

Approved 4-2-87  
Date

MINUTES OF THE House COMMITTEE ON Appropriations

The meeting was called to order by Bill Buntten at  
Chairperson

1:30 ~~am~~/p.m. on Thursday, March 26, 1987 in room 514-S of the Capitol.

All members were present except: Representative Wisdom (excused)

Committee staff present: Gloria Timmer, Legislative Research  
Diane Duffy, Legislative Research  
Jim Wilson, Revisors Office  
Sharon Schwartz, Administrative Aide  
Nadine Young, Committee Secretary

Conferees appearing before the committee:

Chip Wheelan, Kansas Legislative Policy Group  
Ernie Mosher, League of Municipalities  
Bev Bradley, Kansas Association of Counties  
Rufus Nye, City Manager of Salina  
John Moir, Finance Director for City of Wichita  
Guest List (Attachment 1)

Chairman turned to final action on House Bills 2562, 2411, 2556, 2504, and Senate Bill 163.

HB 2562 - concerning special education services for exceptional children. Representative Chronister moved that the bill be amended on line 62, by striking "2/5" and inserting in lieu thereof "3/10". Seconded by Representative Lowther. Motion carried. On the bill, Representative Chronister moved that HB 2562, as amended, be recommended favorable for passage. Seconded by Representative Goossen. Motion carried.

HB 2411 - concerning retirement benefits for officers and employees of the state board of regents and institutions thereunder. Representative Chronister moved that HB 2411, as amended by Pensions, Investments and Benefits Committee, be recommended favorable for passage. Seconded by Representative Vancrum. Motion carried.

HB 2556 - concerning procurements by state agencies; authorizing negotiating committees.

A proposed amendment (Attachment 2) directing the Director of Purchases to submit a report to the LCC of contracts entered into, was submitted by Representative Brady. Representative Vancrum suggested the word "technical" be inserted on line 40 before the word "services". Representative Brady moved for adoption of the amendment, seconded by Representative Ott. Motion carried.

Representative Chronister moved that HB 2556, as amended, be recommended favorable for passage. Seconded by Representative Brady. Motion carried.

HB 2504 - concerning vending facilities operated by blind persons. Representative Hamm moved that HB 2504, as amended by Committee on Public Health and Welfare, be recommended favorable for passage. Seconded by Representative Teagarden. Motion carried.

SB 163 - concerning transfers of employer contributions under KPERS. Representative Mainey moved that SB 163 be removed from the tabled position for the purpose of committee discussion and possible action. Seconded by Representative Chronister. Motion carried.

Representative Duncan offered a motion to amend SB 163 by changing the interest rate from 5.5% to 6.72%. Representative Dyck seconded. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,  
room 514-S, Statehouse, at 1:30 ~~xx~~ p.m. on Thursday, March 26, 1987

Representative Heinemann expressed an opinion that the committee should do one or two things in order to be consistent; either maintain the method now being used, or pay interest on the delayed payment. He therefore offered a motion to strike the amendment that would switch to a semi-annual payment and return to current law. Seconded by Representative Brady. The motion failed on a vote of 10 Yeas and 12 Nays.

Representative Heinemann offered a second motion to word the bill so that the state would pay the necessary interest on that money that is being deferred. Seconded by Representative Solbach. Motion failed.

Representative Shriver moved to report SB 163 adversely, as amended. Seconded by Representative Miller. The vote was 8 Yeas, 13 nays. The motion failed.

Representative Chronister moved that SB 163, as amended, be recommended favorable for passage. Representative Fuller seconded. The motion carried, 11 having voted Yea, 9 voting Nay. Representative Teagarden requested to be recorded as voting No.

Chairman turned to the hearing of HB 2486, transfers from state general fund subjet to appropriation acts.

Chairman Buntin, sponsor of the bill, explained the provisions of the bill. At this time, 8% of sales tax collections are returned to the cities and counties by demand transfer. This bill would require that they be subject to appropriation by the Legislature.

Chip Wheelan testified in opposition to the bill (Attachment 3), representing the Kansas Legislative Policy Group.

Ernie Mosher addressed the committee in opposition to the bill (Attachment 4) speaking for the League of Kansas Municipalities.

Bev Bradley spoke against the new proposal, saying this procedure would eventually mean less funds for local governments from the State (Attachment 5).

Rufus Nye, City Manager of Salina, also opposed the bill. He cited several instances where his city has lost revenue because of action by the Legislature.

John Moir, Finance Director for City of Wichita, spoke against the bill. He said that the City of Wichita lost \$3 million last year and were forced to cut several jobs. By moving to an appropriation act, they would be forced to make even further reductions.

Position Statement by Johnson County, Ks (Attachment 6).

