

Approved March 5, 1986
Date

MINUTES OF THE Senate COMMITTEE ON Agriculture

The meeting was called to order by Senator Allen at
Chairperson

10:13 a.m./p.m. on February 27, 1986 in room 423-S of the Capitol.

All members were present ~~except~~:

Committee staff present:

Raney Gilliland, Research Department
Arden Ensley - Revisor of Statutes

Conferees appearing before the committee:

Bill Fuller, Kansas Farm Bureau
Clantha McCurdy, Assistant Director for Student Aid, Board of Regents
Bob Kelly, Kansas Independent College Association
Howard Tice, Kansas Association of Wheat Growers

Senator Allen called the Committee to order and asked Senator Gannon to explain SB 591.

Senator Gannon explained SB 591 is a bill which offers help to displaced farmers. The provisions of SB 591 provide the opportunity for members of a displaced farm family to attend any vocational, vocational-technical, community college or Regents' school in the state and the state would pay the students' portion of his school tuition. Senator Gannon said some schools in the state are already offering tuition free school to displaced farmers. Senator Gannon explained that at a community college the state would provide the student's share and the state's share of the tuition and the student's county of residence would pay the county share of the tuition.

The Chairman thanked Senator Gannon and called on Bill Fuller to testify.

Mr. Fuller stated that 20% to 40% of our Kansas farmers are in trouble and a number of these displaced farm families will have to start over. Some of the displaced family members may have skills that need to be refreshed and SB 591 offers some help. Mr. Fuller stated he did not know what the fiscal note on this bill amounted to but he encouraged the Committee to look at the cost as an investment in the state instead of an expense. He expressed appreciation for this legislation which shows concern and compassion for some of the displaced farmer families in our state. Mr. Fuller encouraged passage of SB 591.

The Chairman thanked Mr. Fuller and called on Clantha McCurdy to testify.

Ms. McCurdy expressed the support of the Board of Regents for SB 591. She stated this bill offers encouragement to displaced farmer families to gain new skills or learn new skills. Ms. McCurdy answered that the Board of Regents would draw up rules and would make a new application to apply to the provisions of SB 591. She said there were a few questions about how to define a displaced farmer, how to define a farm but that the Board of Regents feel the bill is sufficient for the purpose it is intended to serve.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Agriculture,
room 423-S, Statehouse, at 10:13 a.m.~~pm~~ on February 27, 1986

The Chairman thanked Ms. McCurdy and called on Bob Kelley to testify.

Mr. Kelly stated that SB 591 contains an excellent concept for displaced farmer families in our state. He reported that Bethel College at Newton was the first in the nation to offer free tuition to displaced farmers. A pamphlet explaining the program offered at Bethel College was given to the Committee (attachment 1). He informed the Committee that more will show interest in the program than will end up attending a school. He reported a person must first fill out an application and then be interviewed. Mr. Kelly said of the 32 they interviewed only 5 are actually enrolled and plan to attend next fall, but even though the number be small, it is a program that should be offered in our state. He stated that St. Marys College in Leavenworth has announced and offered this plan and other independent colleges in the state are interested in offering this plan to displaced farmer families. Mr. Kelly offered an amendment which would include independent colleges to be included in this bill (attachment 2). Mr. Kelly explained that displaced farmer family members do not want to travel a long distance from home to attend school; thus by including the independent colleges of the state, a number of more schools would be available for them to attend. Mr. Kelly stated that the program was planned at Bethel College to be a one year program but because of the interest shown, it has been extended for more years.

In answer to Committee questions, Mr. Kelly said that because the number who apply is so much greater than the number who will really attend is because through the interview, a displaced farmer finds he is really looking for a vocational technical or vocation school. Mr. Kelly said Bethel College has benefited from offering the program because it received national publicity because it was the first school in the nation to offer free tuition and since has received some gifts from across the nation because of the publicity. Mr. Kelly stated they lose about \$2,000 per student; he stated the students are responsible for moving themselves to the school and they are responsible for their own room and board.

The Chairman thanked Mr. Kelly and called on Howard Tice to testify.

Mr. Tice gave copies of his testimony to the Committee (attachment 3). Mr. Tice applauded the intent of SB 591 and urged support of passage of the bill.

The Chairman thanked Mr. Tice.

