washburn Univ.
Arthur Pipe	Topeka	Washburn Univ.
David Fink	Topeka	Washburn Univ.
Patricia Gull	Topeka	Washburn
Bill E. Milner	Topeka	Washburn Univ.
JEFF MYERS	TOPEKA	WASHBURN
Mary Rowland	Topeka	"
Robert House	Topeka	Washburn Univ.
Ward Martin	Topeka	Washburn
Robert James	Topeka	Washburn U.
Paul Saml Satta	Topeka	Washburn University
William Kingdom	3423 W. 11th St. Topeka, KS.	Washburn University
James Rivers	TOPEKA	WASHBURN U.
Fred Hedberg	Topeka	Washburn Univ.
Margie Hines	Topeka	Washburn University
Ronald S. Evans	TOPEKA	Washburn U.
Jim Young	Topeka	Washburn U.
Wanda Young	Topeka	Washburn U.
Marion	Topeka	Washburn U.
Bob Cole	Topeka	Washburn Univ.
Walter Rattiner	Topeka	Washburn U.
Tr Patterson	Topeka	Washburn University
Alfred Zwitter	TOPEKA	WASHBURN UNIVERSITY
James J. Daniels	Topeka	Washburn Univ.

1985
GUESTS

(2)

Date 3-26-86

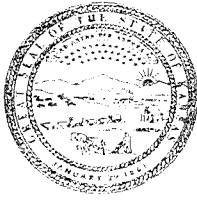
Name	Address	Representing
Janis Baker	Topoka	Washburn Univ.
Marta Crempacker	Topoka	Washburn Univ.
Dona Love	Topoka	Washburn Univ.
Anna J. Turisko	Topoka	Washburn Univ.
Terry Booth	Topoka	Washburn Univ.
Oliver Guerin	Topoka	Washburn Univ.
Robert L. Gustafson	Topoka	Washburn Univ.
Paul Price	Topoka	Washburn H.
Janet Hunter	Topoka	Washburn
Barry Benzford	Topoka	Washburn
David Hood	Topoka	Washburn
TEO HEIM	TOPEKA	WASHBURN
DAVE BUCKLEY	TOPEKA	WASHBURN UNIV.
Robert Miller	Topoka	WASHBURN
Hannah Gaudin	Topoka	Washburn
David Bannum	Topoka	Washburn
Beverly Bannum	Topoka	Washburn
David Child	Topoka	Washburn
Bill Stahl	Topoka	Washburn
Walter Bannum	Topoka	Washburn
Banner Kimbrough	"	"
Phil Wolfe	"	Topoka Chamber of Commerce
Kirsten Trigo	Lawrence	Washburn Univ.
Steve Bannum	Topoka	"
D. Frank Church	Topoka	" "

Date 3-26-86

Name	Address	Representing
Ronn Hy	Topeka	Washburn Univ.
Lu Wolf	Topeka	Washburn Univ.
Elizabeth D. Green	Topeka	Washburn Alumni
Ben Blair	Topeka	Washburn Alumni
Jan Douglas	Topeka	Washburn U.
Susan Wuffy	Topeka	Budget Revision
Maggie Johnson	Topeka	Washburn Alum + Topeka
Chris Brown	Topeka	Greater Topeka Chamber of Commerce
Robert Vanhous	"	Pres. for Action
Tim Ploger	Topeka	Gov's Office
John Wyatt	McPherson	McPherson Union
Ron Calbert	NEWTON	United TRANSPORTATION Union
Letta Jones	Shawnee	
W. W. Wagoner	Topeka	Washburn U.
Velma Paris	Shawnee Co. Circ. Shawnee	Shawnee Co.
Kinnie Ferguson	Shawnee County Comm.	Shawnee Co.
Tom Adcox	Topeka, Ks	Sh. Co. Comm.
Stanley Z. Koplik	Topeka	REGENTS
Tom Rown	" "	" "
John Hanna	" "	Assoc. Press
John Green	" "	Washburn
Richard Johnson	" "	Washburn
Chm B. Gammis	Topeka	Washburn Univ.
Mawind Schuttus	Topeka	Regent - Washburn U.
Aileen M. Anderson	Topeka	Washburn University
Mark A. Jones	Topeka	Washburn Student Assoc.

Date 3-26-86

Name	Address	Representing
Barbara Etzel	Topoka	Speakers Bure
Carl Johnson	Topoka	Washburn U
Harold Pitts	Topoka	
Wesley Blair	Topoka	Sankee Comm
James A. Park	Topoka	Alumni Board Washburn
Tom Brown	Topoka	DRH
Jim Mac	"	KRA
John J. Smith	Topoka	Observed
Ed Walden	Topoka	Washburn
Dave Wright	"	City of Topeka, MO
Jo Ann Poteroff	"	State Representative
John ...	Topoka	Washburn
Carl Nordstrom	Topoka	Past Gen Pres
Paul E. Fleener	Manhattan	Kansas Farm Bureau
Donald F. Danker	Topoka	Washburn Univ
Marion L. Leisner	Topoka	Washburn Univ
Laurie F. Romer	Topoka	Washburn U.
Julia Etha Parks	Topoka	Washburn Univ
James J. McFarlane	Topoka	Washburn Univ
Leslie L. ...	Topoka	Washburn Univ
Paul S. ...	Topoka	Washburn Univ
Bill R. ...	Lawrence, KS	Washburn Univ
Chris ...	Topoka	-58



Office of the Lieutenant Governor

Thomas R. Docking
LIEUTENANT GOVERNOR

STATE CAPITOL BUILDING
TOPEKA, KANSAS 66612
(913) 296-2213

March 26, 1986

Representative William M. Bunten, Chairman
Committee on Ways and Means
Kansas House of Representatives
Kansas State Capitol
Topeka, Kansas 66612

Dear Chairman and Honorable Members:

I regret I could not be with you today. My schedule requires that I be in Wichita. But I do appreciate your invitation to comment on House Bill 3107, the plan by which Washburn University would become a member of the State Regents' System of Higher Education.

I commend the directness of your debate. You have highlighted three major issues that deserve full examination.

First, Washburn University is currently an important institution in the Kansas system of higher education. It is, in reality, a state-sponsored institution and has been for 25 years. Legislative appropriations for Washburn have grown over the years, and in all likelihood will continue to grow regardless of what we decide in the near future.

Secondly, you have examined the funding history of Washburn and the extent to which Topeka property taxes and student fees can sustain the growth that is envisioned by the Washburn administration in the coming years. Washburn's ability to meet its program goals and maintain its academic standards as a public municipal university is directly tied to its ability to sustain support from property taxpayers, students and alumni.

Thirdly, and most importantly, you have stimulated state-wide debate over the future of Kansas' higher education system. Can we afford to broaden the state's financial commitment to the Regents' institutions? Can we afford not to broaden that commitment? To what extent will the State decide to take a larger financial and coordinative responsibility for Washburn University?

Atch. B
H. W. M. 3/26/86

B

I have reviewed the major provisions of HB 3107. Your proposal is certain to be a blueprint for action in the event that a decision is made to make Washburn University into Washburn State University. The plan to phase in such a move is wise. It allows time for management transition, it provides for an equitable treatment of existing faculty and staff benefits, and cushions, over time, the financial impact on the state general fund budget.

But before this or any blueprint is adopted, a consensus must be built and a decision must be made that Washburn's admission into the Regents' system is the right course for Washburn, for the Regents' institutions, and for the taxpayers and students of Kansas. Topekanans, through their property taxes, and Kansans, through the general fund, have invested too much in our colleges to risk a hasty and premature move.

Before final action is taken on this proposal, I recommend that the following considerations be addressed:

1. A long range financial commitment must be made and plans developed to ensure that programs are adequately funded and that faculty and staff are competitively compensated.
2. Considerations should be fully explored as to which Washburn programs will be retained and enhanced, and which, if any, will be phased out.
3. Any such move must be as a result of a full examination of all state-sponsored institutions of higher education, their current roles, their missions, and their plans for the future.

I appreciate the opportunity to submit these thoughts and support your efforts to resolve issues of such great importance to all Kansans.

Respectfully,



Thomas R. Docking
Lieutenant Governor

TRD/mrh



WASHBURN UNIVERSITY OF TOPEKA

Vice President for Planning and Governmental Relations
Topeka, Kansas 66621
Phone 913-295-6712

M E M O

TO: HOUSE COMMITTEE ON WAYS AND MEANS
FROM: WASHBURN UNIVERSITY
SUBJECT: HOUSE BILL 3107
DATE: MARCH 26, 1986

House Bill 3107 provides a mechanism to effect Washburn University's entry into the state Regents' system of higher education. Under this legislation, Washburn would enter the state system much as it now stands, with most of its local property tax support intact. This insures the minimum possible cost to the state for Washburn's affiliation. The major provisions of the proposed legislation are as follows:

1. Washburn would enter the Regents' system on July 1, 1988. This would provide sufficient time to insure a smooth transition into the state system.
2. Washburn's General Fund mill levy would remain "capped" at seven mills and the legislation includes a maximum dollar amount for the levy to generate. This insures that as the assessed valuation of the city increases, the mill rate will decrease.
3. The mill levy for the Employee Benefits Fund would continue, but would be phased out over time. The levy would be used to continue to pay fringe benefits for Washburn employees in service prior to state affiliation, but any new or replacement employees hired after July 1, 1988 would have their fringe benefits paid by the state. As existing employees leave the University, this restricted mill levy will gradually decline to zero.
4. The 2.25 mills levied for the Debt Retirement and Construction Fund would be continued and would be handled in a similar manner as the local levy for Wichita State University. The proceeds from the levy would be used not only for debt retirement and building maintenance, but also as a "living endowment" under control of a Washburn University Board of Trustees (see item 6.).
5. Washburn's tuition rates would be "frozen" at whatever level they are at on July 1, 1988, until rates at the Regents' institutions are similar. Then, tuition increases at Washburn would be at rates comparable to the other state universities.

Atch. C
H.W.M 3/26/86 C

6. A Washburn University Board of Trustees would be created, similar to that currently existing at Wichita State University. This Board would administer (subject to city council and regents' approval) the proceeds of the mill levy for the Debt Retirement and Construction Fund. The Board of Trustees would be comprised of five members appointed by the Governor and four members appointed by the Mayor.
7. University endowments would be administered by a separate endowment association in a manner identical to that at the other state universities.

These provisions appear to offer a reasonable proposal for Washburn's entry into the state system with the continuation of local financial support. The "pick up costs" (replacing lost revenue sources) for Washburn's entry into the state system will total approximately \$2.5 million. The replacement of these foregone revenues can be spread over two fiscal years as it is estimated that Washburn will have approximately \$4.0 million in General Fund cash balances upon its July 1, 1988 entry into the state system.

The \$2.5 million in required revenue replacements (excluding normal budgetary increases) represents only slightly more than one percent of the \$244 million in state general fund support currently provided for the six Regents' universities (this excludes another \$70 million in state general fund support for the medical center, veterinary medical center, technical institute, and special programs). This appears to be a modest expense for insuring educational accessibility to more than 6,000 Kansas' residents and for putting the state in a position to exercise more effective coordination and governance over its public universities.

In addition to the benefits to the state, the provisions of HB 3107 also provide financial benefits to 104 counties and the townships within Shawnee County through the elimination of out-district tuition. The removal of this financial obligation will save approximately \$300,000 in Shawnee County and an equal amount in the remaining counties.

Finally, the city of Topeka benefits, not only by having a state university, but also because no additional local financial obligations will be required for support of the University. Through time, the current financial support for the University will decline, both in terms of millage rates and in actual dollars.



WASHBURN UNIVERSITY OF TOPEKA

Vice President for Planning and Governmental Relations
Topeka, Kansas 66621
Phone 913-295-6712

M E M O

TO: HOUSE COMMITTEE ON WAYS AND MEANS
FROM: WASHBURN UNIVERSITY
SUBJECT: H. B. 3107--FINANCIAL IMPLICATIONS
DATE: MARCH 26, 1986

The cost to the state for Washburn University's entry into the state Regents' system under the provisions of H.B. 3107 is approximately \$2.5 million due to the continuation of local property tax support following state affiliation. Because Washburn does not become a state university until July 1, 1988 and because it is estimated that Washburn will enter the state system with \$4 million in its General Fund balances, no "new" state funding would be required until FY 1990.