Hearing for HB 2310 was not taken up today because of time constraints. It is being rescheduled for Monday, March 30.

INTRODUCTION OF BILLS

Representative Duncan was recognized and he requested introduction of a bill concerning hazardous waste. Seconded by Representative Chronister. Motion carried.

A second bill was presented by Representative Duncan which deals with examination fees for certain fee agencies. Representative Duncan requested introduction of the bill with the recommendation that it be referred back to this committee. Seconded by Representative Mainey. Motion carried.

Representative Fuller requested introduction of a bill concerning court of appeals; relating to the number of judges (Attachment 7). Representative Ott seconded. Motion carried.

Secretary of Commerce Harland Priddle appeared before the committee for the purpose of requesting introduction of a bill (Attachment 8) concerning public corporations relating to personnel matters and Kansas Technology Enterprise Corporation. Representative Chronister moved that the bill be introduced. Representative Miller seconded. Motion carried.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Appropriations,  
room 514-S, Statehouse, at 1:30 ~~am~~/p.m. on Thursday, March 26, 1987

Representative Duncan suggested that copies of bill drafts not be distributed to committee members unless specifically requested, in an effort to save time and cost of paper. It was felt that usually the bill draft copies go directly into the trash. Chairman asked if there was any objection to this suggestion and the committee agreed to the new procedure.

On the Minutes for March 16, 17, 18, 19 and 23, Representative Chronister moved they be approved as written. Representative Dyck seconded. Motion carried.

Meeting adjourned at 3:30 p.m.

GUESTS

Date 3-26-87

| Name                | Address  | Representing                              |
|---------------------|----------|---|
| Mawmi Trout         | Topeka   | IBM                                       |
| Nick Roach          | Topeka   | Div. of Purchases                         |
| Art Conroy          | Topeka   | Dept. of Adm.                             |
| John Brown          | Salina   | CITY OF SALINA                            |
| Rufus Lee           | Salina   | CITY OF SALINA                            |
| Ed Walker           | Topeka   | 2000 <sup>KS</sup> Municipal              |
| TED AYRES           | TOPEKA   | KANSAS Bd of REGENTS                      |
| Jack Haver          | Topeka   | KPEERS                                    |
| Marshall Crowther   | Lawrence | KPEERS                                    |
| Charles Dabson      | TOPEKA   | KAPE                                      |
| John S. Miller      | Topeka   | AARP                                      |
| John Mason          | Wichita  | City of Wichita                           |
| Marla Howard        | Wichita  | City of Wichita                           |
| Chip Wheelen        | Topeka   | Legis' Policy Group                       |
| Sabrina Wells       | Topeka   | Division of the Budget                    |
| BOB BRADLEY         | TOPEKA   | KS Association of Counties                |
| Michael A. Byington | Topeka   | KS Assn of<br>Blind and Visually Impaired |

# HOUSE BILL No. 2556

By Committee on Appropriations

3-9

0017 AN ACT concerning procurements by state agencies; authoriz-  
0018 ing negotiating committees; providing certain exemptions  
0019 therefor.

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

0021 Section 1. (a) Upon request of the chief administrative of-  
0022 ficer of a state agency and subject to the approval of the secretary  
0023 of administration, the director of purchases may convene a pro-  
0024 curement negotiating committee to obtain services or products  
0025 for the state agency.

0026 (b) Each procurement negotiating committee shall be com-  
0027 posed of: (1) The director of purchases, or a person designated by  
0028 the director; (2) the chief administrative officer of the state  
0029 agency desiring to make the procurement, or a person designated  
0030 by the officer; and (3) the secretary of administration, or a person  
0031 designated by the secretary.

0032 (c) The negotiating committee is authorized to negotiate for  
0033 the procuring state agency contracts with qualified parties to  
0034 provide services or products needed by the state agency.

0035 (d) Prior to negotiating for the procurement, a notice to bid-  
0036 ders first shall be published in the Kansas register. Upon receipt  
0037 of bids or proposals, the committee may negotiate with one or  
0038 more of the firms submitting bids or proposals and select from  
0039 among those submitting such bids or proposals the party to  
0040 contract with to provide the <sup>technical</sup> services or products.

0041 (e) Contracts entered into pursuant to this section shall not  
0042 be subject to the provisions of K.S.A. 75-3738 through 75-3740a  
0043 and amendments thereto. Meetings to conduct negotiations pur-  
0044 suant to this section shall not be subject to the provisions of  
0045 K.S.A. 75-4317 through 75-4320a and amendments thereto.

technical

At least every calendar quarter, the director of purchases shall submit a report to the legislative coordinating council of contracts entered into pursuant to this section.