In answer to the question concerning number of hours a displaced farmer would have to take to qualify, Senator Gannon said the intent of the bill was that a person would be eligible for the free tuition for a few hours or as a full time student.

The Chairman declared the hearing closed for SB 591 and called the Committees' attention to SB 518 for further Committee discussion. The Chairman reminded the Committee of the motion that was made just before adjournment the day before. The motion made by Senator Arasmith was a motion, to change the suggested amendments, proposed by Chris Wilson for the Kansas Grain and Feed Dealers Association, to change the number "90" to "60" days notice for cancellation and that an exception be added to the amendment to state that 60 days notice of cancellation is not necessary to cancel a bond when there is nonpayment of premium on the bond; also that the word "certified" be deleted from between the words "by" and "mail". Senator Karr seconded the motion. Motion carried.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Agriculture,
room 423-S, Statehouse, at 10:13 a.m./~~p.m.~~ on February 27, 1986

Senator Arasmith made a motion the Committee adopt the amendments as changed for SB 518. Senator Gannon seconded the motion. Motion carried.

The Chairman called on Senator Gannon to present an amendment.

Senator Gannon gave copies of the amendment to the Committee (attachment 4). Senator Gannon explained this amendment allows an applicant for a public warehouse license to file an irrevocable letter of credit with the director in lieu of the required bond. Senator Gannon made a conceptional motion that the Committee approve this amendment for SB 518. Senator Karr seconded the motion.

Committee discussion included the question of what happens if an irrevokable letter of credit is involved in a bankruptcy. Another question asked was how would this amendment affect bonding companies in writing bonds. The Chairman called for a vote on the motion. Motion carried.

Senator Montgomery moved the Committee recommend SB 518 favorably for passage as amended. Senator Gannon seconded the motion. The Chairman announced a vote on the motion would not be taken and that the vote would not be taken until after an answer was received as to what happens when an irrevokable letter of credit is involved in a bankruptcy.

The Chairman adjourned the Committee at 11:02 a.m.

Qualifications

The Applicant

- is a farmer (man or woman) 25 years of age or older who has abandoned farming as his or her primary vocation for financial reasons within the past two years.
- applies to the Admissions Office and is admitted after meeting the criteria for admission to the college.
- signs an Economic Eligibility Statement giving evidence of financial reasons for abandoning farming within the past two years.
- when admitted will make the normal application for federal and state financial aid funds that are based on financial need. No student loans for tuition are required or expected of the applicant.

Application Procedure

1. Contact the Office of Admissions requesting application forms for admission to the college. The following steps are required for admission:
 - completed application for admission.
 - \$10 application fee.
 - receipt of college transcripts, if any. A high school transcript is required if no college transcript is offered.
 - a statement of your reasons for attending Bethel College under the Farm Aid Program.
 - American College Testing (ACT) scores, if available. Not required for Farm Aid applicants.
 - A signed Economic Eligibility Statement. Forms available at the college.
2. Enclose Economic Eligibility Statement with your application.
3. After admission to the college, make application for financial aid. If you plan to enroll in six or more hours of college credit either semester you are required to complete an ACT Family Financial Statement (FFS) in order to determine whether you will qualify for fed-

eral or Kansas grant funds (excluding loans) that are based on financial need.

The ACT FFS form is completed by using 1985 income tax data. The Bethel Financial Aid Office will be happy to assist you in completing the form if requested. Any state or federal grants, veteran's assistance or church scholarships which you receive will be used to help pay your Bethel tuition charges. The balance required to cover your full Bethel tuition will be provided through a Bethel Farm Aid Grant.

4. After admission Professor Emerson Wiens will assist you in course selection and career counseling. There is no charge for career counseling. A modest charge for national career testing exams is made, if you choose to take these.
5. If you choose the Contract Degree program rather than the regular degree programs, there is no charge for the initial interview. For the Contract Degree a one-time fee of \$100 is charged to cover the cost of establishing a tailor-made degree program for you and diagnosing an inventory of both transcribed college credits and nonformal learning equivalences that qualify for credit. The Director of Contract Degrees, Miller Stayrook, will provide additional assistance for participants in this program.
6. A qualified Farm Aid applicant may attend Bethel part-time or full-time during the 1986-87 school year.