The first attached table, "Cost Estimates for State Affiliation", shows an FY 1988 estimate of Washburn's "general use" revenues (the last year before entry into the state system). The projections assume five percent budget increases, but the actual increases are subject to Regents and legislative approval. The sources of revenue which would be replaced with state funds when Washburn is a state university are out-district tuition, unrestricted endowment earnings, earnings from idle funds investments, and transfers from the balances. The "replacement costs" can be absorbed in FY 1989 (the first year of state affiliation) through expenditure of \$2.5 million of the \$4 million in balances Washburn brings into the state system. In FY 1990, the remaining balances would be expended and "new" state funding would total approximately \$1.1 million. In FY 1991, the remaining \$1.4 million in replacement costs would be absorbed by the state and in future fiscal years state support would cover budgetary increases recommended by the Board of Regents and approved by the Legislature. In summary, the state would be acquiring the fourth largest public university in Kansas for approximately \$2.5 million which would be spread over fiscal years 1990 and 1991.

The second attached table, "Financial Comparisons--Regents' Universities and Washburn", shows what the addition of Washburn to the state system represents in terms of current State General Fund expenditures for the Regents' universities. For the current fiscal year (1986) the Governor has recommended total State General Fund expenditures for the six Regents' universities of over \$243 million. If Washburn were a Regents' institution today and if the state were to provide the \$2.5 in replacement revenues this fiscal year, it would increase the total recommended State General Fund expenditures for the Regents' universities by 1.04 percent and the total State General Fund expenditures for all activities of the Regents' system by 0.8 percent.

*Atch. D
U. W. M. 3/26/86*

WASHBURN UNIVERSITY
 COST ESTIMATES FOR STATE AFFILIATION
 MARCH 26, 1986

"GENERAL USE" REVENUE ANALYSIS

SOURCE	FY 1988 ESTIMATE	FY 1989 ESTIMATE	FY 1990 ESTIMATE	FY 1991 ESTIMATE	FY 1992 ESTIMATE
LOCAL TAXES	\$2,957,245	\$2,900,000	\$2,900,000	\$2,900,000	\$2,900,000
STATE AID	\$4,146,577	\$5,868,750	\$8,036,308	\$10,544,944	\$11,677,614
STATE OUT-DIST.	\$743,730	\$0	\$0	\$0	\$0
LOCAL OUT-DIST.	\$662,053	\$0	\$0	\$0	\$0
TUITION	\$9,208,448	\$9,208,448	\$9,208,448	\$9,208,448	\$9,208,448
ENDOWMENT	\$510,000	\$0	\$0	\$0	\$0
INVEST. EARN.	\$612,500	\$0	\$0	\$0	\$0
TRANS. FROM BAL.	\$728,299	\$2,570,097	\$1,429,903	\$0	\$0
SUBTOTAL	\$19,568,852	\$20,547,295	\$21,574,659	\$22,653,392	\$23,786,062
EST. EXPEN.	\$19,568,852	\$20,547,295	\$21,574,659	\$22,653,392	\$23,786,062
STATE BUD. INCR.		\$978,443	\$1,027,365	\$1,078,733	\$1,132,670
GENERAL FUND BALANCE		\$4,000,000	\$1,429,903	\$0	\$0
REDUCTIONS		\$2,570,097	\$1,429,903	\$0	\$0
NEW BALANCE		\$1,429,903	\$0	\$0	\$0
NEW STATE FUNDS		\$0	\$1,140,194	\$1,429,903	\$0
TOTAL COST TO STATE		\$978,443	\$2,167,559	\$2,508,636	\$1,132,670

ASSUMPTIONS:

- * FIVE PERCENT GROWTH IN TOTAL EXPENDITURES.
- * FIVE PERCENT GROWTH IN STATE AIDS AND OUT-DISTRICT, 1986-1988.
- * STATE ASSUMES BUDGET INCREASES IN AND AFTER 1989.
- * TUITION INCREASES IN 1987 AND 1988.
- * FOUR MILLION DOLLAR FUND BALANCE ON JUNE 30, 1988.
- * EXCLUDES RESTRICTED USE FUNDS, KTWU, ATHLETICS, AND AUXILIARY ENTERPRISES.

WASHBURN UNIVERSITY
 FINANCIAL COMPARISONS: REGENTS' UNIVERSITIES AND WASHBURN
 MARCH 26, 1986

GOVERNOR'S RECOMMENDATIONS-----FISCAL YEAR 1986

INST.	STATE GENERAL FUND	GENERAL FEES FUND	OTHER GENERAL USE	TOTAL GENERAL USE	FALL 1985 ENROLL.
FHSU	\$15,440,959	\$3,635,659	\$0	\$19,076,618	5,657
KSU	\$77,358,962	\$16,986,720	\$7,081,246	\$101,426,928	17,164
ESU	\$15,933,748	\$3,797,786	\$35,000	\$19,766,534	5,344
PSU	\$16,427,597	\$3,918,703	\$0	\$20,346,300	5,359
KU	\$81,585,106	\$27,999,312	\$35,000	\$109,619,418	24,774
WSU	\$36,489,638	\$11,459,998	\$0	\$47,949,636	16,902
SUBTOTAL	\$243,236,010	\$67,798,178	\$7,151,246	\$318,185,434	75,200
WU-BUDGET	\$4,435,653	\$7,747,119	\$5,566,754	\$17,749,526	6,830
WU-STATE	\$6,964,920	\$7,747,119	\$3,037,487	\$17,749,526	6,830
WU-CHANGE %INCR.	\$2,529,267 1.0398%	\$0	(\$2,529,267)	\$0	

NOTE: The above State General Fund recommendations do not include \$70,843,005 recommended for support of the medical center, veterinary medical center, technical institute, and other programs. When these activities are included, State General Fund support for the Regents' system totals \$314,079,015. The incremental State General Fund cost of \$2,529,267 for adding Washburn to the Regents' system represents the addition of EIGHT TENTHS OF ONE PERCENT to the total State General Fund support for the system.

Kansas Board of Regents
March 26, 1986

**STATEMENT BY DR. STANLEY Z. KOPLIK
REGARDING HOUSE BILL 3107**

The Board of Regents held a special meeting on September 5, 1985, to discuss the status of Washburn University and to take a position on the question of whether Washburn should become a state institution under the Board's jurisdiction. My remarks today reflect the position taken by the Board at that meeting.

From the Board's perspective, three potential advantages would likely result from taking Washburn into the Regents system: improved statewide coordination of programs for all public higher education in Kansas, expanded legislative and constituent influence for the Regents system, and increased availability of public television facilities for the Regents system.

At the same time, the Board recognizes that full state affiliation for Washburn University would likely result in certain disadvantages: dilution of financial support for the existing Regents institutions, further drain on the Educational Building Fund, and increased competition for students as Washburn would be legitimized as a statewide institution.

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Full discussion of the Washburn issue reveals that disadvantages of state affiliation for Washburn University are directly related to economics. The Board is concerned that the overall financial support for existing Regents institutions (which is already judged inadequate) will be further diluted, if not immediately then certainly in the near-term future, by adding Washburn University to the state system. The Board also recognizes that current economic conditions in Kansas do not favor a dramatic increase in funding for public higher education; once again in this legislative session our budget needs are going unmet.

The Board does not feel that conditions are right to recommend state affiliation for Washburn at this time. This position is not intended to reflect negatively on Washburn University; it is intended to reflect the reality that financial support for the existing Regents institutions is currently inadequate and that the present economic climate of the state is not justifiably favorable for adding another state institution. Even though House Bill 3107 would not initially place excessive demands on the State General Fund, it would establish yet another institution which increasingly will in the future lay claim to the state's limited resources.

Leaving aside the issue of whether or not Washburn should be admitted and turning our attention to House Bill 3107 itself, I would direct your attention to Section 6(e), beginning with line 146 on page 4. That section provides that individuals who are in the employment of Washburn University on July 1, 1988, shall retain and receive the same fringe benefits in their new employment that they received in their previous employment with the University, except that if any new or additional benefits are provided to other officers or employees of the state educational institutions after the turnover date, those new or additional benefits will also be provided to the persons who were formerly employed at Washburn University and taken into the overall Regents system. Since the contribution rate for retirement benefits at Washburn is higher than at our state educational institutions, this provision, as written, will perpetuate an inequity. I am advised that this was not the intent of the legislation and suggest an amendment to indicate that new or additional benefits should be provided to prior employees at the point at which state benefits catch up with those Washburn faculty and staff are already receiving. It is my intent simply to point out this problem area in the proposed legislation and indicate although the Board of Regents still remains opposed, if it is the will of the legislature to make Washburn a state university an amendment to Section 6(e) would be necessary prior to enactment of House Bill 3107.

HB 3122

INITIATIVE NO. 8:

ESTABLISH A LEGISLATIVE ECONOMIC DEVELOPMENT COMMITTEE

REDWOOD/KRIDER REC. NO.: 20

BILL NO.:

A. Statement of Need:

It is essential that the Kansas legislature's responsibility for the state's more sustained commitment to economic development be more focused. A permanent legislative structure charged with the responsibility of authoring and reviewing legislation conducive to economic development would ensure that the momentum for this commitment is long-term (permanent). Over time, members of this committee would acquire valuable experience on public policies affecting economic growth in Kansas.

B. Mission Statement:

The purpose of this bill is to support the state's commitment to economic development by establishing standing House, Senate, and Joint Committees on Economic Development. The committees are to have the responsibility for proposing legislation on economic development in the state.

C. Bill Provisions:

1. Create an 11 member senate standing committee on economic development chaired by the President of the Senate or their designee. This provision will take effect at the beginning of the 1987 Legislative session.
2. Create a 15 member house standing committee on economic development chaired by the Speaker of the House or their designee. This provision will take effect at the beginning of the 1987 Legislative session.
3. Create a 13 member joint committee on economic development composed of five senators and eight representatives, including the chair of the house and senate standing committees. This provision will take effect at the beginning of the 1987 interim.
4. The committee will be staffed by the legislative research department and the Department of Economic Development, and will be authorized to contract for consulting and research services. In FY 1988, the Committee will be assigned full time permanent legislative research staff.

D. Other States:

Based on the best state model, Oregon.

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H. 3122 3/26/86
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REDWOOD/KRIDER REC. NO.: 1, 2, 5-16, 19

BILL NO.:

A. Statement of Need

Several major economic development areas require continued, extensive analysis by task forces during the 1986 interim.

B. Mission Statement

This Legislative Commission on Kansas Economic Development will oversee the implementation of these ten initiatives as its principle priority during the interim.

In addition, four major areas of concern need special analysis during the 1986 interim: agricultural research, funding for state universities, the state's capital markets, and the state's tax structure. During the interim, this Commission will oversee task forces composed of key leaders in the private sector and other essential constituencies of the Kansas economy to evaluate each of these four policy areas, and others of special importance singled out in the final Redwood/Krider report due this spring.

The four principal task forces will cover the following key policy areas:

1. Agricultural research
 - a. Agricultural diversification and identification of new products and new technologies.
 - b. Value added agricultural processing.
 - c. State provision of technical assistance to farmers on processing technologies/enterprises and marketing alternatives.
2. Kansas business capital markets
 - a. Availability of equity capital from Kansas financial institutions and availability for Kansas businesses.
 - b. Adequacy of debt capital for Kansas businesses from Kansas financial institutions.
 - c. Availability and adequacy of state government programs to foster business capital availability for Kansas businesses.
3. Kansas' tax structure
 - a. An overall review of the tax structure for its impact on economic development.
 - b. Sales/use tax exemption on manufacturing machinery and equipment.
4. Control, supervision and financing of post secondary education.