Attachment 2  
House Appropriations 3/26/87

(2)



Kansas Legislative Policy Group

301 Capitol Tower, 400 West Eighth, Topeka, Kansas 66603, 913-233-2227

TIMOTHY N. HAGEMANN, Executive Director

March 11, 1987

Representative Bill Buntен  
Chairman  
House Appropriations Committee  
Statehouse  
Topeka, Kansas 66612

Dear Mr. Chairman:

As you probably recall, the Kansas Legislative Policy Group is an organization of rural county commissioners.

We are opposed to the provisions of House Bill 2486.

Thank you for once again considering our position on this issue.

Respectfully yours,

*Chip W. Hagemann for*  
Tim Hagemann  
Executive Director

cc: Committee Members

(Millions, Rounded)

|                 | <u>Total SGF<br/>Receipts*</u> | <u>Sales Tax<br/>Receipts</u> | <u>LAVTRF+CCRSF<br/>Distributions</u> | <u>LAVTRF+CCRSF<br/>as a % of SGF</u> | <u>Sales Tax<br/>as a % of SGF</u> |
|-----------------|--------------------------------|-------------------------------|---------------------------------------|---------------------------------------|------------------------------------|
| actual<br>FY 85 | \$1,689.7                      | \$546.9                       | \$41.9                                | 2.48%                                 | 32.4%                              |
| actual<br>FY 86 | 1,670.7                        | 560.7                         | 43.2                                  | 2.59                                  | 33.6                               |
| estim.<br>FY 87 | 1,815.2                        | 726.0                         | 46.5                                  | 2.56                                  | 40.0                               |
| estim.<br>FY 88 | 2,002.8                        | 751.0                         | 53.0                                  | 2.65                                  | 37.5                               |

\*) Amount before transfers to or from SGF.

Sources: Annual Governor's Report on The Budget.



# League of Kansas Municipalities

PUBLISHERS OF KANSAS GOVERNMENT JOURNAL/112 WEST SEVENTH ST., TOPEKA, KANSAS 66603/AREA 913-354-9565

TO: House Committee on Appropriations  
 FROM: E.A. Mosher, Executive Director  
 DATE: March 26, 1987  
 SUBJECT: HB 2486--Annual Appropriation of Revenue Sharing

Our strong opposition to HB 2486 comes from two vantage points: the first from a matter of practical fiscal realities and the second as a matter of philosophy and principle. Both stem from the basic belief that a shift from a revenue sharing approach to a state aid, appropriation approach, will inevitably result in a decline in state government support of the local general governments of Kansas.

On the fiscal side, we simply remind you that the property tax base of many, if not most, local units have declined and are expected to decline further. Secondly, the principal non-property tax revenue source of cities and counties, the local sales tax, is generally declining or is stable. The same set of forces that have brought fiscal problems to the state government is bringing fiscal problems to local governments, in spades. And on top of this, we have the lost federal general revenue sharing, which totalled \$34.7 million in 1986, a drop from \$38.3 million in 1985.

On the philosophic side, we simply observe that one of the most basic and fundamental purposes of state government is to foster vigorous, effective local government, which means it has a commensurate responsibility to assure the fiscal strength of its local units. We have an obvious bias. We tend to look at state government as the sum of its communities, not as a monolithic agency that operates independent of a state-local partnership system, with shared public responsibilities. In our judgment, we cannot have strong state government and weak local government, or vice versa, and have good government in Kansas, for we share the same constituency.

