

Approved \_\_\_\_\_ Date 3-27-89

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS

The meeting was called to order by SENATOR AUGUST "GUS" BOGINA at  
Chairperson

11:10 a.m. ~~PM~~ on MARCH 14, 1989 in room 123-S of the Capitol.

All members were present except:

All present

Committee staff present:

Research Department: Kathy Porter, Alan Conroy, Scott Rothe, Julian Efird  
Debra Duncan

Revisor: Norman Furse

Committee Staff: Judy Bromich, Pam Parker

Conferees appearing before the committee:

SB 319 - Transfers to and expenditures from the state fair capital improvements fund

Robert Gottschalk, Executive Secretary, Kansas State Fair, was the first conferee of the day. (Attachment 1) In answer to questions, Mr. Gottschalk stated that they had applied for parimutuel betting but had been denied due to the fact there is not a four-lane highway between Hutchinson and Wichita in addition to some neighbors concerns. He stated that they expect to have their revenues up due to the fact that they will receive a percentage on sales of food during the fair.

Senator Feleciano moved, Senator Winter seconded, to amend SB 319 by striking the language in italics on lines 30 through 33 thus eliminating the "no-limit" provision on the State Fair Capital Improvements Fund. The motion carried.

Mr. Gottschalk stated that the bonds for the renovation of the Grandstand have just been sold and they amount to \$840,000. The State Fair is committed to service that debt in the amount of \$110,000 per year from the State Fair Capital Improvement Fund.

Senator Allen moved, Senator Kerr seconded, to report SB 319 favorably as amended. The motion carried on a roll call vote.

SB 114 - Kansas economic development incentives act

Merle Hill, Executive Director, Kansas Association of Community Colleges, (Attachment 2), Mr. D. Wayne Zimmerman, Deputy Secretary of Commerce, (Attachment 3), Charles Warren, President, Kansas Inc., (Attachment 4), and Tim Emert, State Board of Education Member from Independence (Attachment 5) all submitted testimony. No action was taken on SB 114.

SB 134 - Kansas development finance authority, loans to community mental health, mental retardation and drug and alcohol abuse services providers

Senator Parrish expressed her support for SB 134. Secretary Barton, Social and Rehabilitation Services, presented testimony. (Attachment 6) In answer to questions, Secretary Barton stated that the loan payment would be directly from SRS. It is his opinion that type of arrangement is secure enough to sell bonds at a reasonable rate and the property could always be reclaimed in case of default.

Allen Bell was the next conferee. (Attachment 7) In answer to a question,

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 SENATE COMMITTEE ON WAYS AND MEANS,  
room 123-S, Statehouse, at 11:10 a.m./~~PM~~ on MARCH 14, 1989

Mr. Bell stated that the bonds referred to in the bill would be tax exempt. Appearing next was Yo Bestgen, Executive Director, Kansas Association of Rehabilitation Facilities. (Attachment 8) Ms. Bestgen added they have 38 KARF members across the state and between 12 and 14 of those facilities have expressed some degree of interest in the bond program. Paul Klotz, Executive Director, Association of Community Mental Health Centers, stated that CMHC supports SB 134. Eunice Ruttinger, Executive Director, Shawnee Community Mental Health Center, was the next conferee. (Attachment 9) Merilee Larson, Executive Director, Sheltered Living, Inc., presented testimony. (Attachment 10) In answer to a question, Ms. Larson stated that mentally retarded individuals historically have been taken from Intermediate Care Facilities and placed in sheltered living arrangements and this program would help them expand that activity. Appearing next was David Palmer, Alcohol and Drug Abuse Services, SRS. (Attachment 11)

The Chairman asked if there were others wishing to speak to SB 134. There being none, Senator Feleciano moved, Senator Johnston seconded, to report SB 134 favorably for passage. The motion carried on a roll call vote.

SB 339 - Transfers of money from state racing fund.

Staff noted that SB 339 was introduced at the request of the Senate Ways and Means subcommittee on SB 31 and reviewed the bill. Senator Allen moved, Senator Johnston seconded, to report SB 339 favorably for passage. The motion carried on a roll call vote.

SB 345 - Transfers of money from lottery operating fund

Staff reviewed SB 345 and noted that this is a bill introduced at the request of the Senate Ways and Means subcommittee on SB 31. Larry Montgomery, Kansas Lottery, stated that August 9, 1988 he and Mr. Cobler met with representatives of both the Lottery's external auditing firm, Arthur Young, and the auditor selected by the state, Arthur Anderson, and came to an understanding on the appropriate accounting principles. The subcommittee felt this bill was needed for clarification.