INITIATIVE NO. 7:

ESTABLISH A KANSAS DEPARTMENT OF COMMERCE

REDWOOD/KRIDER REC. NO.:

17-18, 21-26, 28-33

BILL NO.:

HB 2951

A. Statement of Need

There has been serious concern throughout the state that Kansas could be losing its competitive edge in attracting industrial development. This creates a need for an expanded and coordinated effort to improve the economic development capabilities of the state. The Kansas Economic Development Study (interim report) has in fact revealed that chronic underfinancing and understaffing of the Kansas Department of Economic Development has made it enormously difficult for that department to implement an effective economic development effort -- one that involves not only attracting outside business but also encourages the retention and expansion of existing industry in the state and the marketing of Kansas products. A Kansas Department of Commerce should be established, and it should be funded and staffed in a manner that reflects the states strong commitment to economic development.

B. Mission Statement

The purpose of this bill is to ensure the organized, coordinated implementation of economic development policy throughout the state by restructuring the Kansas Economic Development Department into the Kansas Department of Commerce.

C. Provisions

1. HB 2951 replaces the existing Kansas Department of Economic Development with a restructured Kansas Department of Commerce.
2. The bill -- when taken together with the policy and funding recommendations of the Redwood/Krider report, and the Legislative Economic Development Commission and its consultant -- more clearly defines the mission of the department, creates new functions and substantially expands existing programs. Specifically, the bill:
 - a. Existing Industry. Expands and focuses the responsibilities of the existing small business division and increases the number of field offices from two to five.
 - b. Industrial Recruitment. Substantially increases the funding for targeted industrial recruitment and advertising, would open a new office in Europe and expand the Kansas presence in Japan.
 - c. Trade Development. Establishes a new division focused solely on interstate and international trade, including only the three international marketing positions of the state's ten agricultural marketing positions, and none of the functions of the crop boards.
 - d. Community Development. Expand the activities of the community development division in assisting Kansas communities.
 - e. Advanced Technology, Minority Business, Tourism. The bill splits the Office of Advanced Technology and Advanced Technology Commission from the department. Their duties are assumed by the Kansas

*Feb. 6
H. W. M. 3/26/86* *CG*

Technology Enterprise Corporation created in initiative number
The Office of Minority Business is moved to the Division of Encouraging
ing Industry Development. The Division of Tourism is continued in
its present form.

These changes, if funded adequately, will significantly improve the
state's role and impact on economic development.

D. Other States:

Based on fundamental changes in over a dozen other state department's of
commerce over the past decade. However, if HB2951 is passed as amended, it
will represent the highest current state of the art for state departments of
commerce in the United States.

HOUSE BILL No. 2951

By Representatives Hayden, Apt, Baker, Barr, Bideau, Braden, Bryant, Buchler, Buntin, C. Campbell, Chronister, Cloud, Crowell, Duncan, Dyck, Eckert, Flottman, Foster, Freeman, Friedeman, Goossen, Graeber, Guldner, Harper, Hassler, Hoy, Jenkins, King, Kline, Kuopp, Littlejohn, Long, R. D. Miller, Mollenkamp, Moonaw, Neufeld, Nichols, O'Neal, K. Ott, Polson, Pottorff, Roe, Roenbaugh, Sand, Shore, Sifers, Walker, Wilbert, Williams and Wunsch

2-12

0024 AN ACT concerning economic development in Kansas; estab-
0025 lishing a department of commerce therefor; prescribing the
0026 powers and duties of such department; amending K.S.A. 74-
0027 5002a, 74-5002b, 74-5002c, 74-5002d, 74-5002e, 74-5005, 74-
0028 5008a, 74-5008b, 74-5008c, 74-5009, 74-5010a, 74-5032, 74-
0029 5034, 74-5035 and 74-5045 and repealing the existing sections.

0030 Be it enacted by the Legislature of the State of Kansas:

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H. W. M. 3/26/86

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 of benefit 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;

(5) institutionalize ongoing means of collaboration between the executive and legislative branches and the business, agricultural and financial sectors, 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;

(6) target the scarce resources of the executive branch of the state government to address these needs.

Sec. 2. Mission statement. (a) The purpose of the department of commerce shall be to develop and implement strategies 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;

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

(6) forge a supportive partnership with the legislative standing and joint committees on economic development, Kansas, Inc., the Kansas technology enterprise corporation, Kansas venture capital, Inc., Kansas certified development companies, Kansas small business development centers, Kansas public and private universities and colleges, and other appropriate private and public sector organizations in achieving the economic goals of the state.

0031 ~~Section 4~~ K.S.A. 74-5002a is hereby amended to read as
 0032 follows: 74-5002a. (a) There is hereby created a department of
 0033 economic development *commerce*, the head of which shall be
 0034 the secretary of economic development *commerce*. The governor
 0035 shall appoint the secretary of economic development *commerce*,
 0036 subject to confirmation by the senate as provided in K.S.A.
 0037 75-4315b, and amendments thereto, and the secretary shall serve
 0038 at the pleasure of the governor. The department of economic
 0039 development *commerce* shall be administered under the direc-
 0040 tion and supervision of the secretary of economic development
 0041 *commerce*. The secretary of economic development *commerce*
 0042 shall receive an annual salary fixed by the governor. The offices
 0043 of the department of economic development *commerce* shall be
 0044 located in Topeka.

0045 ~~(b) The provisions of the Kansas sunset law apply to the~~
 0046 ~~office of secretary of economic development commerce and the~~

Sec. 3. Department of commerce.

that is recognized as nationally competitive with the salaries of his or her peers in the economic development field. The secretary shall employ a deputy secretary, division directors and such professional staff and other employees as may be deemed necessary to effectively carry out this act. The salaries of the staff shall meet a standard of competitiveness with other professional positions of comparable responsibility in the state in the economic development field

0017 ~~department of economic development *commerce* created by this~~
0018 ~~section, and the office and department are subject to abolition~~
0019 ~~under that law.~~

0050 Sec. ~~4~~ K.S.A. 74-5002b is hereby amended to read as fol-
0051 lows: 74-5002b. All the powers, duties and functions of the state
0052 department of economic development created by K.S.A. 74-5003,
0053 the Kansas economic development commission created by K.S.A.
0054 1974 Supp. 74-5006 74-5002a and the director *secretary* of the
0055 department of economic development created by K.S.A. 74-5004
0056 74-5002a are hereby transferred to and conferred and imposed,
0057 respectively, upon the department of economic development
0058 *commerce* and the secretary of economic development *com-*
0059 *merce* created by this order act, except as is hereinafter other-
0060 wise provided.

0061 Sec. ~~5~~ K.S.A. 74-5002c is hereby amended to read as fol-
0062 lows: 74-5002c. The department of economic development *com-*
0063 *merce* and the secretary of economic development *commerce*
0064 created by this order act shall be the successors in every way,
0065 respectively, to the powers, duties and functions of the state
0066 department of economic development; the Kansas economic
0067 development commission and director and *secretary* of the de-
0068 partment of economic development abolished by this order and
0069 in which the same were vested prior to the effective date of this
0070 order act, except as hereinafter otherwise provided. Every act
0071 performed in the exercise of such powers, duties and functions
0072 by or under the authority of the department of economic devel-
0073 opment *commerce* or secretary of economic development *com-*
0074 *merce* created by this order act, respectively, shall be deemed to
0075 have the same force and effect as if performed by the state
0076 department of economic development; the Kansas economic
0077 development commission and director and *secretary* of the de-
0078 partment of economic development abolished by this order and
0079 in which such functions were vested prior to the effective date of
0080 this order act. The department of economic development and
0081 secretary of economic development *commerce* created by this
0082 order act shall be continuations of the state department of eco-
0083 nomie development created by K.S.A. 74-5003; the Kansas eeo-

Transfer of powers and duties.

Transfer of powers and duties.

0084 nomic development commission created by K.S.A. 1974 Supp.
0085 74-5006 74-5002a and the director secretary of the department of
0086 economic development created by K.S.A. 74-5004 74-5002a.

0087 Sec. 6. K.S.A. 74-5002d is hereby amended to read as fol-
0088 lows: 74-5002d. ~~All rules and regulations and all orders and~~
0089 ~~directives of the Kansas economic development commission and~~
0090 ~~the director of the department secretary of economic develop-~~
0091 ~~ment abolished by this order~~ which are in existence on the
0092 effective date of this order act, shall continue to be effective and
0093 shall be deemed to be the duly adopted rules and regulations or
0094 orders and directives of the secretary of economic development
0095 commerce created by this order act, until revised, amended,
0096 revoked or nullified according to law.

Transfer of powers and duties.

0097 Sec. 7. K.S.A. 74-5002e is hereby amended to read as fol-
0098 lows: 74-5002e. (a) Whenever the state department of economic
0099 development, or words of like effect, is referred to or designated
0100 by a statute, contract or other document, such reference or
0101 designation shall be deemed to apply to the department of
0102 economic development commerce created by this order act.

Departmental name change.

0103 (b) Whenever the Kansas economic development commis-
0104 sion or, the director of the department of economic development
0105 or secretary of economic development, or words of like effect,
0106 are referred to or designated by a statute, contract or other
0107 document, such reference or designation shall be deemed to
0108 apply to the secretary of economic development commerce
0109 created by this order act.

Departmental powers and duties.

lead

, trade and tourism

to develop

state government

long term

strategy

coordinate the strategy

and local agencies and offices

0110 Sec. 8. K.S.A. 74-5005 is hereby amended to read as follows:
0111 74-5005. The department shall be the official agency of the state
0112 for the economic development of the state through the promotion
0113 of business, commerce and industry within the state. In general,
0114 but not by way of limitation, the department shall have, exercise
0115 and perform the following powers and duties:

0116 (a) To assume central responsibility and coordinate within
0117 the department all facets of a comprehensive economic devel-
0118 opment program;

0119 (b) to create and carry out a coordinated plan with all other
0120 state departments and agencies and state universities which do

0121 research work, develop materials and programs, gather statistics,
0122 or which perform functions related to economic development;
0123 and such state departments and agencies shall advise and coop-
0124 erate with the department in the planning and accomplishment
0125 of the objectives of this act;

0126 (c) to advise and cooperate with all federal departments,
0127 research institutions, educational institutions and agencies,
0128 quasi-public professional societies, private business and agri-
0129 cultural organizations and associations, and any other party,
0130 public or private, and to call upon such parties for consultation,
0131 and assistance in their respective fields of interest, to the end
0132 that all up to date available technical advice, information and
0133 assistance be gathered for the use of the department, the gover-
0134 nor, the legislature, and the people of this state;

0135 (d) to enter into agreements necessary to carry out the objec-
0136 tives of this act;

0137 (e) to conduct an effective business information service,
0138 keeping up to date information on such things as manufacturing
0139 industries, labor supply and economic trends in employment,
0140 income, savings and purchasing power within the state, utilizing
0141 the services and information available from the division of the
0142 budget of the department of administration;

0143 (f) to support a coordinated program of scientific and indus-
0144 trial research with the objective of developing additional uses of
0145 the state's natural resources, agriculture, agricultural products,
0146 new and better industrial products and processes, and the best
0147 possible utilization of the raw materials in the state; and to
0148 coordinate this responsibility with the universities and colleges
0149 in the state, with all state and federal agencies, and all public and
0150 private institutions within or without the state, all in an effort to
0151 assist and encourage new industries or expansion of existing
0152 industries through basic research, applied research and new
0153 development;

0154 (g) to maintain and keep current all available information
0155 regarding the industrial opportunities and possibilities of the
0156 state, including raw materials and by-products; power and water
0157 resources; transportation facilities; available markets and the

and local agencies and offices

0158 marketing limitations of the state; labor supply; banking and
0159 financing facilities; availability of industrial sites; and the ad-
0160 vantages the state and its particular sections have as industrial
0161 locations; and such information shall be used for the encourage-
0162 ment of new industries in the state and the expansion of existing
0163 industries within the state;

0164 (h) to publicize information and the economic advantages of
0165 the state which make it a desirable place for commercial and
0166 industrial operations and as a good place in which to live;

0167 (i) to acquaint the people of this state with the industries
0168 within the state and encourage closer cooperation between the
0169 farming, commercial and industrial enterprises and the people of
0170 the state;