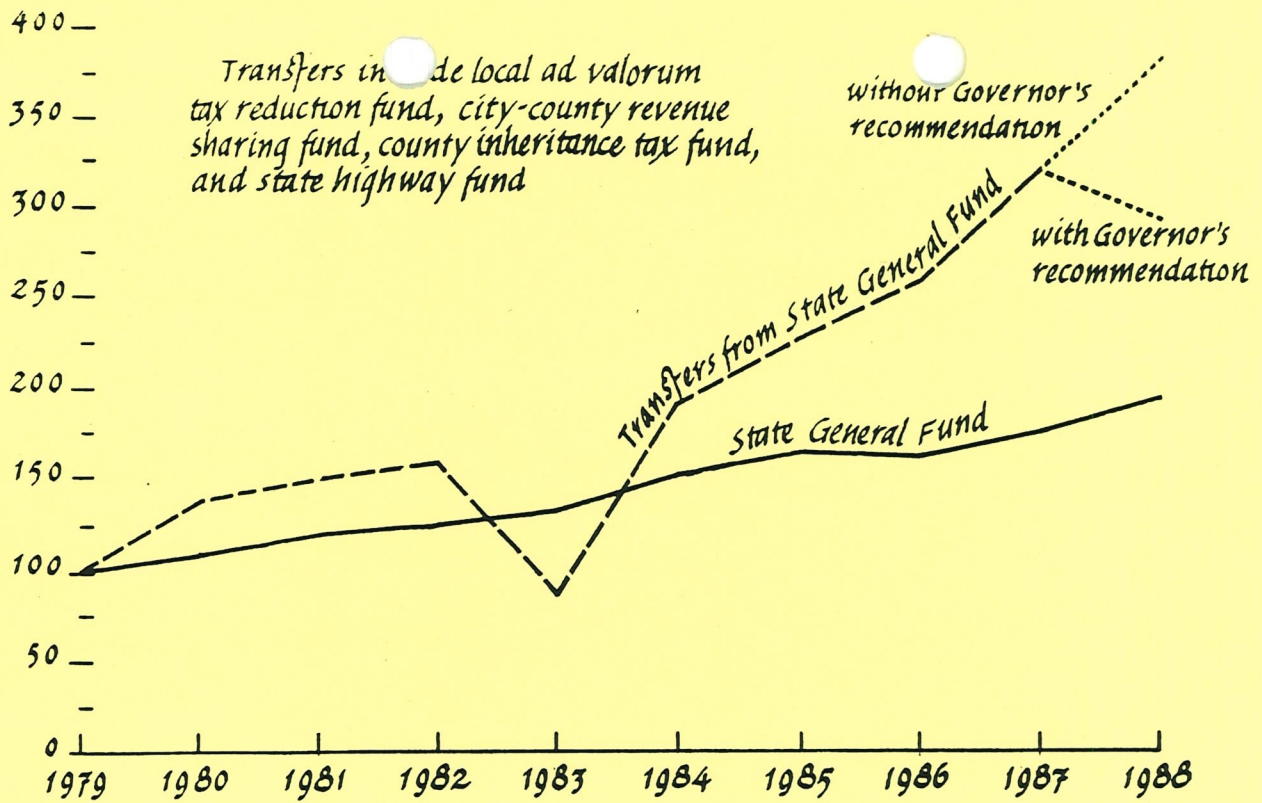
In our perspective, the tax wealth of Kansas state government is the product or sum of the tax wealth of its communities. Thus, it seems fundamental to us that local units should share in the tax wealth of the state. We think this is best achieved by a shared tax program, on a percentage of state revenue collections, rather than on an annual appropriation basis. Indeed, I think most local units would be more supportive of a shared revenue system than an appropriated grant-in-aid system which might even be higher in amounts, than face the vicissitudes of the annual appropriation process.

Finally, I would observe that at least part of the vote on HB 2066 was influenced by the fact that many legislators voted for state sales taxes with the knowledge that some of the revenue--at least 8%--would be shared with local units and local property taxpayers. We do not believe we should depart from the tradition of sharing revenues as well as sharing responsibilities. State support of local government, through a revenue sharing formula, is one of the highest priorities of Kansas state government.