Senator Feleciano moved, Senator Kerr seconded, to report SB 345 favorably for passage. The motion carried on a roll call vote.

SB 322 - Financing energy conservation improvements to state facilities

Allen Bell presented testimony. (Attachment 12)

SB 323 - Transfers of money from state gaming revenues fund to county reappraisal fund for costs incurred by counties in maintaining property valuations

Terry Hamblin, Department of Revenue, was first on the agenda for SB 232 but was not in attendance. Bev Bradley, Legislative Coordinator, Kansas Association of Counties, appeared. (Attachment 13) In answer to questions, Ms. Bradley stated that they interpreted the intent of the legislation when reappraisal was started to continue to pay one-half of the reappraisal costs indefinitely. The Kansas Association of Counties has asked for continued funding for reappraisal from whatever source the legislature deems appropriate and they would like to see it continue as long as the maintenance is required and is appropriate. Gerry Ray, Intergovernmental Coordinator, Johnson County Board of Commissioners, presented testimony.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON WAYS AND MEANS,  
room 123-S, Statehouse, at 11:10 a.m./~~PM~~ on MARCH 14, 1989

(Attachment 14) Ms. Ray stated they, too, interpreted a continued partnership with the state for ongoing maintenance and they have a concern with single year commitment from the state. The Chairman explained that SB 323 does not put a sunset on the reappraisal fund. Ms. Ray stated they withdrew their concerns.

HB 2088 - Highway Patrol conveying building to city of Belle Plaine

Major Hornbaker, Kansas Highway Patrol, explained that HB 2088 concerns the transfer of a piece of property owned by the KHP located north of the current visitors information center, part of entry scale house at South Haven on the turnpike. He explained that March 9, 1989 he received a letter from Norine Kruse, VIC Coordinator, Department of Commerce. (Attachment 15) Major Hornbaker explained that he had informed the Department of Commerce that he would submit this letter to the Senate Ways and Means Committee and that might explain the reason that there was not a representative from the Department present. Senator Rock explained that HB 2088 represents an effort by Belle Plaine to move this building at their own expense and install it at a ball park as a concession stand. Major Hornbaker stated the building is a portable building.

Senator Johnston moved, Senator Feleciano seconded, to report HB 2088 favorably for passage. The motion carried on a roll call vote.

SB 323 - Transfers of money from state gaming revenues fund to county reappraisal fund for costs incurred by counties in maintaining property valuations

Senator Feleciano moved, Senator Allen seconded, to report SB 323 favorably for passage. During discussion, concern was expressed that there had been no testimony received on how the figures in SB 323 had been determined. Senator Feleciano and Senator Allen withdrew their motion and second and no action was taken on the bill.

SB 322 - Financing energy conservation improvements to state facilities

Senator Hayden moved, Senator Johnston seconded to amend SB 322 by deleting lines 19 through 41. The motion carried.

Senator Hayden moved, Senator Johnston seconded, to recommend SB 322, as amended favorably for passage. The motion carried on a roll call vote.

INTRODUCTION OF BILLS

Senator Feleciano moved, Senator Allen seconded, the introduction of bill draft 9 RS 1238, an act relating to income taxation; providing a credit therefrom for medical doctors practicing in medically underserved areas of the state. The motion carried.

The meeting was adjourned.

GUEST LIST

COMMITTEE: SENATE WAYS AND MEANS

DATE: 3-14-89

NAME (PLEASE PRINT)	ADDRESS	COMPANY/ORGANIZATION
BOB BRADLEY	TOPEKA	KS Assoc of Counties
David Palmer	TOPEKA	State of Kansas
Marilyn Parsons	TOPEKA	Sheltered Living, Inc.
David Dehake	"	KHP
Bob Gottschalk	Hutchinson	Ks. State Fair
Elmer K. Emery	Hutchinson	Ks ST FAIR
Nucleus	Topeka	KACC
Charmian C. Boyce	Kansas City	Ks.
Alvin D. Hickorn	K. C.	Ks.
ED DE VILBESS	TOPEKA	DIV. OF AREA SERV
Jon McKenzie	Topeka	KCC
Ze Bestgen	Topeka	KARF
Patricia Jackson	Seneca	NCTC
Bob Clawson	Topeka	SRS
Duncan Mackenzie	JOHNSON COUNTY	ARC
Steve Stark	Kansas City, MO	MRO
William A. Weaver	DNR Topeka	
Tom Ennes	Indep.	SBOE
Gerry Ray	Platte	J Co Comm
Denise Gdinez	Overland Park	ARC of Jo. Co.
Jan Bond	Overland Park	ARC of Jo. Co.
Martha Quinman	OP Ks.	ARC of JoCo
Max Pat Bell	Mission	Ks Head Agency
Warren Corman	Bd. of Regents	Topeka
Allen Bell	KDFA	Topeka
Marty Bloomquist	"	"
Wanda Banta	SRS	Topeka
John D. Dwyer	KRC	Topeka
M. Haver	Topeka	Cap-Jaw
Gene Meyer	Ward Hall, KSU	Kansas State Univ.
Daljit Singh Jans	KWO 109 SW 9th Topeka	KWO