0171 (j) to encourage and promote the traveling public to visit this
0172 state by publicizing information as to the recreational, historic
0173 and natural advantages of the state and its facilities for transient
0174 travel and to contract with organizations for the purpose of
0175 promoting tourism within the state; and the department may
0176 request other state agencies such as, but not limited to, the state
0177 water resources board, the state park and resources authority, the
0178 Kansas fish and game commission and the department of trans-
0179 portation, for assistance and all such agencies shall coordinate
0180 information and their respective efforts with the department to
0181 most efficiently and economically carry out the purpose and
0182 intent of this subsection;

0183 (k) to participate in economic development and planning
0184 assistance programs of the federal government to political sub-
0185 divisions;

0186 (l) to assist counties and cities in industrial development
0187 through the establishment of industrial development corpora-
0188 tions, including site surveys, small business administration
0189 problems situations, and render such other similar assistance as
0190 may be required; and in those instances where it is deemed
0191 appropriate, to contract with and make a service charge to the
0192 county or city involved for such services rendered;

0193 (m) to render assistance to private enterprise on planning
0194 problems and site surveys upon request and shall make a rea-

0195 sonable service charge for such services rendered; and any
0196 moneys received for services rendered, as provided in this sub-
0197 section, shall be deposited in the fund and expended therefrom,
0198 as provided in subsection (n);

0199 (n) to make agreements with other states and with the United
0200 States government, or its agencies, and to accept funds from the
0201 federal government, or its agencies, or any other source for
0202 research studies, investigation, planning and other purposes
0203 related to the duties of the department; and any funds so re-
0204 ceived shall be deposited in the state treasury and shall be
0205 credited to a special revenue fund which is hereby created and
0206 shall be known as the "economic development fund" or used in
0207 accordance with or direction of the contributing federal agen-
0208 cies; and expenditures from said fund may be made for any
0209 purpose in keeping with the responsibilities, functions and au-
0210 thority of the department; and warrants on said fund shall be
0211 drawn in the same manner as required of other state agencies
0212 upon vouchers signed by the secretary;

~~0213 (o) to prepare and publish an annual report of its activities
0214 and expenditures for the information of the governor and the
0215 public, and shall, from time to time submit recommendations to
0216 the governor and to the Kansas economic development commis-
0217 sion concerning legislation found to be necessary or desirable in
0218 effecting the purposes of this act;~~

(o)

0219 (p) to do other and further acts as shall be necessary and
0220 proper in fostering and promoting the industrial development
0221 and economic welfare of the state;

(p)

0222 (q) to organize, or cause to be organized, an advisory board or
0223 boards representing interested groups, including industry, labor,
0224 agriculture, scientific research, the press, the professions, in-
0225 dustrial associations, civic groups, etc.; and such board or boards
0226 shall advise with the department as to its work and the depart-
0227 ment shall, as far as practicable, cooperate with such board or
0228 boards, and secure the active aid thereof in the accomplishment
0229 of the aims and objectives of the department; ~~and~~

(q) to administer the venture capital tax credit act; and

0230 (r) to serve as the central agency and clearing house to collect
0231 and disseminate ideas and information bearing on local planning

0232 problems; and, in so doing, the department may, upon request of
0233 the board of county commissioners of any county or the govern-
0234 ing body of any city in the state, make a study and report upon
0235 any planning problem of such county or city submitted to it.

0236 Sec. ~~9~~ K.S.A. 74-5008a is hereby amended to read as fol-
0237 lows: 74-5008a/There is hereby established within and as a part
0238 of the department of economic development ~~commerce~~ a divi-
0239 sion of industrial development ~~business recruitment~~, the head of
0240 which shall be the director of industrial development ~~business~~
0241 ~~recruitment~~. Under the supervision of the secretary of economic
0242 development ~~commerce~~, the director of industrial development
0243 ~~business recruitment~~ shall administer the division of industrial
0244 development ~~business recruitment~~. The secretary of economic
0245 development ~~commerce~~ shall appoint the director of industrial
0246 development ~~business recruitment~~ and such director shall serve
0247 at the pleasure of the secretary of economic development. The
0248 director of industrial development ~~business recruitment~~ shall be
0249 in the unclassified service under the Kansas civil service act and
0250 shall receive an annual salary fixed by the secretary of economic
0251 development ~~commerce~~ and approved by the governor.

0252 New Sec. ~~10~~ The division of ~~business recruitment~~ is hereby
0253 authorized and empowered to:

0254 (a) Foster a climate of agricultural and industrial develop-
0255 ment by providing incentives to businesses and industries lo-
0256 cated principally outside the state to expand, locate or relocate
0257 within the state;

0258 (b) to engage in recruitment of such businesses and indus-
0259 tries by identifying, contacting and informing them of the ben-
0260 efits of expanding, locating or relocating in Kansas;

0261 (c) maintain and keep current all available information re-
0262 garding the industrial opportunities and possibilities of the state,
0263 including raw materials and by-products; power and water re-
0264 sources; transportation facilities; available markets and the mar-
0265 keting limitations of the state; labor supply; banking and financ-
0266 ing facilities; availability of industrial sites; and the advantages
0267 the state and its particular sections have as industrial locations;
0268 and such information shall be used for the encouragement of

Division of industrial development.

industrial development

Division responsibilities. The mission of the division of industrial development shall be to attract new business and industry from outside the state, thereby creating quality jobs, attracting new capital investment, and expanding and diversifying the state's economic tax base. In defining this mission, the department and state government shall recognize that the future of the Kansas economy depends largely on the creation of diversified, value added, primary economic activity that imports new quality jobs, income and wealth into the state.

industrial development

0269 new industries in the state and the expansion of existing indus-
0270 tries within the state;

0271 (d) to assist counties and cities in industrial development
0272 through the establishment of industrial development corpora-
0273 tions, including site surveys, small business administration
0274 problems, and render such other similar assistance as may be
0275 required; and in those instances where it is deemed appropriate,
0276 to contract with and make a service charge to the county or city
0277 involved for such services rendered; and

0278 (e) to acquaint the people of this state with the industries
0279 within the state and encourage closer cooperation between the
0280 farming, commercial and industrial enterprises and the people of
0281 the state.

// 0282 Sec. ~~8~~ K.S.A. 74-5008b is hereby amended to read as fol-
0283 lows: 74-5008b. (a) ~~On July 1, 1983 the effective date of this act,~~
0284 ~~the division of research and publications industrial development~~
0285 ~~and the office of the director of research and publications indus-~~
0286 ~~trial development of the department of economic development~~
0287 ~~shall be and are hereby abolished.~~

0288 ~~(b)~~ Except as otherwise provided in this act, all of the powers
0289 and duties of the department of economic development which
0290 were being exercised and performed immediately prior to the
0291 effective date of this act by the division and director of research
0292 and publications industrial development are hereby expressly
0293 retained as powers and duties of the department of economic
0294 development commerce. The secretary of economic develop-
0295 ment commerce may delegate and assign such powers and duties
0296 to the division of business recruitment or any other division or
0297 divisions within the department of economic development com-
0298 merce.

industrial development

(b)

0299 ~~(c)~~ Officers and employees who, immediately prior to the
0300 effective date of this act, were engaged in the exercise and
0301 performance of the powers and duties specified in subsection
0302 (b), and who, in the opinion of the secretary of economic devel-
0303 opment commerce, are necessary to the continued exercise and
0304 performance of such powers and duties shall be retained as
0305 officers and employees of the department of economic develop-

0306 ment *commerce*. Any abolition of personnel positions in the
 0307 classified service under the Kansas civil service act shall be in
 0308 accordance with civil service laws and rules and regulations
 0309 adopted thereunder.

0310 Sec. ~~12~~ K.S.A. 74-5008c is hereby amended to read as fol-
 0311 lows: 74-5008c./There is hereby established within and as a part
 0312 of the department of *economie development commerce* a divi-
 0313 sion of community development, the head of which shall be the
 0314 director of community development./Under the supervision of
 0315 the secretary of *economie development commerce*, the director
 0316 of community development shall administer the division of
 0317 community development. The secretary of *economie develop-*
 0318 *ment commerce* shall appoint the director of community devel-
 0319 opment and such director shall serve at the pleasure of the
 0320 secretary of *economie development*. The director of community
 0321 development shall be in the unclassified service under the
 0322 Kansas civil service act and shall receive an annual salary fixed
 0323 by the secretary of *economie development commerce* and ap-
 0324 proved by the governor.

0325 Sec. ~~13~~ K.S.A. 74-5009 is hereby amended to read as fol-
 0326 lows: 74-5009./The division of community development is
 0327 hereby authorized and empowered to:

0328 (a) Contract with federal, state or other public agencies and
 0329 with qualified private persons or agencies and exercise such
 0330 other powers as may be necessary to accomplish the purposes of
 0331 this act;

0332 (b) advise, confer, cooperate with and assist local govern-
 0333 ments, planning commissions, agencies, officials, civic and other
 0334 groups and citizens in matters relating to the purposes of the
 0335 department and to encourage the development of comprehen-
 0336 sive community planning programs;

0337 (c) apply for, receive, administer, and utilize any grants or
 0338 other financial assistance that the federal government, under
 0339 section 701 of the federal housing act of 1954, and amendments
 0340 thereto, and other public or private sources make available for
 0341 the purposes of the department; and

0342 (d) receive funds from any county, city or official metropoli-

Division of community development.

The mission of the division of community development shall be to collaborate in partnership with local Kansas communities to provide grants, loans and technical assistance to these communities to stimulate and support economic development activity. In defining this mission, the department and state government shall recognize that business enterprises make decisions to undertake, expand and locate new business activity within a state and its local communities through an assessment of the combined impact of state and local tax, expenditure and regulatory policies on that firm's prospects for growth and profitability.

Division responsibilities.

0343 tan or regional planning agency established under the provisions
0344 of K.S.A. 12-716 to 12-724, inclusive, and amendments thereto,
0345 receiving financial assistance for local community planning
0346 work.

0347 Sec. ~~14~~ K.S.A. 74-5045 is hereby amended to read as fol-
0348 lows: 74-5045 There is hereby established within and as a part
0349 of the department of economic development ~~commerce~~ a divi-
0350 sion of ~~small business, technology and resource~~ development,
0351 the head of which shall be the director of ~~small business, tech-~~
0352 ~~nology and resource~~ development. Under the supervision of the
0353 secretary of ~~economic development commerce~~, the director of
0354 ~~small business, technology and resource~~ development shall ad-
0355 minister the division of ~~small business, technology and resource~~
0356 development. The secretary of ~~economic development com-~~
0357 ~~merce~~ shall appoint the director of ~~small business, technology~~
0358 ~~and resource~~ development and such director shall serve at the
0359 pleasure of the secretary of ~~economic development~~. The director
0360 of ~~small business, technology and resource~~ development shall be
0361 in the unclassified service under the Kansas civil service act and
0362 shall receive an annual salary fixed by the secretary of ~~economic~~
0363 ~~development and commerce~~ and approved by the governor.

0364 New Sec. ~~15~~ The division of ~~small business, technology and~~
0365 ~~resource~~ development is hereby authorized and empowered to:
0366 ~~(a) Promote research in advanced technology and to assist in~~
0367 ~~the transfer of technology to small businesses where and when it~~
0368 ~~is beneficial to economic growth in Kansas;~~
0369 ~~(b) assist small business by providing assistance in inter-~~
0370 ~~preting and applying the laws and administrative rules and~~
0371 ~~regulations of the state applying to such businesses;~~
0372 ~~(c) foster the use of the natural resources in Kansas in such~~
0373 ~~fashion as to assist in the economic growth of Kansas;~~
0374 (d) support a coordinated program of scientific and industrial
0375 research with the objective of developing additional uses of the
0376 state's natural resources, agriculture, agricultural products, new
0377 and better industrial products and processes, and the best possi-
0378 ble utilization of the raw materials in the state; and to coordinate
0379 this responsibility with the universities and colleges in the state,

Division of existing industry development.

existing industry

Division responsibilities. The mission of the division of existing industry development shall be to promote and encourage the growth and diversification of the economy, innovation, and retention of business and industry in Kansas. In defining this mission, the department and the state recognizes that the existing industry base of the state provides the best prospect for the growth and diversification of the economy and new job and wealth creation. The division of existing industry

- (a) Provide programs that facilitate the development of existing industries and startup industries;
- (b) facilitate the availability of capital for business growth and quality job creation;
- (c) foster the development of a coordinated statewide network of business assistance programs;
- (d) encourage the development of minority and women-owned businesses;
- (e) pursue initiatives that expand the market for Kansas products and services.