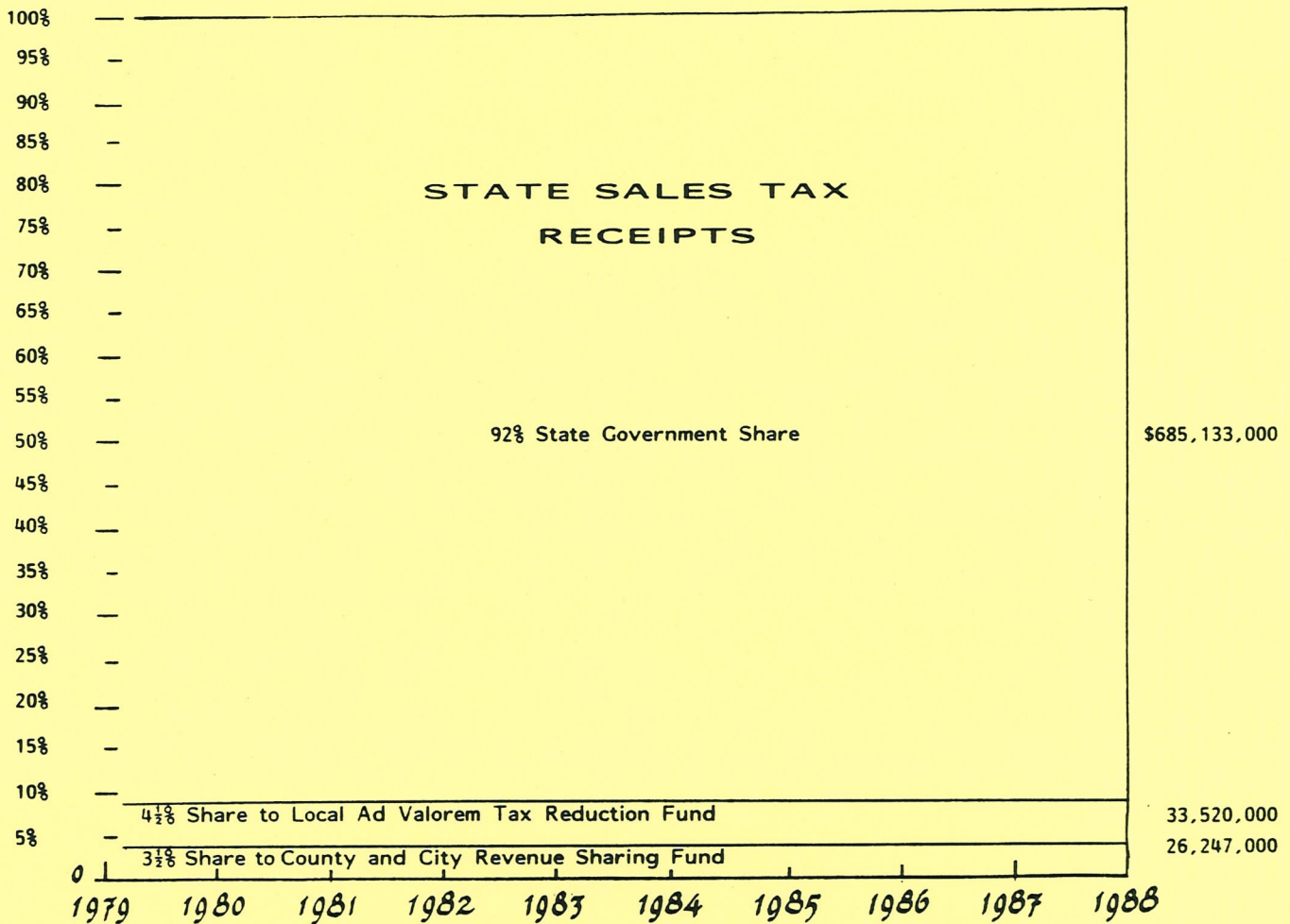
President: John L. Carder, Mayor, Iola • Vice Presidents: Carl Dean Holmes, Mayor, Plains • Past Presidents: Ed Eilert, Mayor, Overland Park •  
 Directors: Robert C. Brown, Commissioner, Wichita • Robert Creighton, Mayor, Atwood • Irene D. French, Mayor, Merriam • Frances J. Garcia,  
 Commissioner, Hutchinson • Donald L. Hamilton, City Clerk/Administrator, Mankato • Paula McCruight, Mayor, Ness City • Jay P. Newton, Jr.,  
 City Manager, Newton • John E. Reardon, Mayor, Kansas City • David E. Retter, City Attorney, Concordia • Commissioner,  
 Coffeyville • Deane P. Wiley, City Manager, Garden City • Douglas S. Wright, Mayor, Topeka

Attachment 4  
 House Appropriations 3/26/87





Growth in State General Fund Revenues Compared to Growth in Transfers from State General Fund (FY 1979 = 100)



\$744,900,000

# Kansas Association of Counties

*Serving Kansas Counties*

212 S.W. Seventh Street, Topeka, Kansas 66603

Phone (913) 233-2271

March 26, 1987

To: Representative Bill Buntten, Chairman  
Members House Appropriations Committee

From: Bev Bradley, Legislative Coordinator  
Kansas Association of Counties

Re: HB-2486 Annual Appropriations of Revenue Sharing

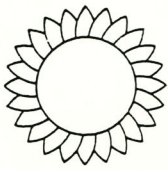
Thank you Mr. Chairman and members of the committee. I am Bev Bradley, representing Kansas Association of Counties.

The Kansas Association of Counties is opposed to HB-2486. We feel that the counties have financial problems parallel to those of the State and this procedure would eventually mean less funds for local governments from the State. Counties have continued fiscal commitments from the State and should also have continued fiscal responsibility from the State.

Much has been said about long-range planning and the advantages of it to local government. This uncertain arrangement hinders much of the long range planning opportunity.

Some services which need to be provided by counties are not appropriately funded from property tax. They need a sales tax source, but as the State sales tax is increased it becomes much harder to pass a local option sales tax.

Kansas Association of Counties strongly opposes HB-2486.



JOHNSON COUNTY BOARD OF COMMISSIONERS

POSITION STATEMENT ON HB 2486

HB 2486 provides for the Legislature to make a yearly appropriation to counties and cities for the LAVTR and Revenue Sharing funds, as opposed to the existing demand transfers. This is a major policy change from the one adopted by the Legislature several years ago. At that time the Legislature made a decision to commit a percentage of the state sales tax to local governments. HB 2486 reverses that commitment.