Bethel College

is a four-year private college founded in 1887. The college offers programs in 30 areas, including Industrial Arts, Teacher Education, Computer Science and Business. In addition, Bethel's highly rated liberal arts curriculum provides lifelong skills and qualifications for employment. The college is accredited by the North Central Association of Colleges and Secondary Schools and is ranked first in the state of Kansas in the production of earned doctorates by its graduates.

Questions About the Program

1. *Are spouses eligible for this program? Yes, provided they meet the conditions required of all applicants for the Farm Aid Program.*
2. *I received a degree from college years ago. Am I eligible to attend Bethel as part of this program? Yes, our goal is to give you an opportunity to retool so that you may find employment off the farm.*
3. *How do I apply for financial aid? Complete the ACT Family Financial Statement (that almost all college students fill out) using your tax information from the previous year's IRS return. You may pick up an ACT-FFS packet at your local high school or at our Financial Aid Office.*
4. *What financial resources will be available after the first year of free tuition? There is no commitment to the extension of the Farm Aid program beyond one year. However, regular financial aid sources, totaling over \$2,000,000, will be available for those who qualify for these Bethel, state and federal resources.*
5. *Is campus housing available for married students? Limited on-campus housing (apartments and houses) is available as well as a variety of rentals within the Newton and North Newton communities.*
6. *What additional fees am I responsible for beyond tuition which is offered free by the college? A \$10 application fee for admission is required. Other fees at Bethel are low compared to most schools. A typical full-time Bethel student pays \$70 a semester in student fees (activities, athletics, etc.). Small additional fees may be required for special programs chosen by the student. Bethel does expect students to carry medical insurance.*



THE OFFER

Bethel College, on the eve of celebrating its centennial as the oldest of ten Mennonite Colleges in North America, has a special identity with the farming community. The founders of the college were German immigrants from Russia who brought with them their hardy Turkey Red Wheat that helped make the prairies the breadbasket of the nation. Even today some 2,000 of the college's 10,000 alumni are in agriculture.

Mutual aid in times of special need is part of the Bethel tradition. The Bethel Board of Directors has identified the current depression in the farm economy as meriting special attention. The college continues to be a concerned partner with farm families in both good times and bad times.

Bethel is primarily an educational institution. It seeks to assist financially depressed farmers through its area of strength, one hundred years of high-quality education.

*Therefore, Bethel College offers one school year (September, 1986, to May, 1987) of free college-credit courses to farmers who are forced to abandon farming for financial reasons and who seek to prepare themselves for alternative vocations.**

In all programs at the college, enrollment is limited to faculty capacity and faculty size capable of serving the student. Farm Aid applicants are accepted on a first come, first admitted basis.



Bethel College
North Newton, KS 67117
(316) 283-2500

Bethel College Offers Free Tuition to Displaced Farmers



"Mutual aid in time of special need is in the Bethel and Mennonite tradition. The current special need in the farm states is the deepening farm crisis and finding ways to assist those who cannot continue on the farm."

—Harold J. Schultz, President
Bethel College

Sen. Ag.
2/27/86
attachment

SENATE BILL No. 591

By Senators Gannon, Allen, Johnston, Karr,
F. Kerr and Montgomery

2-11

2/27/86 Sen. Ag.
Attachment 2

0018 AN ACT providing for the award of Kansas displaced farmer
0019 education grants to qualified grantees.

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

0021 Section 1. As used in this act:

0022 (a) "Kansas displaced farmer education grant" means an
0023 award of benefits under this act for a qualified grantee.

0024 (b) "Qualified grantee" means a person who: (1) Is a dis-
0025 placed farmer or the spouse of a displaced farmer; (2) is a
0026 resident of Kansas; (3) requires educational training or retraining
0027 in preparation for gainful employment; (4) has financial need;
0028 and (5) is enrolled at or is initially eligible for admission to a
0029 designated educational institution.

0030 (c) "Displaced farmer" means a person who has been pri-
0031 marily trained for and engaged in the business of farming,
0032 ranching, agribusiness or other agriculture-related activities and
0033 has abandoned such business or activity for financial reasons.

0034 (d) "Designated educational institution" means any state
0035 educational institution under the control and supervision of the
0036 state board of regents, any community college, any area voca-
0037 tional school, and any area vocational-technical school,

0038 (e) "Term" means one of two or more divisions of an aca-
0039 demic year of a designated educational institution.