(f)

0380 ~~with all state and federal agencies, and all public and private~~
 0381 ~~institutions within or without the state, all in an effort to assist~~
 0382 ~~and encourage new industries or expansion of existing industries~~
 0383 ~~through basic research, applied research and new development;~~
 0384 ~~and~~
 0385 ~~(c) render assistance to private enterprise on planning prob-~~
 0386 ~~lems and site surveys upon request.~~

0387 Sec. ~~16~~ K.S.A. 74-5010a is hereby amended to read as fol-
 0388 lows: 74-5010a/There is hereby established within and as a part
 0389 of the department of economic development ~~division of small-~~
 0390 ~~business, technology and resource/development~~ the office of
 0391 minority business, the head of which shall be the ~~assistant~~
 0392 ~~director of the office of for minority business affairs.~~ Under the
 0393 supervision of the secretary of economic development ~~director~~
 0394 ~~of small business, technology and resource/development,~~ the
 0395 ~~assistant director of the office of for minority business affairs~~
 0396 shall administer the office of minority business. ~~The secretary of~~
 0397 ~~economic development-commerce shall appoint the assistant-~~
 0398 ~~director of the office of for minority business affairs and such~~
 0399 ~~assistant director shall serve at the pleasure of the secretary of~~
 0400 economic development. The ~~assistant director of the office of for~~
 0401 ~~minority business affairs shall be in the unclassified service~~
 0402 ~~under the Kansas civil service act and shall receive an annual~~
 0403 ~~salary fixed by the secretary of economic development com-~~
 0404 ~~merce and approved by the governor.~~

0405 New Sec. 15. There is hereby established within and as a
 0406 part of the division of small business, technology and resource
 0407 development the office of advanced technology, the head of
 0408 which shall be the assistant director for advanced technology.
 0409 Under the supervision of the secretary of commerce, the assistant
 0410 director for advanced technology shall administer the office of
 0411 advanced technology. The secretary of commerce shall appoint
 0412 the assistant director for advanced technology and such director
 0413 shall serve at the pleasure of the secretary. The assistant director
 0414 for advanced technology shall be in the unclassified service
 0415 under the Kansas civil service act and shall receive an annual
 0416 ~~salary fixed by the secretary of commerce and approved by the~~

(g) make performance grants available to certified development companies and small business development centers as key constituent elements of a "statewide risk capital system" subject to legislative appropriations. Such grants shall be made to provide secure base levels of funding and incentives for providing financial and technical assistance through the statewide risk capital system to primary, job creating enterprises. The method of distribution of the grants shall be developed by the division in consultation with the certified development companies and small business development centers and reviewed and approved by the legislative commission on Kansas economic development in FY 1987, and by Kansas, Inc. in all subsequent years. Prior to establishing the method of distribution, the division in consultation with the certified development companies and small business development centers shall perform a survey and analysis of the effectiveness of existing methods of distribution for funding in other states. The method of distribution shall include provision for the establishment of performance standards and performance review prior to initial funding and for all subsequent refunding. The method of distribution shall also provide a formula for base levels of funding which considers all current levels of federal, state and other existing funding, and which recognizes different needs based upon differences in client populations and areas served. The method of distribution proposed shall give priority to the use of state funds for incentive funding where possible, and shall specifically encourage co-location of services essential to an effective and efficient statewide risk capital system.

Minority business affairs.

existing industry

0417 ~~governor.~~

0418 Sec. 16. K.S.A. 74-5034 is hereby amended to read as fol-
0419 lows: 74-5034. (a) There is hereby created within the department
0420 of economic development *office of advanced technology* a Kan-
0421 sas advanced technology commission, referred to in this act as
0422 the "commission." The commission shall promote, develop and
0423 coordinate education, research and economic development pro-
0424 grams in fields of advanced technology.

0425 (b) The commission shall seek to improve the quality and the
0426 quantity of graduates from Kansas institutions of higher educa-
0427 tion in fields of advanced technology, to further the research
0428 capabilities of Kansas institutions of higher education, to provide
0429 incentives to attract and retain superior faculty members at such
0430 institutions and to enhance the economic health of the state of
0431 Kansas through encouraging investment by both governmental
0432 and private sources in research and educational programs which
0433 promote advanced technology education and research develop-
0434 ment.

0435 (c) The commission shall place priority on those programs
0436 and projects that will enhance employment opportunities and
0437 stimulate high technology economic development in the areas of
0438 agricultural and industrial processes, biochemistry and related
0439 biotechnical processes, computers, engineering, natural re-
0440 sources, plastics and telecommunications.

0441 (d) The commission shall exercise its powers and perform its
0442 duties and functions specified in this act, within and as a part of
0443 the department of economic development *office of advanced*
0444 *technology*. All budgeting, purchasing and related management
0445 functions of the commission shall be administered under the
0446 direction and supervision of the secretary of economic develop-
0447 ment *commerce*.

0448 Sec. 17. K.S.A. 74-5035 is hereby amended to read as fol-
0449 lows: 74-5035. (a) The commission shall consist of 13 commis-
0450 sioners. The speaker of the house of representatives, minority
0451 leader of the house of representatives, president of the senate,
0452 minority leader of the senate, president of Kansas state univer-
0453 sity, president of Wichita state university, chancellor of the

0454 university of Kansas and president of Pittsburg state university
 0455 shall each appoint one commissioner, who shall serve at the
 0456 discretion of the appointing authority. Five commissioners shall
 0457 be appointed by the governor. These five commissioners shall
 0458 represent advanced technology industries and associated busi-
 0459 nesses and at least one of the five commissioners shall be a
 0460 representative of a small business enterprise.

0461 (b) The term of each commissioner appointed by the gover-
 0462 nor shall be for four years, except that, of such commissioners
 0463 first appointed, two commissioners shall be appointed for terms
 0464 of two years and three commissioners shall be appointed for
 0465 terms of four years. A member appointed or designated to fill a
 0466 vacancy arising other than by expiration of such member's term
 0467 shall be appointed for the unexpired term of the commissioner
 0468 such member is to succeed. A commissioner shall be eligible for
 0469 reappointment.

0470 (c) Commissioners shall receive amounts provided in sub-
 0471 section (e) of K.S.A. 75-3223.

0472 (d) ~~The commission shall elect a chairperson and vice-chair-~~
 0473 ~~person from its members. The governor shall appoint the chair-~~
 0474 ~~person and vice chairperson of the commission.~~ The secretary of
 0475 ~~economic development commerce~~ or the secretary's designee
 0476 shall serve as secretary for the commission. The commission
 0477 shall adopt such rules and regulations governing its procedure
 0478 and research matching grant procedures as it may consider
 0479 necessary or advisable and shall keep a record of its proceedings,
 0480 which record shall be open to inspection by the public at all
 0481 ~~reasonable times.~~

0482 Sec. ~~17~~ K.S.A. 74-5032 is hereby amended to read as fol-
 0483 lows: 74-5032. ~~There is hereby established within and as a part~~
 0484 ~~of the department of economic development commerce a divi-~~
 0485 ~~sion of travel, tourism and film services, the head of which shall~~
 0486 ~~be the director of travel, tourism and film services.~~ Under the
 0487 supervision of the secretary of economic development com-
 0488 merce, the director of travel, ~~tourism and film services~~ shall
 0489 administer the division of travel, ~~tourism and film services~~. The
 0490 secretary of economic development commerce shall appoint the

Division of travel and tourism development.

and tourism development

and tourism development.

The mission of the division of travel and tourism shall be to increase the number of visitors to Kansas by promoting the state as a travel and learning opportunity to both Kansans and non-Kansans alike.

and tourism development

0491 director of travel, ~~tourism and film services~~ and such director
 0492 shall serve at the pleasure of the secretary of economic develop-
 0493 ment. The director of travel, ~~tourism and film services~~ shall be in
 0494 the unclassified service under the Kansas civil service act and
 0495 shall receive an annual salary fixed by the secretary of economic
 0496 development *commerce* and approved by the governor.

and tourism development

0497 New Sec. ~~18~~. ~~The division of travel, tourism and film ser-~~
 0498 ~~vices~~ is hereby authorized and empowered to:

Division responsibilities. The division of travel and tourism development

0499 (a) Encourage and promote the traveling public to visit this
 0500 state by publicizing information as to the recreational, historic
 0501 and natural advantages of the state and its facilities for transient
 0502 travel and to contract with organizations for the purpose of
 0503 promoting tourism within the state; and

office

Division of trade development.

0504 (b) request other state agencies such as, but not limited to,
 0505 the state water ~~resources board~~, the state park and resources
 0506 authority, the Kansas fish and game commission and the depart-
 0507 ment of transportation, for assistance and all such agencies shall
 0508 coordinate information and their respective efforts with the de-
 0509 partment to most efficiently and economically carry out the
 0510 purpose and intent of this subsection.

trade development

trade development. The mission of the division of trade development shall be to increase sales of Kansas agricultural and manufactured products, processes and services worldwide, especially innovative value added goods and services which diversify the Kansas economy, thereby creating quality jobs, bringing new dollars, income and wealth into the state, and enhancing the growth, diversification and expansion of the state's economic base. In defining this mission, the department and state government shall recognize that new quality jobs, income and wealth within the state are primarily created by the export of broadly diversified, innovative, value-added goods and services outside the state to the nation and world, and that Kansas must be seen as speaking with one voice in international markets.

0511 New Sec. ~~19~~. There is hereby established within and as a
 0512 part of the department of commerce a division of ~~foreign mar-~~
 0513 ~~keting~~, the head of which shall be the director of ~~foreign mar-~~
 0514 ~~keting~~. Under the supervision of the secretary of commerce, the
 0515 director of ~~foreign marketing~~ shall administer such division. The
 0516 secretary of commerce shall appoint the director of ~~foreign mar-~~
 0517 ~~keting~~ and such director shall serve at the pleasure of the
 0518 secretary. The director of ~~foreign marketing~~ shall be in the
 0519 unclassified service under the Kansas civil service act and shall
 0520 receive an annual salary fixed by the secretary of commerce and
 0521 approved by the governor.

trade development

0522 New Sec. ~~20~~. ~~The division of foreign marketing~~ is hereby
 0523 authorized and empowered to:

Division responsibilities. The division of trade development

0524 (a) ~~Promote investment in Kansas by industries located prin-~~
 0525 ~~cipally outside the United States;~~

state and the

0526 (b) ~~promote the export of Kansas products, agricultural, sci-~~
 0527 ~~entific and industrial outside of the United States;~~

- 0528 (d) develop and conduct trade development and market re-
 0529 search missions to foreign markets and host foreign buying teams
 0530 visiting Kansas;
 0531 (e) prepare and distribute an export directory and other spe-
 0532 cialized product information to foreign buyers;
 0533 (d) identify and develop foreign trade leads; and
 0534 (e) coordinate with and disseminate information regarding
 0535 the international grains program and international trade institute
 0536 conducted at Kansas state university.

Sec. 21. Accountability. (a) The provisions of the Kansas sunset law apply to the department of commerce. In order to insure that the department is effectively carrying out its mission and meeting the needs articulated in this act. The department shall cooperate with standing and joint legislative committees on economic development and Kansas, Inc. in the performance of an independent performance review of the activities of the department and the departmental divisions. The review shall include, but not be limited to: (1) An assessment of the impacts of the department's programs corresponding to the strategic plans of the department and the departmental divisions; (2) a comparative assessment of the relative impact of the department's programs with similar programs in other states; and (3) a comparative assessment of the targeting of the department's programs by size and sector of economic activity, and by location in different areas of the state. The review shall be completed or updated at least once every three years.