In the House Appropriations Committee hearing on the bill, counties were repeatedly equated to "programs" of the state. We do not agree with that view. Counties are constitutionally created and the state statutes define them as a subdivision of the state. In text books they are defined as an "arm of the state". Therefore, to classify counties as a state program or agency is a major change in philosophy that completely alters the existing intergovernmental partnership between the State of Kansas and its 105 counties.

During the same hearing, members of the committee asked if counties are required to make demand transfers to other units of government? The answer is yes. When a countywide sales tax is imposed the statutes require the county to distribute a certain portion of the revenue back to the cities based on population and tax effort. The rationale behind this requirement is that the cities are where the sales tax revenue is generated and the necessary services to support the retailers is provided. This is exactly the situation that exists between the state and the local units. We believe this is an equitable approach and should not be changed.

In 1986 when the increase in state sales tax was proposed, it was not opposed by the local units of government. This was based on the belief and trust in the commitment the state had made to the counties and cities to share a specified portion of the revenue derived from the increase. We urge you to retain this commitment by voting against HB 2486.

BILL NO. \_\_\_\_\_

AN ACT concerning the court of appeals; relating to the number of judges; amending K.S.A. 1986 Supp. 20-3002, 20-3005 and 20-3006 and repealing the existing sections.

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

Section 1. K.S.A. 1986 Supp. 20-3002 is hereby amended to read as follows: 20-3002. (a) Before July 1, 1987, the court of appeals shall consist of seven judges whose positions shall be numbered one to seven. On ~~and after~~ July 1, 1987, through June 30, 1988, the court of appeals shall consist of eight judges whose positions shall be numbered one to eight. On July 1, 1988, through June 30, 1989, the court of appeals shall consist of nine judges whose positions shall be numbered one to nine. On and after July 1, 1989, the court of appeals shall consist of 10 judges whose positions shall be numbered one to 10. Judges of the court of appeals shall possess the qualifications prescribed by law for justices of the supreme court.

(b) Judges of the court of appeals shall be selected in the manner provided by K.S.A. 20-3003 through 20-3010, and amendments thereto. Each judge of the court of appeals shall receive an annual salary in the amount prescribed by law. No judge of the court of appeals may receive additional compensation for official services performed by the judge. Each such judge shall be reimbursed for expenses incurred in the performance of such judge's official duties in the same manner and to the same extent justices of the supreme court are reimbursed for such expenses.

Sec. 2. K.S.A. 1986 Supp. 20-3005 is hereby amended to read as follows: 20-3005. On July 1, 1987, July 1, 1988, and July 1, 1989, the clerk of the supreme court shall notify the chairperson of the supreme court nominating commission of the number of

vacant positions on the court of appeals to be filled by appointment. Upon receipt of such notice, the chairperson shall cause the commission to meet and submit to the governor a panel of three nominees for the lowest numbered position on the court of appeals for which an appointment is to be made. The governor shall appoint one of such nominees to the position on the court of appeals for which the nominee was nominated within 60 days from the time the panel of nominations for such position is submitted to the governor. If the governor fails to make the appointment within such time, the chief justice of the supreme court shall make such appointment from among the persons so nominated. When the appointment has been made and the person has informed the clerk of the supreme court in writing of the person's acceptance of such appointment, the clerk of the supreme court shall so notify the chairperson of the supreme court nominating commission who again shall cause the commission to meet and submit to the governor another panel of three nominees for the lowest numbered position remaining on the court of appeals for which no appointment has been made. The process of nomination and appointment provided herein shall be repeated until nominations and appointments have been made for all positions on the court of appeals for which appointments are to be made. Each appointment to the court of appeals shall be made from a separate panel of nominees, and the appointment to each position shall be made and accepted before any other panel of nominees is submitted to the governor. The nomination of a person on an earlier panel shall not preclude the person's nomination on a subsequent panel.

Sec. 3. K.S.A. 1986 Supp. 20-3006 is hereby amended to read as follows: 20-3006. (a) Persons who are appointed as judges of the court of appeals pursuant to K.S.A. 20-3005 and amendments thereto shall commence the duties of their office upon appointment, and each such judge shall have all the rights, privileges, powers and duties prescribed by law for the office of judge of the court of appeals. The initial ~~terms~~ term of office

for persons the person serving as judges a judge of the court of appeals in positions position eight~~,-nine--and--10~~ shall expire January 14, 1991. The initial term of office for the person serving as a judge of the court of appeals in position nine shall expire January 14, 1991. The initial term of office for the person serving as a judge of the court of appeals in position 10 shall expire on January 14, 1993.