Senate Ways and Means Committee  
Tuesday, March 14, 1989  
State Capitol, Room

Senate Bill 319:

Senate Bill 769, Session of 1988, established the State Fair Capital Improvements and Maintenance Fund. In FY88, \$575,000 was appropriated to this fund from the State's General Revenue Fund. S. B. 769 provided that beginning June 30, 1988, the State Fair is required to deposit a minimum of 5% of its gross receipts to this fund. On July 1, the State General Fund will match and initiate a demand transfer in a like amount (up to a maximum of \$300,000) to this special fund.

Following the 1988 Fair, the lower generated receipts appeared to place a financial burden on the Kansas State Fair's Fee and Non Fair Funds. Please refer to the attached Receipt and Expenditure Chart and graphs. In FY86, this agency had an ending balance (carryover) of only \$147,479, in FY87 the ending balance (carryover) was \$64,752. Through conservative spending and gate price increases, the State Fair was able to bring the ending balance (carryover) up to \$135,679 in FY88. If the Fair is required to make the 5% contribution (\$80,937) in FY89 and (\$87,075) in FY90, plus the added expenditures recommended (\$7,320), the carryover in the State Fair Fee Fund would be a negative \$4,361 on June 30, 1990. The effect on the Non Fair Account with the 5% contribution (\$6,415 in FY89 and \$6,975 in FY90), would reduce the carryover on June 30, 1990, to \$1,199.

A substantial carryover balance is essential to the Kansas State Fair. The months of July and August are virtually non-income producing months, yet fixed expenses continue and Fair preparation costs are at their highest point. The State Fair itself, which begins the Friday after Labor Day, generates over 90% of our annual receipts. Unlike most state agencies, the availability of State General Revenue Funds, which are available July 1 is not a factor in the Fair's funding. The only operating revenue available prior to the Fair is the carryover, plus revenue received from advance grandstand show ticket sales, and payments on commercial booth spaces. Those receipts in and of themselves are not able to fund any start-up costs necessary to produce the Fair.

In FY89, on the last day of July, the Fair generated receipts were only \$84,983, and by August 15, \$309,739. During this time period, per K.S.A. 2-205, we have our revenues split into two accounts. Receipts are on deposit with the State Treasurer to cover all state voucher payments, and money is transferred to a local bank to fund State Fair preparation expenditures, such as part-time payroll, premiums, etc. By August 15, this agency normally transfers \$120,000 from the State Treasurer Fee Fund Account to our local bank account. The balance on deposit in Topeka is used for the monthly full-time payroll of over \$41,000 per month, the first two payments due on the advertising contract totaling \$30,000, two months of K.S.I.R. guard

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salaries at over \$7,000 monthly, plus the normal monthly utilities, services, etc. These expenditures alone total over \$150,000. All supplies necessary to conduct the annual State Fair are also purchased during this time period, such as ribbons, plaques, tickets, wood chips, bedding straw, office supplies, paper products for restrooms, etc.