0040 (f) "Semester" means one of two principal terms, when there
0041 are only two principal terms in the academic year of a designated
0042 educational institution, whether or not there are other shorter
0043 terms during the same academic year.

0044 (g) "Program" means a vocational or technical education
0045 program which is operated at the postsecondary level by a

a nonprofit accredited
independent institution as
defined in K.S.A. 72-6107

0046 designated educational institution.

0047 Sec. 2. (a) A Kansas displaced farmer education grant may be
0048 awarded to any qualified grantee enrolled at any designated
0049 educational institution.

0050 (b) A Kansas displaced farmer education grant shall provide
0051 for enrollment of the qualified grantee without charge of tuition
0052 at a designated educational institution.

0053 (c) A Kansas displaced farmer education grant shall be
0054 awarded for not more than:

0055 (1) One program when the designated educational institution
0056 at which the qualified grantee is enrolled is an area vocational
0057 school, an area vocational-technical school or a technical insti-
0058 tute;

0059 (2) four semesters, or the equivalent thereof, when the des-
0060 igned educational institution at which the qualified grantee is
0061 enrolled is a community college; or

0062 (3) eight semesters, or the equivalent thereof, when the des-
0063 igned educational institution at which the qualified grantee is
0064 enrolled is a state educational institution other than a technical
0065 institute.

0066 Sec. 3. The state board of regents shall administer the pro-
0067 visions of this act and shall:

0068 (a) Publicize procedures for application for Kansas displaced
0069 farmer education grants;

0070 (b) provide application forms and forms for financial needs
0071 statements;

0072 (c) determine eligibility of applicants for Kansas displaced
0073 farmer education grants and approve such grants;

0074 (d) select financial needs analysis agencies;

0075 (e) determine the equivalent of a semester when all or part of
0076 the terms for which a qualified grantee is enrolled are not
0077 semesters;

0078 (f) require designated educational institutions to furnish in-
0079 formation relating to and necessary for administration of this act;
0080 and

0081 (g) evaluate the Kansas displaced farmer education grant
0082 program annually and make a report thereon to the governor and

on a two-year
nonprofit accredited
independent institution

on a four-year nonprofit
accredited independent
institution

(h) determine the average tuition and fees at the regent universities,

Grant received by students attending nonprofit accredited independent institutions shall not exceed the average tuition and fees at the regent universities.

0083 legislature.

0084 Sec. 4. Each applicant for a Kansas displaced farmer educa-
0085 tion grant shall:

0086 (a) Complete and submit to the state board of regents and to
0087 the designated educational institution at which the applicant is
0088 enrolling an application for a grant and a financial needs state-
0089 ment; and

0090 (b) report promptly to the state board of regents, upon re-
0091 quest, any information relating to administration of this act.

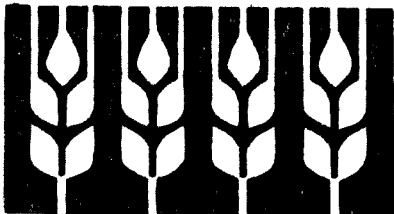
0092 Sec. 5. (a) Every designated educational institution which
0093 provides for enrollment of qualified grantees without charge of
0094 tuition in accordance with the provisions of this act shall be paid
0095 the total amount of tuition not charged upon certification to the
0096 state board of regents of such amount and upon certification that

0097 the qualified grantees are enrolled. Payments to designated
0098 educational institutions shall be made by the director of accounts
0099 and reports upon vouchers approved by the state board of re-
0100 gents.

0101 (b) If a qualified grantee discontinues attendance before the
0102 end of any program, semester or term, after tuition has been paid
0103 on behalf of the qualified grantee under a Kansas displaced
0104 farmer education grant, the designated educational institution
0105 shall pay to the state the entire amount which such qualified
0106 grantee would otherwise qualify to have refunded not to exceed
0107 the amount of the payment made under such grant for the period.
0108 All amounts paid to the state by a designated educational insti-
0109 tution under this subsection shall be deposited in the state
0110 treasury and credited to the Kansas displaced farmer education
0111 discontinued attendance fund, which is hereby created. All ex-
0112 penditures from the Kansas displaced farmer education discon-
0113 tinued attendance fund shall be for Kansas displaced farmer
0114 education grants.