(b) Not less than 60 days prior to the holding of the general election next preceding the expiration of the term of any judge of the court of appeals, the judge may file in the office of the secretary of state a declaration of candidacy for retention in office. If a declaration is not so filed, the position held by the judge shall be vacant upon the expiration of the judge's term of office. If such declaration is filed, the judge's name shall be submitted at the next general election to the electors of the state on a separate judicial ballot, without party designation, reading substantially as follows:

"Shall \_\_\_\_\_ (Here insert name of judge.), Judge of the Court of Appeals, be retained in office?"

If a majority of those voting on the question shall vote against retaining the judge in office, the position which the judge holds shall be vacant upon the expiration of the judge's term of office. Otherwise, unless the judge is removed for cause, the judge shall remain in office for a term of four years from the second Monday in January following the election. At the expiration of each term, unless by law the judge is compelled to retire, the judge shall be eligible for retention in office by election in the manner prescribed in this section.

If a majority of those voting on the question shall vote against the judge's retention, the secretary of state, following the final canvass of votes on the question, shall certify the results to the clerk of the supreme court. Any such judge who has not been retained in office pursuant to this section shall not be eligible for nomination or appointment to the office of judge of the court of appeals prior to the expiration of four years after

the expiration of the judge's term of office.

Election laws applicable to the general election of other state officers shall apply to elections upon the question of retention of judges of the court of appeals pursuant to this section, to the extent that they are not in conflict with and are consistent with the provisions of this act.

Sec. 4. K.S.A. 1986 Supp. 20-3002, 20-3005 and 20-3006 are hereby repealed.

Sec. 5. This act shall take effect and be in force from and after its publication in the statute book.

BILL NO. \_\_\_\_\_

AN ACT relating to certain public corporations; concerning certain personnel and financial matters of Kansas, Inc. and Kansas technology enterprise corporation; amending K.S.A. 1986 Supp. 74-8005 and 74-8105 and repealing the existing sections.

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

New Section 1. K.S.A. 1986 Supp. 74-8001 through 74-8011 and sections 1, 2 and 3 and any amendments thereto shall be known and may be cited as the Kansas, Inc. act.

New Sec. 2. (a) The president and all other employees of Kansas, Inc. shall be considered to be state employees and Kansas, Inc. shall be considered to be a state agency for purposes of the laws and procedures governing the payroll accounting system for state agencies under K.S.A. 75-5501 et seq., the deferred compensation plan developed and approved for state employees under K.S.A. 75-5521 through 75-5529 and amendments thereto, the Kansas public employees retirement system, the employment security law, the workmen's compensation act, including the state workmen's compensation self-insurance fund as provided in K.S.A. 44-575 through 44-580 and amendments thereto, the state health care benefits program and remittances pursuant to the federal social security act, federal insurance compensation act and the federal internal revenue code. The president and all other employees of Kansas, Inc. shall be considered to be state employees and Kansas, Inc. shall be considered to be a state agency only for the purposes specified in this subsection.

(b) Except as provided in subsection (b) of K.S.A. 1986 Supp. 74-8003 and amendments thereto for members of Kansas, Inc.,



the provisions of article 32 of chapter 75 of the Kansas Statutes Annotated, any acts amendatory thereof or supplemental thereto, and any rules and regulations adopted thereunder, shall not apply to officers or employees of Kansas, Inc. Subject to policies established by Kansas, Inc., the president of Kansas, Inc. or the president's designee shall be authorized to approve all travel and travel expenses of such officers and employees.

(c) Nothing in this act or the act of which it is amendatory shall be construed as placing any officer or employee of Kansas, Inc. in the classified service or unclassified service under the Kansas civil service act.

New Sec. 3. (a) All state appropriations to or grants of state appropriations to Kansas, Inc. shall remain in the state treasury until expended or transferred to other state agencies pursuant to the Kansas, Inc. act.

(b) Except as provided in subsection (a), all moneys received by Kansas, Inc. from gifts, donations, grants or any other source outside the state treasury may be placed in the state treasury or may be maintained in interest-bearing accounts in Kansas banks or Kansas savings and loan associations until expended or otherwise disposed of pursuant to the Kansas, Inc. act.

New Sec. 4. K.S.A. 1986 Supp. 74-5050, 74-8101 through 74-8112 and sections 4, 5 and 6 and amendments thereto shall be known and may be cited as the Kansas technology enterprise corporation act.

