

Approved On: 3/30/87

Minutes of the House Committee on Taxation. The meeting was called to order by E. C. Rolfs, Chairman, at 9:00 a.m. on March 25, 1987 in room 519 South at the Capitol of the State of Kansas.

The following members were absent (excused):

Representatives Alyward, Wunsch, Fuller, Roe and Pottorf

Committee staff present:

Tom Severn, Legislative Research  
Chris Courtright, Legislative Research  
Don Hayward, Reviser of Statutes  
Millie Foose, Committee Secretary

Secretary Ed Flentje spoke as a proponent for HB-2555 - AN ACT relating to income taxation; allowing credits therefrom for educational expenses incurred by certain taxpayers, and explained the reasons for the bill. There was considerable discussion about the requirements and how much it would benefit the state. Mark Tallman, Legislative Director Associated Students of Kansas, submitted written testimony in support of HB-2555. (Attachment 1) This concluded the public hearing.

Mr. Paul Klotz spoke as a proponent for HB-2016 and introduced Dr. Sandra Shaw, Executive Director Bert Nash Community Mental Health Center, of Lawrence. Dr. Shaw urged the Committee to support the amendment to HB-2016 which includes Mental Health. (Attachment 2)

Lila Pasley, representing the Association for Retarded Citizens of Kansas, urged support for the bill. (Attach. 3)

Yo Bestgen, representing Kansas Association of Rehabilitation Facilities, spoke in support of the bill because it would allow those counties who desire to further fund MR facilities to do so. (Attachment 4) This concluded the public hearing.

Representative Wagnon moved, second by Representative Gatlin, that HB-2212 be reported adversely. The motion carried.

Representative Branson moved, second by Representative Wagnon, that HB-2016 be amended to include both MH and MR facilities and that the bill as amended be passed favorably. The motion carried.

Chairman Rolfs gave an explanation on TESA and asked Tom Severn to check regarding revenue aspects of the bill. Chairman Rolfs also requested a one-page outline of SB-309.

There being no further business, the meeting was adjourned.



Ed C. Rolfs, Chairman

Written testimony regarding HB 2016 was submitted by Donald E. Jernberg, Topeka Association for Retarded Citizens. (Attachment 5)



# ASSOCIATED STUDENTS OF KANSAS

*The Student Governments of the State Universities*

Suite 608 • Capitol Towers • 400 S.W. 8th St. • Topeka, Ks. 66603 • (913) 354-1394

Christine A. Graves  
Executive Director

Mark E. Tallman  
Director of Legislative Affairs  
and Development

**MEMBERS:**

Associated Student Government  
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316-343-1200 ext. 5494

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Student Government Association  
The Wichita State University  
Campus Activities Center  
Wichita, Kansas 67208  
316-689-3480

Statement on HB 2555

TO: House Committee on Taxation  
FROM: Mark Tallman, Legislative Director  
DATE: March 19, 1987

Position

ASK is supportive of the concept of HB 2555. We believe it would address a serious state problem. However, we would like to express several concerns and offer recommendations relative to specific provisions of the bill.

Background

ASK has long been concerned about the Kansas "brain drain," or flight of top students from the state. In past sessions, we supported changes in statute to increase awards and funding for the State Scholarship Program, which provides need-based grants to high achieving students who attend college in Kansas. We have also proposed, with then-Speaker Hayden's endorsement, a loan-forgiveness program for top students who enter teaching.

We continue to feel that incentives for students of National Merit caliber are inadequate. This bill would be a positive step for these reasons: it contains more significant financial inducements, and it benefits the students only if he or she lives and works in Kansas for a period of time after graduation.

Concerns

ASK is concerned not only about permanent loss of top students from Kansas, but also with the significant numbers of National Merit Scholars who attend college out of state. ASK's policy council overwhelmingly believes that such students should be encouraged to remain in Kansas to attend school, as well as after completing their education.

However, this bill makes no distinction regarding where the student receives his or her education. In fact, our concern is that this bill may actually be an incentive for National Merit Scholars to attend school out of state.

We know that one factor influencing Merit Scholars who do remain in Kansas is the price advantage: it is considerably less expensive for residents to attend college in Kansas than at most out of state schools.

(more)

Under this bill, the daunting costs of expensive, out of state schools are made less intimidating. Moreover, the favorable provisions of the bill only benefit students to the extent they actually borrow to pay for college costs. Students staying home for college, would tend to borrow less, or not at all.

This situation is compounded by the fact that the bill provides tax credits only for repayments on "loans incurred...for educational purposes." Most federally-insured student loans require students to show financial need to qualify. Need is determined by both parental income and the cost of college. Students remaining in Kansas would tend to have lower college costs, and be less likely to qualify for these loans. One solution would be to allow Kansas colleges to make loans to such students without demonstrating need.

ASK believes the bill should be amended to require that the student graduate from a Kansas college or university to qualify for the tax benefit. This would be a greater incentive to keep the best Kansas scholars at Kansas institutions.

There is another amendment we would ask the committee to consider. Some students will always want to leave their home state from college. But shouldn't we be encouraging top scholars from other states to explore the benefits of life in our state? Perhaps the clause requiring beneficiaries to be graduates of a Kansas high school should be waived. If National Merit Scholars from other states wish to come here to study and remain to live and work, the state also benefits. While the number may be relatively small, the benefits could be significant.

Thank you for your consideration.