(b) The department shall prepare and publish an annual report written in easily understandable language of its activities and expenditures for the information of the governor, the standing and joint legislative committees on economic development, Kansas, Inc. and the public, and shall, from time to time, submit recommendations to the governor concerning legislation found to be necessary or desirable in effecting the purposes of this act. The annual report shall specifically account for the ways in which the need and missions of the department and its divisions as described in this act have been carried out, and the recommendations shall specifically note what changes in the activities of the department and its divisions, and of state government are necessary to better address the need and missions described in this act.

Sec. 22. Transfer of the office of advanced technology and the advanced technology commission. (a) The office of advanced technology shall be transferred and recreated as the Kansas technology enterprise corporation on January 1, 1987, upon completion of the following tasks and in accordance with the following schedule:

(1) The governor and the state board of regents shall complete the appointment of board members by July 1, 1986. In making appointments to the board of the Kansas technology enterprise corporation, the governor and the board of regents shall take into consideration the qualifications of the present board of the advanced technology commission.

(2) The board shall conduct a national search and select a corporation president by November 1, 1986, who meets a national standard of experience, ability and initiative for similar positions.

(3) At the direction of the board, the president shall prepare or have prepared a business plan for the corporation by a reasonable date as close to December 31, 1986, as possible, consistent with the date on which the president is actually selected.

(4) Upon approval of the business plan by the corporation board, the plan shall be submitted to the standing and joint legislative economic development committees for approval.

(b) The advanced technology commission shall be abolished on January 1, 1987.

0537 Sec. ²³22. K.S.A. 74-5002a, 74-5002b, 74-5002c, 74-5002d, 74-
0538 5002e, 74-5005, 74-5008a, 74-5008b, 74-5008c, 74-5009, 74-
0539 5010a, 74-5032, ~~74-5034, 74-5035~~ and 74-5045 are hereby re-
0540 pealed.

0541 Sec. ²⁴23. This act shall take effect and be in force from and
0542 after/its publication in the statute book.

January 1, 1987, and

TESTIMONY

to

HOUSE WAYS AND MEANS COMMITTEE

on

HOUSE BILL 2951

by

HARLAND E. PRIDDLE
SECRETARY
KANSAS STATE BOARD OF AGRICULTURE

26 March 1986

*Atch. I
H. W. M. 3/24/86*

Mr. Chairman and Members of the Committee, the Board of Agriculture concurs in the need to place emphasis in the area of international trade and investment. States must be involved for the public benefit of the businesses and industries throughout the state. Agriculture is no exception. Our international division has been extremely active over the past three years and especially during the last 12 months. It is not unusual for us to have three foreign buying teams in our state during any particular month. During the past 30 days, we have had representatives from the Korean Corn Processors industry as well as Lee Tah Farms of Taiwan. We must remain active to compete with other states and other competitors throughout the world. Our trips to China have been particularly beneficial to companies in Kansas with \$3.2 million in sales during the last visit to Henan Province in May of 1985. We currently have 13 companies recruited and committed to participate in our next trade mission to China which includes two provinces as well as having 10 companies represented in the Shanghai Agricultural Exposition. Kansas has been designated as the state who will open the event.

With our high level of activity in international trade, we wholeheartedly agree with establishing an international trade division within the new Department of Commerce. Other states have moved in this direction and I think Kansas should do the same. We would suggest, however, that you give serious consideration to retaining agricultural international activities within the Board of Agriculture for the following reasons:

Agricultural trade is not consolidated at the national level in Department of Commerce and we believe it should be retained separate at the state level. The United States Department of Agriculture with its Foreign Agricultural Service has a direct link into every embassy of the United States throughout the world. This dedicated agricultural channel is maintained with states. With the establishment of agricultural international trade within a Department of Commerce at the state level, this communication line will be severed and will be ineffective. At the present time, we work closely with agricultural attaches and agricultural counselors on a personal basis throughout the world. To place people within a Department of Commerce at the state level would lose the identity of the state's largest industry and would not be understood by customers throughout the world. Customers

desiring support in the purchase of agricultural products work directly and logically with agricultural staff functions. A buyer of agricultural products, such as swine or wheat, would assume their principal contact would be a Secretary of Agriculture and not a Secretary of Commerce. We believe the realignment to a new Department of Commerce would deteriorate customer service as well as delivery of information to the producer of commodities and agricultural supplies. For these reasons, we believe the international agricultural trade activities now within the Board of Agriculture should be retained and not transferred to the new Department of Commerce.

As a practical consideration, I suggest the committee consider the phasing of the establishment of the new Department of Commerce. In this particular case, the new agency would be established with a life of only six months before an administration change. While the establishment of a new Department of Commerce appears to be the feasible and practical approach, the transition, phasing, and implementation is considered to be a critical step. If the committee desires to continue with realignment of international trade activities from the Kansas State Board of Agriculture to the new Department of Commerce, we strongly suggest you delay the implementation until the new international trade division of the Department of Commerce is established and functioning. This phasing will allow a much more orderly transition and transfer. These comments are not meant to endorse the transfer but only to make an alternative suggestion in the event the committee desires to continue with their actions for including all international trade under a single management head.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 2951

On page 15, preceding line 537, by inserting the following material to read as follows:

"New Sec. 22. (a) There is hereby created the state fair board. The board shall consist of 13 members, of which one member shall be the secretary of the state board of agriculture or the secretary's designee, one member shall be the secretary of commerce or the secretary's designee and 11 members shall be appointed by the governor as provided in this subsection (a). Within 30 days after the effective date of this act, the governor shall appoint six members of the state fair board as representatives of Kansas agriculture. Members appointed as representatives of Kansas agriculture to be members of the state fair board shall serve for terms of two years and until their successors are appointed and qualified, except that the six members first appointed shall be appointed for terms as follows: Three members for a term ending on the second Wednesday in January, 1987, and three members for a term ending on the second Wednesday in January, 1988. Within 30 days after the effective date of this act, the governor shall appoint three members of the state fair board from a list of at least nine names submitted by the Kansas chamber of commerce and industry, which members shall serve for terms of two years and until their successors are appointed and qualified, except that the three members first appointed shall be appointed for terms as follows: One member for a term ending the second Wednesday in January, 1987, and two members for a term ending the second Wednesday in January, 1988. Within 30 days after the effective date of this act, the governor shall appoint two members of the state fair board from a list of at least six names submitted by the travel industry association of Kansas, which members shall serve for terms of two years and until their successors are appointed and qualified, except that the two members first appointed shall be appointed for terms as

Atch. J
H. W. M. 3/24/87

follows: One member for a term ending the second Wednesday in January, 1987, and one member for a term ending the second Wednesday in January, 1988. The appointive members of the board shall serve until a successor is appointed and qualified. Whenever a vacancy shall occur on the board, the governor shall appoint a successor of like qualifications for the remainder of the term. The governor may remove any member of the board for cause. The members of the state fair board shall elect their own chairperson, who shall serve for a term of one year or until the expiration of such member's term, whichever is sooner. The board shall meet at least once in each quarter. Special meetings may be called by the chairperson or a majority of the members of the board. Members of the state fair board attending meetings of such board, or attending a subcommittee meeting thereof authorized by such board, shall be paid compensation, subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3223 and amendments thereto. Amounts paid under this section shall be paid from appropriations to the state fair board upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the director of the state fair or a person designated by the director.

(b) The state fair board shall appoint a director of the state fair, who shall be in the unclassified service under the Kansas civil service act and shall serve at the pleasure of the state fair board. The director of the state fair shall appoint, within available appropriations, such assistants and employees as may be necessary to carry out the provisions of law and this order. All of such assistants and employees shall be in the classified service under the Kansas civil service act.

New Sec. 23. The state fair board created by this act is hereby attached to the department of commerce. All budgeting, purchasing and related management functions of the state fair shall be administered under the direction and supervision of the state fair board. All vouchers for expenditures and all payrolls of the state fair board shall be approved by the director of the

state fair or a person designated by the director.

New Sec. 24. (a) On the effective date of this act, the board of state fair managers created by K.S.A. 74-520 and amendments thereto, and the office of secretary-treasurer of the board of state fair managers created by K.S.A. 74-521 and amendments thereto, are hereby abolished.

(b) All the powers, duties and functions of the existing board of state fair managers and the existing secretary-treasurer of the board of state fair managers are hereby transferred to and conferred and imposed upon, respectively, the state fair board and the director of the state fair established by this act.

(c) The state fair board and the director of the state fair established by this act shall be the successor in every way, respectively, to the powers, duties and functions of the board of state fair managers and the secretary-treasurer of the board of state fair managers in which the same were vested prior to the effective date of this act. Every act performed in the exercise of such powers, duties and functions by or under the authority of the state fair board or the director of the state fair established by this act, respectively, shall be deemed to have the same force and effect as if performed by the board of state fair managers or the secretary-treasurer of the board of state fair managers, respectively, in which such powers, duties and functions were vested prior to the effective date of this act.

(d) Except as otherwise provided in this act, whenever the board of state fair managers, or words of like effect, is referred to or designated by a statute, contract or other document, such reference or designation shall be deemed to apply to the state fair board established by this act.

(e) Except as otherwise provided in this act, whenever the secretary-treasurer of the board of state fair managers, or words or like effect, is referred to or designated by a statute, contract or other document, such reference or designation shall be deemed to apply to the director of the state fair established by this act.

(f) All rules and regulations of the board of state fair managers or the secretary-treasurer of the board of state fair managers in existence on the effective date of this act shall continue to be effective and shall be deemed to be duly adopted rules and regulations of the director of the state fair established by this act until revised, amended, revoked or nullified pursuant to law.

(g) All orders and directives of the board of state fair managers or the secretary-treasurer of the board of state fair managers in existence on the effective date of this act shall continue to be effective and shall be deemed to be orders and directives of the state fair board and the director of the state fair established by this act, respectively, until revised, amended or nullified pursuant to law.

(h) On the effective date of this act, the director of the state fair shall succeed to whatever right, title or interest the board of state fair managers has acquired in any real property in this state, and the director shall hold the same for and in the name of the state of Kansas. On and after the effective date of this act, whenever any statute, contract, deed or other document concerns the power or authority of the board of state fair managers or the secretary-treasurer of the board of state fair managers to acquire, hold or dispose of real property or any interest therein, the director of the state fair shall succeed to such power or authority.

(i) The state fair board and the director of the state fair established by this act, respectively, shall be continuations of the board of state fair managers and the secretary-treasurer of the board of state fair managers.";

And by renumbering sections accordingly;

INITIATIVE NO. 9:

ESTABLISH KANSAS, INC.

REDWOOD/KRIDER REC. NO.: 10

aBILL NO.:

HB 2960

A. Statement of Need

It is not enough to reform the public sector through a completely restructured KDED and the creation of new permanent legislative committees on economic development. The private sector is the engine of the Kansas economy. A new, powerful statewide institution must be created which brings the Kansas business community, agricultural community, financial community, universities and workers into ongoing collaboration for continuing short and long term strategic economic analysis and planning.

A continuation of existing economic trends will result in an erosion of the state's economic base and its ability to provide quality services for Kansas. The state has an opportunity to influence these trends in a positive direction by fostering timely adaptation to change and transition. A comprehensive economic development strategy for Kansas must be formulated and modified on a continuing basis. Such a program should be based substantially on the recommendations for economic development in Kansas, as outlined in the Kansas Economic Development Study prepared for the legislature by the Institute for Public Policy and Business Research. The legislature's commitment to coordinate an economic development effort will be reflected in the establishment of an economic development policy committee representing the legislature, the executive branch, the business community and educational institutions.

B. Mission Statement

Kansas, Inc. will give Kansas the capability to analyze the economic impact of gaining or losing a major industry, the potential benefits of a particular economic policy and the ability to identify and implement new opportunities and strategies for economic growth and diversification.

Kansas, Inc. will make permanent the ad hoc steering committee which oversaw the creation of the Redwood/Krider report in much the same way that the standing legislative committees on economic development make permanent this Legislative Commission on Kansas Economic Development.

In formulating economic development policy for the state, Kansas, Inc. will:

- 1. Undertake ongoing strategic analysis in order to determine the state's potential areas of continuing competitive advantage.
- 2. Undertake continuing strategic planning of improvements in state tax, regulatory and expenditure policy to enhance the state's potential comparative advantages.
- 3. Oversee crisis management and opportunity management of short term potential gains or losses in economic activity through impact analysis.