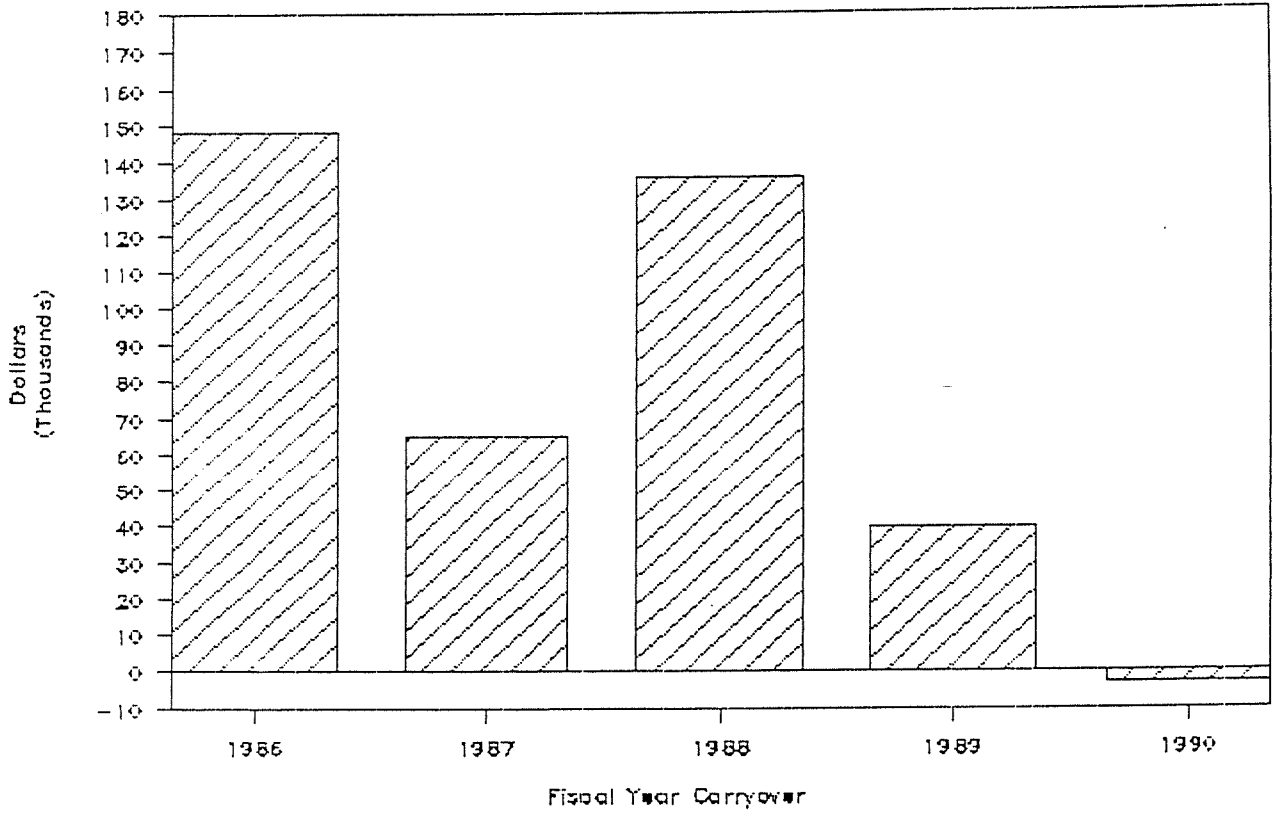
Reducing the carryover to the drastic levels because of the 5% contribution to the State Fair Capital Improvements and Maintenance Fund, could put the State Fair in the position where it would be necessary to request emergency appropriation or to suspend operations.

The Kansas State Fair is concerned with the requirement that a percentage of its receipts be dedicated to capital improvements. When this format was accepted, it was anticipated that the Agency would have an additional revenue producer through parimutuel racing. Without a major source of newly generated revenues, it appears that sufficient revenues to fund the 5% contribution to the Capital Improvement Fund will create extensive funding obstacles, and require major cutbacks. Consider this our appeal that the State Fair not be required to contribute 5% of its gross receipts for FY1989 and FY1990 to the Kansas State Fair's Capital Improvement Fund.

Senate Bill 319 addresses this issue and relieves the State Fair from its 5% contribution for FY1989 and FY1990. The Kansas State Fair is herein requesting your support of S.B. 319.

