

Approved March 15, 1988
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Phil Kline at
Chairperson

3:42 ~~XXX~~ a.m./p.m. on Monday, February 29, 1988 in room 423-S of the Capitol.

All members were present except: Representatives Leach, Baker, Barkis and Foster.
- Excused.

Committee staff present:

Jim Wilson, Revisor
Lynn Holt, Research
Elaine Johnson, Secretary

Conferees appearing before the committee:

None

Chairman Kline called the meeting to order and called for discussion on S.B. 472. There was no discussion. Representative Chronister moved and Representative Aylward seconded to pass S.B. 472. Motion Carried.

Representative Kline then called for discussion on H.B. 2909. Discussion followed on line 0017, where it was felt that \$500,000 was not enough. Representative Gjerstad moved that the \$500,000 read \$1.5 million, Representative Moomaw seconded. Motion carried.

Representative Gjerstad moved to accept Allen Bell's amendments to H.B. 2909, Representative Aylward seconded. After further discussion a substitute motion was made. Representative Mead moved to change 10% on page 8 to read 15% and Representative Mainey seconded. Motion carried.

Representative Aylward moved that federal housing administration on page 3 of H.B. 2909 be changed to federal farmers home administration. Representative Moomaw seconded. Motion carried. (Attachment 1).

Representative Mainey moved to pass H.B. 2909, as amended, Representative R. H. Miller seconded. Motion carried.

Jim Wilson asked the committee if it intended to conceptually amend H.B. 2909 to include that nothing in the act shall preclude the making of a loan under this program as part of a package loan arrangement, which includes one or more loans. Chairman Kline responded affirmatively.

Chairman Kline then called for discussion on H.B. 2958. There was none. Representative Aylward moved to pass H.B. 2958 and Representative Gjerstad seconded. Motion carried.

Chairman Kline called for discussion on Substitute for H.B. 2073. Jim Wilson, revisor, explained the change in H.B. 2073. The bill is restricted in its application to the area of vocational-technical and community colleges. KTEC will be administering it, which is a change from the bill, as introduced. This is an instructional equipment aid program to be established as an additional and new program.

Representative Chronister moved to strike Section 2, paragraph (c) and conceptually amend the bill to make the aid program subject to appropriations, Representative Gjerstad seconded. Motion carried.

Representative Chronister moved to pass Substitute for H.B. 2073, as amended, Representative Mainey seconded. Motion carried. (Attachment 2).

Meeting adjourned at 4:32 p.m.

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Economic Development

Recommends that House Bill No. 2909

"AN ACT concerning economic development; establishing the Kansas basic enterprises loan program; authorizing issuance of certain bonds, loans and investments; prescribing powers, duties and functions for the Kansas development finance authority; amending K.S.A. 1987 Supp. 74-8902 and 74-8905 and repealing the existing sections."

Be amended:

On page 3, in line 117, by striking "\$500,000" and inserting in lieu thereof "\$1,500,000"; in line 119, after "administration" by inserting "or the farmers home administration"; also in line 119, after "government" by inserting the following: ", other than as part of a packaged loan arrangement including a loan or loan guaranty from one or both of such federal agencies,";

On page 7, in line 253, by striking "adjustable rate taxable"; by striking all in lines 263 through 268;

On page 8, by striking all in line 269; in line 270, by striking all preceding the period and inserting in lieu thereof the following: "matched by a subordinated loan to the eligible Kansas basic enterprise from the participating financial institution which shall be in an amount of not less than 15% of the amount of the loan made under the program"; in line 272, by striking all after "shall"; in line 273, by striking all preceding the period and inserting in lieu thereof the following: "contribute equity capital to the project, for which the loan is being made under the program, which capital is equal to at least 10% of the total cost of the project"; in line 276, by striking "loans made" and inserting in lieu thereof "bonds issued"; also in line 276, following the period, by inserting the following: "Nothing in this act shall preclude the making of any loan under this program as part of a packaged loan arrangement for an

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eligible Kansas basic enterprise which includes one or more loans or loan guaranties from the small business administration or farmers home administration of the federal government or from other lenders."; in line 280, preceding "loans" by inserting "bonds issued to finance";

And the bill be passed as amended.

Chairperson

Substitute for HOUSE BILL NO. 2073
By Committee on Economic Development

AN ACT concerning vocational education instructional equipment aid; defining terms; providing for distribution of aid on a competitive basis; prescribing powers, duties and functions for the Kansas technology enterprise corporation and the board of directors thereof.

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

Section 1. As used in this act:

(a) "Area vocational school," "area vocational-technical school," "community college," and "school year" have the meanings respectively ascribed thereto in K.S.A. 72-4412 and amendments thereto.

(b) "Board" means the board of directors of the Kansas technology enterprise corporation.

(c) "Operating budget" has the meaning ascribed thereto in K.S.A. 72-4430 and amendments thereto.

(d) "School" means any area vocational school, any area vocational-technical school, and any community college.

(e) "Vocational education instructional equipment aid" means state financial aid distributed under this act by the board to a school for the purpose of acquiring vocational education instructional equipment.

Sec. 2. (a) Subject to the provisions of appropriations acts, vocational education instructional equipment aid shall be distributed to schools in accordance with this act. Any such distribution shall be on a competitive basis and the amount thereof for each school shall be determined by the board on the basis of the condition of existing equipment and potential for stimulating economic growth and enhancing employment opportunities within the state. The board shall establish criteria for evaluating applications of schools for vocational

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education instructional equipment aid.

(b) Payments of vocational education instructional equipment aid shall be distributed by the Kansas technology enterprise corporation on dates to be determined by the board. Upon receipt of such payment, the treasurer of each school, except area vocational-technical schools, shall deposit the amount thereof to the credit of the vocational education fund. The treasurer of each area vocational-technical school shall deposit the amount of such warrant to the credit of the vocational education instructional equipment fund established by this act.

Sec. 3. (a) There is hereby established in every area vocational-technical school a fund which shall be called the "vocational education instructional equipment fund," which fund shall consist of all moneys deposited therein or transferred thereto according to law. All moneys received by an area vocational-technical school from distributions made under this act shall be credited to the vocational education instructional equipment fund.

(b) Any moneys received, prior to or after the effective date of this act, by an area vocational-technical school from donations, gifts, grants or bequests, subject to any terms or conditions to the contrary imposed by the donor thereof, may be transferred to or deposited in the vocational education instructional equipment fund and may be expended by the area vocational-technical school for any purpose for which vocational education instructional equipment aid may lawfully be expended.

Sec. 4. (a) In addition to other transfers authorized by law, the board of any area vocational-technical school may transfer moneys from its operating fund to its vocational education instructional equipment fund. The amount of any such transfer shall not be considered as part of the operating budget of an area vocational-technical school.

(b) Amounts received by a school under authority of this act shall not be included in the operating budget of the school.

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

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Economic Development

Recommends that House Bill No. 2073

"AN ACT concerning vocational education capital outlay aid; affecting definitions; providing for distribution thereof on a competitive basis; amending K.S.A. 72-4442 and K.S.A. 1986 Supp. 72-4440, and repealing the existing sections."

Be amended by substituting a new bill to be designated as "Substitute for HOUSE BILL NO. 2073," as follows:

"Substitute for HOUSE BILL NO. 2073

By Committee on Economic Development

"AN ACT concerning vocational education instructional equipment aid; defining terms; providing for distribution of aid on a competitive basis; prescribing powers, duties and functions for the Kansas technology enterprise corporation and the board of directors thereof."

And the substitute bill be passed.

Chairperson