C. Bill Provisions

- 1. The bill creates a Kansas, Inc., a quasi-public, not-for-profit corporation. The corporation which is run by a board of 15 predominately private sector members, is charged with the responsibility for:

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- a. Coordinating the activities of all parties having a role in the state's economic development through evaluating, overseeing, and appraising those activities on an ongoing basis.
 - b. Overseeing the implementation of the state's economic development plan and monitoring the updates of that plan.
 - c. Educating and assisting all parties involved in improving the long range vitality of the state's economy.
 - d. Kansas, Inc. will replace the existing advisory commission to the department of economic development.
2. The Corporation is empowered to:
- a. Update, revise, and manage the state's strategic planning process to adapt to changes in society and in the economy, and to thereby combat community deterioration by assuring that effective methods are developed for improving the state's economy.
 - b. Establish and coordinate the operation of programs commonly available to all citizens of Kansas to implement a strategic plan for the state's economic development and enhance the general welfare.
 - c. Evaluate and analyze the state's economy to determine the direction of future public and private actions, and report and make recommendations to the governor with respect to the state's economy.
3. Kansas, Inc. will have a small permanent staff and continuing access to the kinds of Kansas university resources which made the Redwood/Krider report possible.

D. Other States:

Based on the best state model, Indiana.

1.

3-26-86

HOUSE BILL No. 2960

By Representative Helgerson

2-12

0017 AN ACT establishing the state economic development policy
0018 committee, providing for the membership and organization
0019 thereof; prescribing powers, duties and functions therefor.

Kansas, Inc.

0020 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 of benefit 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 the productive partnership of the private sector and state government 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 businesses and taxpayers of the state.

(5) institutionalize ongoing means of collaboration between the executive and legislative branches, the business, agricultural and financial sectors, universities and local communities to create a developing Kansas economy whose increasing innovation, creativity, diversity and productivity is greater than any one sector can achieve acting alone; and

(6) Oversee the ongoing development of economic development policies and short and long range strategic economic planning for the state in order to meet these needs;

Sec. 2. Mission statement. (a) The mission of Kansas, Inc. shall be to:

(1) Undertake ongoing strategic analysis in order to determine the state's areas of potential and continuing competitive economic advantage;

(2) oversee the formulation of economic development policy and short and long range strategic planning for the state;

(3) oversee the targeting of scarce state resources by size and sector of economic activity and by geographic location within the state in order to enhance the state's potential comparative economic advantages;

(4) undertake continuing strategic planning for the improvements of the state's tax, regulatory and expenditure policies to enhance the state's potential comparative economic advantages;

(5) oversee crisis management and opportunity management of short term potential gains or losses in economic activity through impact analysis;

(6) serve in an advisory capacity to the Kansas department of commerce;

(7) provide appropriate oversight to ensure the successful implementation of Kansas venture capital, Inc.,

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H. W. M. 3/26/86

(8) forge a supportive partnership with the legislative standing and joint committees on economic development, the governor and the secretary of commerce, the Kansas technology enterprise corporation, Kansas venture capital, Inc., Kansas certified development companies, Kansas small business development centers, Kansas public and private universities and colleges, and other appropriate and private and public sector organizations in achieving the economic goals of the state; and

(9) establish goals, priorities and program standards, and evaluate the effectiveness of state economic development programs and policies according to the goals, priorities and standards established.

0021 ~~Section 4--(a) There is hereby established the state economic~~
0022 ~~development policy committee as a separate state agency. The~~
0023 ~~committee shall consist of nine members as follows:~~
0024 ~~(1) One member shall be the executive director of the insti-~~
0025 ~~tute for public policy and business research of the university of~~
0026 ~~Kansas;~~
0027 ~~(2) one member shall be the director of the institute for~~
0028 ~~public policy and business research of the university of Kansas;~~
0029 ~~(3) one member shall be a representative of the center for~~
0030 ~~business research of Wichita state university appointed by the~~
0031 ~~president of Wichita state university;~~
0032 ~~(4) one member shall be the secretary of economic develop-~~
0033 ~~ment, or the secretary's designee;~~
0034 ~~(5) one member shall be the director of the Kansas advanced~~
0035 ~~technology commission;~~
0036 ~~(6) one member shall be a person appointed by the state~~
0037 ~~board of regents;~~
0038 ~~(7) one member shall be a member of the senate appointed~~
0039 ~~by the president of the senate;~~
0040 ~~(8) one member shall be a member of the house of repre-~~
0041 ~~sentatives appointed by the speaker of the house of representa-~~
0042 ~~tives; and~~
0043 ~~(9) one member shall be a person appointed by the governor.~~
0044 ~~(b) The two members appointed under subsections (a)(7) and~~
0045 ~~(a)(8) by the president of the senate and the speaker of the house~~

Sec. 3. Kansas, Inc. (a) In order to meet this need there is hereby created a body politic and corporate to be known as Kansas, Inc. Kansas, Inc. is hereby constituted a public instrumentality and the exercise of the authority and powers conferred by this act shall be deemed and held to be the performance of an essential governmental function. Kansas, Inc. shall consist of 15 predominately private sector members as follows:

(1) The governor of Kansas;

(2) the secretary of the Kansas department of commerce;

(3) one member from each of the primary economic sectors in the state--agriculture, oil and gas, and aviation--who are appointed by the governor and are recognized leaders in their fields and have reputations as innovative, future oriented individuals;

(4) one member appointed by the governor from one other primary, job creating, valued added business sector who is recognized in such member's field and has a reputation as an innovative, future oriented individual;

(5) one member who serves as the commanding general of the Kansas cavalry;

(6) two members from the private financial sector appointed by the governor; one shall have experience in the area of high-risk venture investments; and the other shall have commercial banking experience in an industry of special importance to the Kansas economy and both of whom are recognized by their peers for outstanding knowledge and leadership in their fields;

(7) one member representing labor who is recognized by the person's peers as having demonstrated outstanding knowledge and leadership appointed by the governor;

(8) one member shall be a person appointed by the state board of regents from a Kansas university who is recognized for such member's outstanding knowledge and leadership in the field of economic development;

(9) the speaker of the house, the house minority leader, the president of the senate, and the senate minority leader or legislators appointed to represent them who will provide continuity by virtue of their membership on the house or senate committees on economic development or the joint committee on economic development.

0016 of representatives shall not be members of the same political
0017 party.

(b)

0018 (e) Each member of the committee under subsection (a)(1),
0019 (a)(2), (a)(4) or (a)(5) shall serve by virtue of office or position.

Kansas, Inc.

0020 Each member appointed under subsection (a)(3), (a)(6) or (a)(9)
0021 shall serve at the pleasure of the officer or board making the

(a) (8)

0022 appointment. Each member of the committee appointed under
0023 subsection (a)(7) or (a)(8) shall be appointed for a term ending on

(a) (4), (a) (5), (a) (6), or (a) (7)

0024 the first day of the regular legislative session in odd-numbered
0025 years. In case of a vacancy on the committee, a successor shall be

Kansas, Inc.

0026 appointed in like manner as the original appointment for the
0027 unexpired term of the member creating the vacancy.

4.

0028 Sec. 2. (a) The state economic development policy commit-
0029 tee shall organize annually by electing a chairperson and vice-

The governor shall serve as co-chair of Kansas, Inc. The other co-
chair shall be elected from among the private sector members. A vice-
chair shall be elected from among all the members. Kansas, Inc.

0030 chairperson from among the members thereof. The committee
0031 shall meet at least once each calendar quarter and at such other

governor

0032 times designated upon the call of the chairperson.

0033 (b) Members of the state economic development policy
0034 committee, attending meetings of the policy committee, or at-

Kansas, Inc.

0035 tending a subcommittee meeting thereof authorized by the pol-
0036 icy committee, shall be paid amounts provided in subsection (e)

Kansas, Inc.

0037 of K.S.A. 75-3223 and amendments thereto.

0038 Sec. 3. (a) The state economic development policy commit-
0039 tee shall formulate on a continuing basis a comprehensive plan

0040 for economic development in Kansas. Such plan shall be based
0041 substantially on the plan for economic development in Kansas

0042 developed as part of the Kansas economic development study
0043 prepared by the institute for public policy and business research

0044 of the university of Kansas. The committee shall seek advice
0045 from the general public and from professional associations, aca-

0046 demic groups and institutions and individuals with knowledge of
0047 and interest in issues in areas of economic development and

0048 planning.

0049 (b) The plan shall set forth the recommendations of the
0050 committee for the short-term and long-term economic develop-

0051 ment of strategies, policies, goals and objectives for Kansas,
0052 including the character and extent of existing and proposed

Sec. 5. Powers and duties. (a) In order to carry out
its mission and meet the needs articulated in this act,
Kansas, Inc. shall:
(1) Serve in an advisory capacity to the governor,
the Kansas department of commerce and the standing and
joint legislative committees on economic development.
(2) Evaluate and analyze the state's economy to guide
the direction of future public and private actions, and
report and make recommendations to the governor, the
department of commerce, and the standing and joint legis-
lative committees on economic development with respect to
the state's economy.
(3) Oversee and evaluate the state's economic
development activities on an ongoing basis through the
establishment of goals, priorities performance standards
and the periodic program audit of those goals, priorities
and performance standards.
(4) Oversee the implementation of the state's eco-
nomic development plan and monitor updates of that plan.
(5) Update, revise, and manage the state's strategic
econometric modeling analysis and planning process.
(6) Provide appropriate oversight to ensure the suc-
cessful implmentation of Kansas venture capital, Inc.

0083 ~~initiatives, projects, programs and facilities as are necessary or~~
0084 ~~desirable in the judgment of the committee to accomplish such~~
0085 ~~strategies, policies, goals and objectives. The plan shall be for-~~
0086 ~~mulated and used for the general purpose of accomplishing the~~
0087 ~~coordinated management, conservation and development of the~~
0088 ~~resources of the state for economic development.~~

commerce

Kansas, Inc.

0089 (c) The department of economic development and all other
0090 interested state agencies shall cooperate with the committee in
0091 providing information and other assistance as may be requested
0092 by the committee for the formulation of such plan.

0093 ~~Sec. 4. The state economic development policy committee~~
0094 ~~annually shall submit to the legislature and to the governor an~~
0095 ~~updated plan for economic development in Kansas which shall~~
0096 ~~contain recommendations which are necessary or advisable, in-~~
0097 ~~cluding recommendations for legislation, to achieve the goals~~
0098 ~~and objectives for short term and long term economic develop-~~
0099 ~~ment in Kansas.~~

(7) Oversee the targeting of scarce state resources by size and sector of economic activity and by geographic location within the state in order to enhance the state's potential comparative economic advantages.

(b) Kansas, Inc. shall seek advice from the general public and from professional associations, academic groups and institutions and individuals with knowledge of and interest in areas of economic development and planning.

(c) Kansas, Inc. shall be exempt from state purchasing laws.

Sec, 6. Management. (a) The board shall hire a person to serve as the chief executive officer and president of Kansas, Inc. The board shall conduct a national search and select a corporation president who meets a national standard of experience, ability and initiative for similar positions. The president shall direct and supervise the general management of the corporation and a small core staff of analysts.

(b) The president:

(1) May employ and terminate such other employees as designated by the board of directors;

(2) shall attend board meetings;

(3) shall keep a record of all proceedings and maintain and be custodian of all financial and operational records, documents and papers filed with Kansas, Inc.;

(4) shall, as a first priority, prepare a business plan which shall be approved by the board of directors, shall be submitted for review and comment to the legislative economic development commission.

(c) The board is hereby authorized to negotiate and enter into contracts for professional consulting and research services and collaboration with the department of commerce. All such contracts shall be exempt from the competitive bid requirements of K.S.A. 75-3739 and amendments thereto. Such services should be available on an ongoing basis to Kansas, Inc.

(d) The board is authorized to accept gifts, donations and grants.

5.