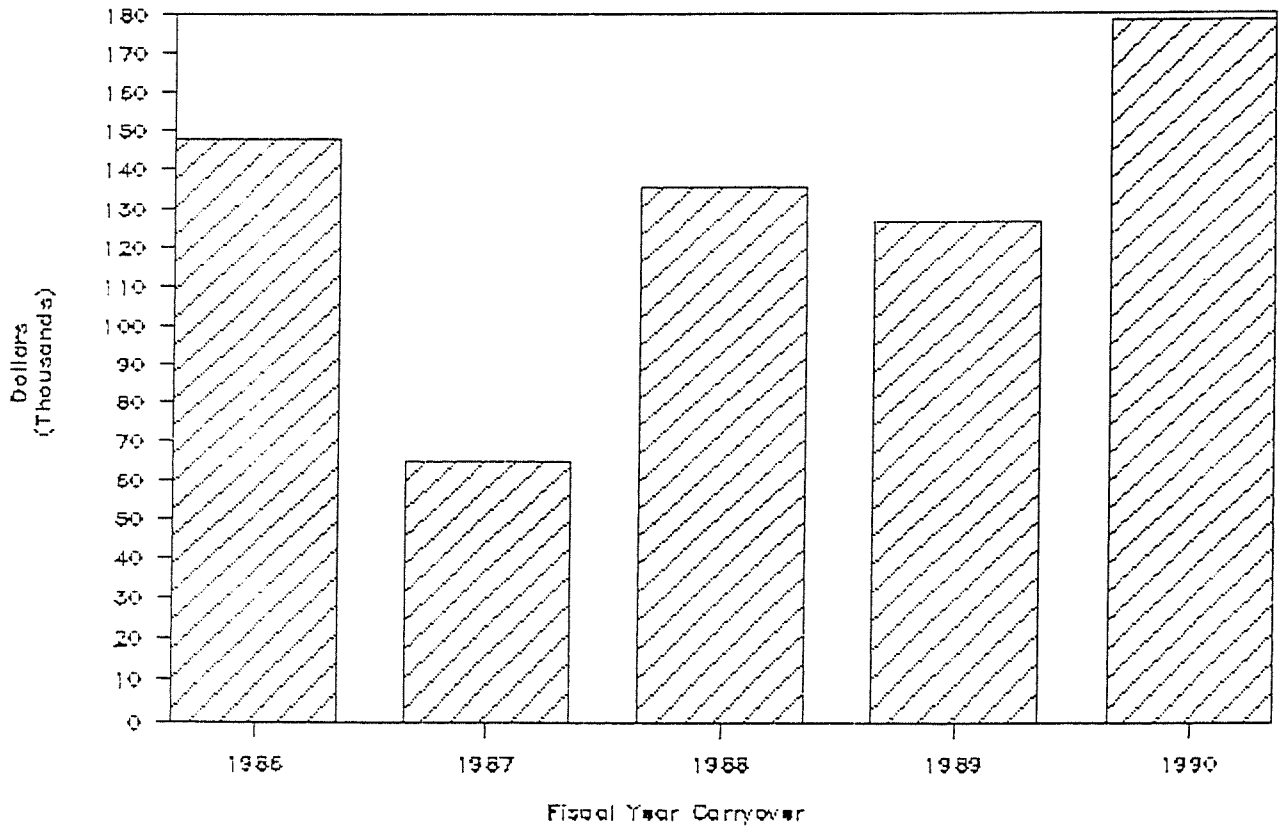
# KANSAS STATE FAIR

ENDING BALANCE WITH 5% CONTRIBUTION



# KANSAS STATE FAIR

ENDING BALANCE WITHOUT 5% CONTRIBUTION





KANSAS STATE FAIR -- SPECIAL REVENUE FUNDS

Receipts and Expenditures FY 1984 - FY 1990

	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>Agency Estimate FY 1989</u>	<u>Senate Revisions FY 1989</u>	<u>Agency Request FY 1990</u>	<u>Senate Revisions FY 1990</u>
<u>State Fair Fee Fund</u>									
Beginning Balance	\$ 123,546	\$ 196,579	\$ 171,862	\$ 51,917	\$ 31,964	\$ 112,196	\$ 112,196	\$ 39,363	\$ 114,378
Net Receipts	<u>2,058,162</u>	<u>2,204,564</u>	<u>1,972,144</u>	<u>1,986,833</u>	<u>2,319,650</u>	<u>2,358,832</u>	<u>2,348,078</u>	<u>2,507,380</u>	<u>2,507,630</u>
Funds Available	\$ 2,181,708	\$ 2,401,143	\$ 2,144,006	\$ 2,038,750	\$ 2,351,614	\$ 2,471,028	\$ 2,460,274	\$ 2,546,743	\$ 2,662,008
Less:									
Expenditures	1,903,248	2,107,926	1,959,065	1,908,132	2,134,405	\$ 2,262,563	\$ 2,253,950	2,364,872	2,368,227
Nonexpense Items	81,881	121,355	133,024	98,654	105,013	87,400	91,946	92,880	90,130
Transfer to Capital Improvement Fund						<u>81,702</u>		<u>86,675</u>	
Ending Balance	<u>\$ 196,579</u>	<u>\$ 171,862</u>	<u>\$ 51,917</u>	<u>\$ 31,964</u>	<u>\$ 112,196</u>	<u>\$ 39,363</u>	<u>\$ 114,378</u>	<u>\$ 2,316</u>	<u>\$ 163,651</u>
<u>Non-Fair Days Activities Fund</u>									
Beginning Balance	\$ 100,958	\$ 106,197	\$ 134,851	\$ 95,875	\$ 32,788	\$ 23,483	\$ 23,483	\$ 10,713	\$ 12,365