TESTIMONY RE HB 2016  
PRESENTED TO HOUSE COMMITTEE ON TAXATION  
MARCH 25, 1987

SANDRA J. SHAW, PHD  
EXECUTIVE DIRECTOR  
BERT NASH COMMUNITY MENTAL HEALTH CENTER  
LAWRENCE, KANSAS

On behalf of the Bert Nash Center Governing Board and staff and the Douglas County community, the House Committee on Taxation is urged to support the amendment of HB 2016 to include mental health.

Douglas County is one of several counties that is currently levying the full mil authorized by existent statute to support mental health services. The inclusion of mental health in HB 2016 would enable these counties, if they so chose, to generate additional monies in support of mental health. In some communities those additional monies already are or soon will be urgently needed for the continued support of programs endangered by the loss of funds from other resources and/or the initiation of sorely needed new programs for which other funding sources do not exist.

The Bert Nash Center, for example, is confronted with a loss of up to \$300,000.00 in block grant funding after FY90. An increase in the county authority to raise monies supporting mental health is essential if the Douglas County Commission and citizenry can even consider protecting the endangered programs by replacing block grant dollars with county tax dollars. Similarly, there is extensive interest in developing community-based services, including residential services, for the long-term mentally ill. Douglas County is severely limited in the options it can entertain as long as the existent limits on the mental health mil tax levy apply.

It should be noted that the Douglas County Commission, concerned citizens of Douglas County, and, the State Association of Counties have expressed support for legislation which would enable counties at their discretion to raise more money on behalf of mental health. In fact, in Douglas County the idea of legislative action of this nature originated several months ago

within groups of citizens meeting to consider short and long-range center funding strategies.

It should also be noted that the permissive nature of this proposed legislation is recognized and is considered an essential strength. It empowers local communities with a tool that can be used contingent upon local resources and priorities.

THE ASSOCIATION FOR  
RETARDED CITIZENS OF KANSAS, INC.



11111 W. 59th TERRACE  
SHAWNEE, KANSAS 66203 • (913) 268-8200

*Hope through understanding*

March 25, 1987

BRENT GLAZIER  
*Executive Director*

CAROL A. DUCKWORTH  
*President  
Lawrence*

ROBERT ATKISSON  
*Vice President  
Stockton*

MARIE LEACH  
*Secretary  
Wichita*

VIRGINIA LOCKHART  
*Treasurer  
Topeka*

GINGER CLUBINE  
*Past President  
Wichita*

TO: Rep. Edward Rolfs, Chairman  
Members of the House Taxation Committee

FROM: Lila Paslay, Chairperson  
Legislative Affairs

RE: HB 2016

The Association for Retarded Citizens of Kansas support HB 2016 and we urge your support.

We continue to be dismayed at the growing waiting lists for community services for persons with mental retardation. That list is currently at 1185 persons. We continue to be dismayed at the funding available for services. There simply is not enough!

We have always believed that every community in Kansas has a responsibility to participate in the provision of services to all its citizens including those, who through no fault of their own, have mental retardation. The passage of this legislation will allow those counties that have chosen to provide the maximum support for services to those with mental retardation through county mill levy funds, to increase their level of commitment. It will enable service providers an opportunity to request the increases that are sorely needed.

We hope that your committee will vote HB 2016 out of your committee favorably.



## Kansas Association of Rehabilitation Facilities

Jayhawk Tower • 700 Jackson • Suite 802  
Topeka, Kansas 66601 • 913-235-5103

TO: House Taxation Committee  
FROM: Kansas Association of Rehabilitation Facilities  
RE: HB 2016, Maximum property tax levy; tax level for mental retardation.  
DATE: March 25, 1987

Position:

The Kansas Association of Rehabilitation Facilities supports HB2016 relating to mill levies for mental retardation.

Justification:

- 1.0 This is a permissive law which would allow those counties who desire to further fund MR facilities to do so.
- 2.0 Counties have committed to funding community-based MR facilities and should be allowed to increase that commitment.
- 3.0 County valuation is down and therefore the current funds generated through the levy is reduced. This bill would provide an avenue to allow an increase in local effort.

We ask your support of HB2016.



Topeka Association For Retarded Citizens, Inc.

The Ethel May Miller Community Center  
For The Mentally Retarded

2701 Randolph, Topeka, Kansas 66611  
(913) 232-0597

Executive Director, Donald E. Jernberg

To: Committee on Assessment and Taxation  
Chairman Edward Rolfs

FROM: Topeka Association for Retarded Citizens  
Donald E. Jernberg, Executive Director

DATE: March 23, 1987

RE: House Bill No. 2016  
Special Committee on Public Health and Welfare  
Proposal No. 25. An act concerning limitation on tax  
levies by counties;

Thank you for the opportunity to provide written testimony on behalf of over 300 members of our association and their children that we serve. I would also like to include the families as well as the twelve (12) retarded citizens that are on our waiting list to be served.

I understand you will be considering "the authority of the board of county commissioners of any county to fix a rate of levy annually... H.B. 2016 would be amending K.S.A. 79-1947.

Shawnee County has always recognized its shared responsibility in providing services to retarded citizens. In fact, the commission has seen fit to levy the maximum allowable under the law for this year and last.

Your favorable consideration of H.B. 2016 would allow us to continue to serve the 160 some retarded citizens and their families as well as allowing us to expand operations to serve the twelve (12) retarded citizens on our waiting list. The increase in mill levy would help us plan for services for the next five years.



Member  
Agency

*Written  
testimony  
only*

Information and Referral, Infant/Early Childhood Education, Work Activity/Training, Outreach and Advocacy.

Member of the Kansas and National Associations for Retarded Citizens.

A nonprofit corporation—contributions are tax-deductible.

The  
Work  
Center

Attachment 5