0100 ~~Sec. 5. (a) Within the limitations of appropriations available~~
 0101 ~~therefor, the state economic development policy committee is~~
 0102 ~~hereby authorized to negotiate and enter into contracts for pro-~~
 0103 ~~fessional and consulting services to assist the committee in the~~
 0104 ~~performance of duties and functions imposed under sections 3~~
 0105 ~~and 4. All such contracts shall be exempt from the competitive~~
 0106 ~~bid requirements of K.S.A. 75-3789 and amendments thereto.~~
 0107 ~~(b) The secretary of economic development shall provide to~~
 0108 ~~the state economic development policy committee such staff and~~
 0109 ~~other assistance as may be requested by the committee.~~
 0110 ~~Sec. 6. This act shall take effect and be in force from and~~
 0111 ~~after its publication in the statute book.~~

commerce

Sec. 8.

Kansas, Inc.

12.

Sec. 7. Accountability. Kansas, Inc. shall be required to provide the following products:

(a) A review and approval of the state economic development plan developed by the department of commerce. This plan shall be submitted to Kansas, Inc. by the department no later than November 1 of each year. The council shall review, comment and approve the plan before transmitting it to the governor and legislature, no later than the first day of each regularly scheduled session of the legislature.

(b) Publish an annual report written in easily understandable language for the governor, legislature, citizens and media of Kansas. Such report shall include:

(1) An analysis of the current state of and emerging trends in the Kansas economy over the next decade.

(2) An evaluation of the effectiveness of state economic development policies and programs in meeting the goals of the state economic plan by size of enterprise, sector of economic activity and location within Kansas, and in comparison with other states.

(3) A prioritized list of recommendations for initiatives that will further the effective implementation of the state economic plan.

(4) A synopsis of the activities of Kansas, Inc. during the previous fiscal year.

Such report shall be transmitted to the governor and legislature on the first day of each fiscal year following Kansas, Inc.'s first year of operation.

Sec. 9. Kansas, Inc. shall replace the advisory commission to the department of commerce.

Sec. 10. In the first year of operation, the legislature will fund the activities of Kansas, Inc. In subsequent years, state funds will be matched by other funds on a 66% state and 33% other basis. Nonstate matching funds may be raised throughout the fiscal year for which state funds are appropriated. The board shall have the responsibility to raise the matching funds.

Sec. 11. K.S.A. 74-5019 is hereby repealed.

HOUSE BILL No. 2789

By Committee on Ways and Means

1-30

PROPOSED AMENDMENTS

For Consideration by House Ways and Means Comm.

0017 AN ACT establishing the state ~~gaming revenues~~ fund and pro-
0018 viding for the use and expenditure of moneys credited thereto.

progressive initiatives

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

0020 Section 1. ~~(a)~~ There is hereby created the state ~~gaming rev-~~
0021 ~~enues fund~~. All moneys credited to such fund shall be expended

progressive initiatives fund in the state treasury

0022 or transferred only for the purposes and in the manner provided
0023 by this act and all expenditures from the state ~~gaming revenues~~

progressive initiatives

0024 fund shall be made in accordance with appropriation acts. All
0025 moneys credited to such fund shall be allocated and credited

0026 monthly to the funds and in the amounts specified by this act
0027 except that the total of the amounts credited to such funds in any

0028 one fiscal year pursuant to this act shall not exceed \$50,000,000.
0029 All amounts credited to such fund in any one fiscal year which

0030 are in excess of \$50,000,000 shall be transferred and credited to
0031 the state general fund on July 15 following such fiscal year.

Sec. 2.

0032 ~~(b)~~ An amount equal to 30% of all moneys credited to the
0033 state ~~gaming revenues~~ fund shall be transferred to the county

progressive initiatives

0034 reappraisal fund, which is hereby created, for the purpose of
0035 paying a portion of the costs incurred by counties in carrying out

in the state treasury

0036 the program of statewide reappraisal of real property as autho-
0037 rized and provided by K.S.A. 1985 Supp. 79-1478. No such

and amendments thereto

0038 transfer shall be made after June 30, 1989.

Sec. 3.

0039 ~~(c)~~ An amount equal to 10% of all moneys credited to the
0040 state ~~gaming revenues~~ fund shall be transferred and credited to

progressive initiatives

0041 the correctional institutions building fund created pursuant to
0042 K.S.A. 76-6b09, and amendments thereto, to be appropriated by

use and benefit of

0043 the legislature for the ~~construction, reconstruction, equipment~~
0044 ~~and repair of buildings of~~ state correctional institutions.

as provided in K.S.A. 76-6b09 and amendments thereto

0045 ~~(d)~~ An amount equal to 60% of all moneys credited to the

Sec. 4. (a)

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0047 state ~~gaming revenues~~ fund shall be transferred and credited to
 0048 the state economic development initiatives fund, which is
 0049 hereby created. Expenditures from ~~such~~ fund shall be made in
 0050 accordance with appropriation acts for the financing of such
 0051 programs supporting and enhancing the existing economic
 0052 foundation of the state and fostering growth through the expansion of current and the establishment and attraction of new
 0053 commercial and industrial enterprises as may be authorized by
 0054 law. From and after July 1, 1989, an amount equal to 90% of all
 0055 moneys credited to the state ~~gaming revenues~~ fund shall be
 0056 transferred and credited to the state economic development
 0057 initiatives fund created ~~pursuant to this subsection~~.
 0058 Sec. ~~2~~. This act shall take effect and be in force from and
 0059 after its publication in the statute book.

progressive initiatives

in the state treasury

the state economic development initiatives

as provided by this section and

progressive initiatives

by this section. All moneys credited to the state economic development initiatives fund shall be credited within the fund, as provided by law, to an account or accounts of the fund which are created by this section

(SEE ATTACHED SECTION 4 INSERT)

5.

Section 4 Insert

(b) There is hereby created the Kansas capital formation account in the state economic development initiatives fund. All moneys credited to the Kansas capital formation account shall be used to provide, encourage and implement capital development and formation in Kansas.

(c) There is hereby created the Kansas economic development research and development account in the state economic development initiatives fund. All moneys credited to the Kansas economic development research and development account shall be used to promote, encourage and implement research and development programs and activities in Kansas and technical assistance funded through state educational institutions under the supervision and control of the state board of regents or other Kansas colleges and universities.

(d) There is hereby created the Kansas economic development endowment account in the state economic development initiatives fund. All moneys credited to the Kansas economic development endowment account shall be accumulated and invested as provided in this section to provide an ongoing source of funds which shall be used for economic development activities in Kansas, including but not limited to continuing appropriations or demand transfers for programs and projects which shall include but are not limited to specific community infrastructure projects in Kansas that stimulate economic growth.

(e) Except as provided in subsection (f), the pooled money investment board may invest and reinvest moneys credited to the state economic development initiatives fund in obligations of the United States of America or obligations the principal and interest of which are guaranteed by the United States of America or in interest bearing time deposits in any commercial bank or trust company located in Kansas, or, if the board determines that it is impossible to deposit such moneys in such time deposits, in repurchase agreements of less than 30 days' duration with a

Kansas bank for direct obligations of, or obligations that are insured as to principal and interest by the United States government or any agency thereof. All moneys received as interest earned by the investment of the moneys credited to the state economic development initiatives fund shall be deposited in the state treasury and credited to the Kansas economic development endowment account of such fund.

(f) Moneys credited to the Kansas economic development endowment account of the state economic development initiatives fund may be invested in government guaranteed loans and debentures as provided by law in addition to the investments authorized by subsection (e) or in lieu of such investments. All moneys received as interest earned by the investment under this subsection of the moneys credited to the Kansas economic development endowment account shall be deposited in the state treasury and credited to the Kansas economic development endowment account of the state economic development initiatives fund.

HOUSE BILL No. 2789

By Committee on Ways and Means

1-30

0017 AN ACT establishing the state gaming revenues fund and pro-
0018 viding for the use and expenditure of moneys credited thereto.

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

0020 Section 1. (a) There is hereby created the state gaming rev-
0021 enues fund. All moneys credited to such fund shall be expended
0022 or transferred only for the purposes and in the manner provided
0023 by this act and all expenditures from the state gaming revenues
0024 fund shall be made in accordance with appropriation acts. All
0025 moneys credited to such fund shall be allocated and credited
0026 monthly to the funds and in the amounts specified by this act
0027 except that the total of the amounts credited to such funds in any
0028 one fiscal year pursuant to this act shall not exceed \$50,000,000.
0029 All amounts credited to such fund in any one fiscal year which
0030 are in excess of \$50,000,000 shall be transferred and credited to
0031 the state general fund on July 15 following such fiscal year.

0032 (b) An amount equal to 30% of all moneys credited to the
0033 state gaming revenues fund shall be transferred ~~to the county~~
0034 ~~reappraisal fund, which is hereby created, for the purpose of~~
0035 ~~paying a portion of the costs incurred by counties in carrying out~~
0036 ~~the program of statewide reappraisal of real property as autho-~~
0037 ~~rized and provided by K.S.A. 1985 Supp. 79-1478. No such~~
0038 ~~transfer shall be made after June 30, 1989.~~

0039 (c) An amount equal to 10% of all moneys credited to the
0040 state gaming revenues fund shall be transferred and credited to
0041 the correctional institutions building fund created pursuant to
0042 K.S.A. 76-6b09, and amendments thereto, to be appropriated by
0043 the legislature for the construction, reconstruction, equipment
0044 and repair of buildings at state correctional institutions.

0045 (d) An amount equal to ~~60%~~ of all moneys credited to the

and credited to local ad.valorem tax reduction fund created by K.S.A. 79-2959 and amendments thereto, to be distributed as provided by subsection (b) of that statute

50%

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0046 state gaming revenues fund shall be transferred and credited to
 0047 the state economic development initiatives fund, which is
 0048 hereby created. Expenditures from such fund shall be made in
 0049 accordance with appropriation acts for the financing of such
 0050 programs supporting and enhancing the existing economic
 0051 foundation of the state and fostering growth through the expan-
 0052 sion of current and the establishment and attraction of new
 0053 commercial and industrial enterprises as may be authorized by
 0054 law. ~~From and after July 1, 1980, an amount equal to 90% of all~~
 0055 ~~moneys credited to the state gaming revenues fund shall be~~
 0056 ~~transferred and credited to the state economic development~~
 0057 ~~initiatives fund created pursuant to this subsection.~~

0058 Sec. 2. This act shall take effect and be in force from and
 0059 after its publication in the statute book.

(e) An amount equal to 10% of all moneys credited to the state gaming revenues fund shall be transferred and credited to the historical sites, parks and natural resources fund, which is hereby created, to be appropriated by the legislature for the restoration and preservation of historical sites, parks and natural resources of this state

CAPITOL FEDERAL SAVINGS

700 KANSAS AVENUE

TOPEKA, KANSAS 66603

March 24, 1986

HENRY A. BUBB
CHAIRMAN

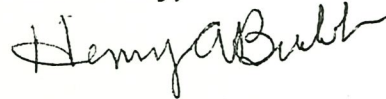
House Ways and Means Committee
State Capitol Building
Topeka, Kansas 66603

Members of the Committee:

As a past member of the State Board of Regents and the representative of the Regents on the Washburn Board for many years, I am very much in favor of House Bill #3107 to bring Washburn into the State Regents system.

I realize this has been a controversial subject for sometime, but this proposal regarding Washburn has to be the best yet for the state, the city and Washburn.

Sincerely,



Henry A. Bubb

HAB:ic

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H. W. S. P. 3/26/86

REPORTS OF STANDING COMMITTEES

Your committee on Ways and Means

Recommends that HB 3107

"An Act relating to Washburn university of Topeka; establishing Washburn state university; providing for the conveyance of property to the state board of regents; authorizing and requiring certain tax levies and disbursement thereof; providing for retirement of the bonded indebtedness of Washburn university of Topeka; providing for the disposition and management of the endowment property of Washburn university of Topeka; and establishing a board of trustees for the university and prescribing its composition, powers, rights and authority.

be passed.

Geo. A. ...

Chairman.

REPORTS OF STANDING COMMITTEES

Your committee on Ways and Means

Recommends that HB 3122

"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 passed.

Neil Hunter Chairman.