Net Receipts	<u>149,406</u>	<u>162,092</u>	<u>132,093</u>	<u>141,433</u>	<u>156,763</u>	<u>181,725</u>	<u>181,725</u>	<u>193,700</u>	<u>193,700</u>
Funds Available	\$ 250,364	\$ 268,289	\$ 266,944	\$ 237,308	\$ 189,551	\$ 205,208	\$ 205,208	\$ 204,413	\$ 206,065
Less:									
Expenditures	130,176	120,448	162,948	195,429	149,564	\$ 177,764	182,318	186,069	180,976
Nonexpense Items	13,991	12,990	8,121	9,091	16,504	10,225	10,525	10,500	10,500
Transfer to Capital Improvement Fund						<u>6,506</u>		<u>6,975</u>	
Ending Balance	<u>\$ 106,197</u>	<u>\$ 134,851</u>	<u>\$ 95,875</u>	<u>\$ 32,788</u>	<u>\$ 23,483</u>	<u>\$ 10,713</u>	<u>\$ 12,365</u>	<u>\$ 869</u>	<u>\$ 14,589</u>
TOTAL OPERATING EXPENDITURES	<u>\$ 2,033,424</u>	<u>\$ 2,228,374</u>	<u>\$ 2,122,013</u>	<u>\$ 2,103,561</u>	<u>\$ 2,283,969</u>	<u>\$ 2,440,327</u>	<u>\$ 2,436,268</u>	<u>\$ 2,550,941</u>	<u>\$ 2,549,203</u>
<u>Capital Improvements</u>									
Special Maintenance	\$ 134,213	\$ 135,000	\$ 150,000	\$ 150,000	\$ 181,595	\$ 65,905	\$ 65,905	\$ 97,500	\$ 97,500
Other Capital Improvements		<u>90,000</u>	<u>555,292</u>	<u>598,773</u>	<u>40,912</u>	<u>52,557</u>	<u>477,500</u>	<u>107,396</u>	<u>107,396</u>
Subtotal Cap. Imp.	<u>\$ 134,213</u>	<u>\$ 225,000</u>	<u>\$ 705,292</u>	<u>\$ 748,773</u>	<u>\$ 222,507</u>	<u>\$ 118,462</u>	<u>\$ 543,405</u>	<u>\$ 204,896</u>	<u>\$ 204,896</u>
TOTAL EXPENDITURES	<u>\$ 2,167,637</u>	<u>\$ 2,453,374</u>	<u>\$ 2,827,305</u>	<u>\$ 2,852,334</u>	<u>\$ 2,506,476</u>	<u>\$ 2,558,789</u>	<u>\$ 2,972,353</u>	<u>\$ 2,755,837</u>	<u>\$ 2,754,099</u>