0115 Sec. 6. This act shall take effect and be in force from and
0116 after its publication in the statute book.

KANSAS ASSOCIATION
OF WHEAT GROWERS



SENATE COMMITTEE ON AGRICULTURE AND LIVESTOCK
Senator Jim Allen Chairman

Thursday, February 27, 1986

Hearing on SB 591 - displaced farmer education grants

Mr. Chairman, and members of the committee, I am Howard Tice, Executive Director of the Kansas Association of Wheat Growers. I appreciate the opportunity to appear today in support of SB 591.

Like several other bills before the Legislature this year, SB 591 will not be a panacea, but it may help a few farmers who have been forced out of business by economic forces beyond their control. It also seems to recognize that farmers are not protected by unemployment insurance, and therefore in many cases, have nothing to fall back on when they lose their livelihood.

In most cases, farmers, today, are well educated, and many do have highly marketable skills with which to provide an income, and therefore a future for their families. In other cases, those skills may not have been honed enough. This bill should help those farmers obtain the necessary training to enter the job market and earn a decent living.

While some may say that it is not the role of state government to provide this type of grant, I would applaud the sponsors of this measure for recognizing the fact that the farmers who would be helped would not need the retraining if government policies at the federal level had not interfered for many years to the end that agricultural prices have not been able to rise along with production costs.

It has been made quite clear that we cannot look to the federal government for any help in agriculture's economic crisis. I would like to think that the idea of market clearing prices might eventually help us to get rid of the surplusage that keeps our prices low, and increase our export markets to keep supplies in balance with demand, but even if it does, it will take time.

Speaking for the members of the Kansas Association of Wheat Growers, I rise in support of SB 591 in the hope that it, along with the other bills this committee, and your colleagues in the House have heard this session will help some of the farmers who have lost their livelihood because the marketing factors that control price have kept the profit necessary to repay farm debt completely out of reach.

SB 591 probably will not have a very high price tag, but whatever it is, considering the benefit the public has received in food priced well below the cost of production, it would be a fair price for Kansas to pay.

attachment 3
2/27/86 Sen. Ag.

SENATE BILL No. 518

By Committee on Agriculture

1-30

0017 AN ACT concerning public warehouse storage of grain; surety
0018 bonds of licensees; limitation of liability on bond; amending
0019 K.S.A. 1985 Supp. 34-229 and repealing the existing section.

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

0021 Section 1. K.S.A. 1985 Supp. 34-229 is hereby amended to
0022 read as follows: 34-229. (a) Every applicant for a public ware-
0023 house license shall promptly, upon notification by the director of
0024 the amount of bond required, file with the director a bond with
0025 good corporate surety qualified under the laws of the state of
0026 Kansas in a sum computed by adding together: (1) The amount,
0027 up to \$200,000, obtained by multiplying the closing cash grain
0028 price per bushel, less \$.25, of No. 2 hard ordinary wheat in
0029 Kansas City on the first Monday in April of each year times 15%
0030 of the warehouse capacity; and (2) the amount obtained by
0031 multiplying that cash grain price per bushel less \$.25 times 1% of
0032 the warehouse capacity in excess of that capacity used to com-
0033 pute the first \$200,000 of the amount of the bond. In no event
0034 shall the bond be for an amount less than \$10,000.

0035 (b) If an applicant for a license or a licensee at any time does
0036 not have the total net worth required by K.S.A. 34-228 and
0037 amendments thereto, an amount equal to the deficiency shall be
0038 added to the amount of the bond required by subsection (a).

0039 (c) The bond shall be in favor of the state of Kansas for the
0040 benefit of all persons interested, their legal representatives,
0041 attorneys or assigns and shall be conditioned on the faithful
0042 performance of all the licensee's duties as a public warehouse-
0043 man and such additional obligations as assumed by the ware-
0044 houseman under contracts with a federal agency relating to
0045 storage of grain in each warehouse. Any person injured by the

in compliance
~~To comply~~ with the requirements of this subsection, an applicant may submit and file with the director an irrevokable letter of credit in the amount required by this subsection in lieu of the required bond. Such letter of credit shall contain provisions and be in form satisfactory to the director.

~~or letter of credit~~

*2-27-86 Sen. Ag. 4
attachment*