New Sec. 5. (a) The president and all other employees of the Kansas technology enterprise corporation shall be considered to be state employees and the Kansas technology enterprise corporation shall be considered to be a state agency for purposes of the laws and procedures governing the payroll accounting system for state agencies under K.S.A. 75-5501 et seq., the deferred compensation plan developed and approved for state employees under K.S.A. 75-5521 through 75-5529 and amendments thereto, the Kansas public employees retirement system, the employment security law, the workmen's compensation act,

including the state workmen's compensation self-insurance fund as provided in K.S.A. 44-575 through 44-580 and amendments thereto, the state health care benefits program and remittances pursuant to the federal social security act, federal insurance compensation act and the federal internal revenue code. The president and all other employees of the Kansas technology enterprise corporation shall be considered to be state employees and the corporation shall be considered to be a state agency only for the purposes specified in this subsection.

(b) Except as provided in subsection (h) of K.S.A. 1986 Supp. 74-8101 and amendments thereto for members of the board of directors of the Kansas technology enterprise corporation, the provisions of article 32 of chapter 75 of the Kansas Statutes Annotated, any acts amendatory thereof or supplemental thereto, and any rules and regulations adopted thereunder, shall not apply to officers or employees of Kansas technology enterprise corporation. Subject to policies established by the board of directors, the president of the corporation or the president's designee shall be authorized to approve all travel and travel expenses of such officers and employees.

(c) Nothing in this act or the act of which it is amendatory shall be construed as placing any officer or employee of the Kansas technology enterprise corporation in the classified service or the unclassified service under the Kansas civil service act.

New Sec. 6. (a) All state appropriations to or grants of state appropriations to the Kansas technology enterprise corporation shall remain in the state treasury until expended, loaned, transferred to other state agencies or invested pursuant to the Kansas technology enterprise corporation act.

(b) Except as provided in subsection (a), any matching funds or other moneys received by the corporation from any source outside the state treasury may be placed in the state treasury or may be maintained in interest-bearing accounts in Kansas banks or Kansas savings and loan associations, or invested pursuant to subsection (b)(3) of K.S.A. 1986 Supp. 74-8109 and amendments

thereto. Any accounts so maintained shall bear a designation of one of the fund titles established in the Kansas technology enterprise corporation act.

Sec. 7. K.S.A. 1986 Supp. 74-8005 is hereby amended to read as follows: 74-8005. (a) Kansas, Inc. shall hire a person to serve as its chief executive officer and president. Kansas, Inc. shall conduct a national search and select a corporation president who meets a national standard of experience, ability and initiative for similar positions. Kansas, Inc. may negotiate and enter into an employment agreement with the individual selected as corporation president which may provide for such compensation and such provisions for allowances, benefits and expenses as may be included in such agreement. Kansas, Inc. is authorized to make all payments and payroll deductions as may be required under such agreement.

(b) 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 members of Kansas, Inc.;

(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.; and

(4) as a first priority, shall prepare a business plan which shall be approved by the members of Kansas, Inc. and be submitted for review and comment to the legislative--economic development---commission legislative standing committees on economic development or the joint committee on economic development.

(c) Kansas, Inc. is hereby authorized to negotiate and enter into contracts for professional consulting and research services and collaboration with the department of commerce.

(d) Kansas, Inc. is authorized to accept gifts, donations and grants.

(e) Kansas, Inc. is not subject to state purchasing laws.

Sec. 8. K.S.A. 1986 Supp. 74-8105 is hereby amended to read as follows: 74-8105. (a) The president shall be the chief executive officer of the corporation and shall serve at the pleasure of the board. The president's salary shall be set by the board of directors. The board of directors may negotiate and enter into an employment agreement with the individual selected as president of the corporation which may provide for such compensation and such provisions for allowances, benefits and expenses as may be included in such agreement. The board of directors is authorized to make all payments and payroll deductions as may be required under such agreement. The president shall direct and supervise administrative affairs and the general management of the corporation.

(b) The president:

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

(2) shall attend board meetings;

(3) shall appoint a secretary to keep a record of all proceedings and maintain and be custodian of all financial and operational records, documents and papers filed with the corporation and of the minute book of the corporation; and

(4) before accepting any applications as provided for under this act, shall prepare a business plan which shall include the corporate analysis of funding levels of programs in other states that are shown in the report required in subsection (b) of K.S.A. 1986 Supp. 74-8111; and amendments thereto and the threshold funding levels specified in subsection (c) of K.S.A. 1986 Supp. 74-8111 and amendments thereto. Upon approval of the business plan by the corporation board, the plan shall be presented to the standing or joint legislative committees on economic development for review and evaluation.

Sec. 9. K.S.A. 1986 Supp. 74-8005 and 74-8105 are hereby repealed.

Sec. 10. This act shall take effect and be in force from and after its publication in the Kansas register.