KANSAS STATE FAIR -- SPECIAL REVENUE FUNDS

Receipts and Expenditures FY 1984 - FY 1990

	<u>FY 1984</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>FY 1987</u>	<u>FY 1988</u>	<u>Agency Estimate FY 1989</u>	<u>Gov. Rec. FY 1989</u>	<u>Agency Request FY 1990</u>	<u>Gov. Rec. FY 1990</u>
<u>State Fair Fee Fund</u>									
Beginning Balance	\$ 123,546	\$ 196,579	\$ 171,862	\$ 51,917	\$ 31,964	\$ 112,196	\$ 112,196	\$ 39,363	\$ 40,761
Net Receipts	<u>2,058,162</u>	<u>2,204,564</u>	<u>1,972,144</u>	<u>1,986,833</u>	<u>2,319,650</u>	<u>2,358,832</u>	<u>2,348,078</u>	<u>2,507,380</u>	<u>2,507,630</u>
Funds Available	\$ 2,181,708	\$ 2,401,143	\$ 2,144,006	\$ 2,038,750	\$ 2,351,614	\$ 2,471,028	\$ 2,460,274	\$ 2,546,743	\$ 2,552,937
Less:									
Expenditures	1,903,248	2,107,926	1,959,065	1,908,132	2,134,405	\$ 2,262,563	2,246,630	2,364,872	2,368,227
Nonexpense Items	81,881	121,355	133,024	98,654	105,013	87,400	91,946	92,880	90,130
Transfer to Capital Improvement Fund						<u>81,702</u>	<u>80,937</u>	<u>86,675</u>	<u>87,075</u>
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<u>Non-Fair Days Activities Fund</u>									
Beginning Balance	\$ 100,958	\$ 106,197	\$ 134,851	\$ 95,875	\$ 32,788	\$ 23,483	\$ 23,483	\$ 10,713	\$ 5,950
Net Receipts	<u>149,406</u>	<u>162,092</u>	<u>132,093</u>	<u>141,433</u>	<u>156,763</u>	<u>181,725</u>	<u>181,725</u>	<u>193,700</u>	<u>193,700</u>
Funds Available	\$ 250,364	\$ 268,289	\$ 266,944	\$ 237,308	\$ 189,551	\$ 205,208	\$ 205,208	\$ 204,413	\$ 199,650
Less:									
Expenditures	130,176	120,448	162,948	195,429	149,564	\$ 177,764	182,318	186,069	180,976
Nonexpense Items	13,991	12,990	8,121	9,091	16,504	10,225	10,525	10,500	10,500
Transfer to Capital Improvement Fund						<u>6,506</u>	<u>6,415</u>	<u>6,975</u>	<u>6,975</u>
Ending Balance	<u>\$ 106,197</u>	<u>\$ 134,851</u>	<u>\$ 95,875</u>	<u>\$ 32,788</u>	<u>\$ 23,483</u>	<u>\$ 10,713</u>	<u>\$ 5,950</u>	<u>\$ 869</u>	<u>\$ 1,199</u>
TOTAL OPERATING EXPENDITURES	<u>\$ 2,033,424</u>	<u>\$ 2,228,374</u>	<u>\$ 2,122,013</u>	<u>\$ 2,103,561</u>	<u>\$ 2,283,969</u>	<u>\$ 2,440,327</u>	<u>\$ 2,428,948</u>	<u>\$ 2,550,941</u>	<u>\$ 2,549,203</u>
<u>Capital Improvements</u>									
Special Maintenance	\$ 134,213	\$ 135,000	\$ 150,000	\$ 150,000	\$ 181,595	\$ 65,905	\$ 65,905	\$ 97,500	\$ 97,500
Other Capital Improvements		<u>90,000</u>	<u>555,292</u>	<u>590,773</u>	<u>40,912</u>	<u>52,557</u>	<u>477,500</u>	<u>107,396</u>	<u>107,396</u>
Subtotal Cap. Imp.	<u>\$ 134,213</u>	<u>\$ 225,000</u>	<u>\$ 705,292</u>	<u>\$ 740,773</u>	<u>\$ 222,507</u>	<u>\$ 118,462</u>	<u>\$ 543,405</u>	<u>\$ 204,896</u>	<u>\$ 204,896</u>
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# KANSAS ASSOCIATION OF COMMUNITY COLLEGES

Columbian Title Bldg., 820 Quincy • Topeka 66612 • Phone 913-357-5156

W. Merle Hill  
Executive Director

To: Senate Committee on Ways and Means

From: Merle Hill, Executive Director  
Kansas Association of Community Colleges

Date: March 14, 1989

Subj: Senate Bill No. 114, an act enacting the Kansas Economic  
Development Incentives Act

Thank you, Mr. Chairman and members of the Committee. I am Merle Hill, Executive Director of the Kansas Association of Community Colleges.

Senate Bill No. 114 was introduced by the Senate Committee on Education at the request of the Kansas Association of Community Colleges. The genesis of this bill was a bill the Association requested in 1985, House Bill No. 2538, the purpose of which was to provide start-up funding to enable the community colleges to work more closely in training and retraining programs with business and industry. The funding request in 1985 was a modest \$150,000.

In 1986, two of the consultants to the Legislative Economic Development Commission's Business Training Task Force, chaired by Senator Salisbury, continually emphasized the need for Kansas to invest in the future by creating new jobs and by investing wisely in human capital. Dr. Charles Krider, one of the consultants, informed the Task Force members that the "major source of growth in all states is the rate of investment in the education and skills of the work force. Development depends on the rate at which we accumulate human capital."

In December, 1986, the Task Force adopted recommendations to make a \$3-million commitment to the "creation of a customized training program" and, also, to have \$2 million annually available for a competitive capital outlay fund for the

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acquisition by purchase or lease of instructional equipment by vocational schools and community colleges. Although both KIT and KIR funding have increased significantly since 1986, the recommendations of the Task Force have not been completely addressed.

The purpose of the request for this bill was to continue the training institutions' dialogue with the Legislature and to keep the training-retraining needs of Kansas businesses and the availability of programs to meet those needs at the top of funding priorities. The community colleges and the vocational schools had 25 of the 29 grants funded this year, but with even more adequate funding they could do more than they have been able to do to date.

We are both aware of and a part of the research study Dr. Krider is completing for Kansas, Inc. and recognize the need for more empirical data regarding training and retraining needs, two matters which will be dealt with in the Kansas, Inc. study. We agree that no action should be taken on this bill until the Kansas, Inc. study has been completed later this fall and also understand the problems with "dedicating" funding to the area vocational schools and community colleges.

A recent report in Research Recommendations by the National Institute of Business Management, Inc. emphasized both training-retraining needs and a coming labor shortage. The "coming labor shortage will require dipping into 'under-educateds' and give an edge to firms prepared to train them," the report suggested.

The Kansas community colleges and area vocational schools stand ready to help Kansas firms get that edge.

# Testimony

*Presented to:*

The Senate Ways and Means Committee

on Senate Bill 114

*by*

D. Wayne Zimmerman  
*Deputy Secretary of Commerce*

March 14, 1989

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Mr. Chairman and members of the committee. I am here to present testimony on Senate Bill 114. The same testimony presented by Secretary Priddle before the Economic Development Committee. The basic intent of this bill appears to be the classification and establishment of vocational education institutions as a participating partner in economic development. We recognize the role community colleges and vocational-technical schools currently play in the training of our industrial workforce. Funds provided through the Kansas Industrial Training/Retraining Program (KIT/KIR) projects have been utilized at these institutions to train new employees of industries locating in the state. Community colleges and vo-tech schools have accessed our funds in 25 out of 29 KIT/KIR projects in FY 89 and 23 out of 29 projects in FY 88. These institutions provide equipment, teaching skills, and technical assistance necessary to this training task.

Beyond the training function it is unclear what role these institutions will play (or have) in economic development. Discussions are on-going with other economic development planning entities which we hope will lead to development of a policy that articulates the role these and other groups can play in economic development. Until that policy is developed, we believe it is premature to make appropriations of this magnitude without very specific functions and program plans for usage. As we become more acutely aware of the resources available to economic development, we must also realize a need for specific role identification and wise investment of our funds.

Once this role is identified, funding priorities can be addressed to allow vocational education institutions to adequately support their communities and the state in economic development.

KIT/KIR Training Assistance

FY 89:           29 projects  
                  15 Community Colleges  
                  10 Area Vocational Technical Schools (AVTS)  
                  2 Unified School Districts (USD)  
                  1 Regents Institution  
                  1 Direct from Commerce (no local education agency  
                    (LEA) involved)

FY 88:           29 projects  
                  14 AVTS  
                  9 Community Colleges  
                  2 Regents Institutions  
                  1 USD  
                  3 Direct from Commerce (no LEA)

2 Year Total 58 projects  
                  24 Community Colleges  
                  24 AVTS  
                  3 USD  
                  3 Regents Institutions  
                  4 Direct from Commerce (no LEA)

Either provided technical assistance in implementing a KIT program training project or provided actual training services to the company through KIT.





Governor Mike Hayden, Co-Chairman  
Eric Thor Jager, Co-Chairman

Charles R. Warren, President

CAPITOL TOWER, SUITE 113 • 400 S.W. 8TH • TOPEKA, KANSAS 66603-3957 • TELEPHONE (913) 296-1460

SENATE BILL 114

Kansas Economic Development Incentives Act

Testimony of

Charles R. Warren  
President, Kansas Inc.

Senate Ways and Means Committee  
March 14, 1989

ATTACHMENT 4  
SWAM 3-14-89

Mr. Chairman, members of the Committee, I appreciate this opportunity to testify on Senate Bill 114 to create an Economic Development Incentives Program involving vocational educational institutions and community colleges. I am testifying today in opposition to Senate Bill 114.

Kansas can be proud of its work force. The skills, education, and work ethic of Kansans in the labor force is one of our primary competitive advantages. We have done well during the past year in attracting new companies to the state and in having existing plant expansions. Grant Thornton ranks Kansas number 2 in the nation in productivity, number 1 in fewest days lost to strikes, and number 13 in the availability of a skilled workforce.

Our area vo-tech schools and community colleges are playing a major role in helping achieve these high national rankings. The goal of SB 114 is laudatory and is supported by Kansas Inc. However, we do not endorse a \$2 million dollar program as outlined in this bill.

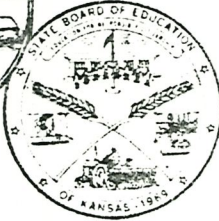
Kansas Inc. and the Board of Education are funding a study of the Kansas Business Training System under a contract with the Institute of Public Policy and Business Research at Kansas University. This year-long study will be completed in November, 1989. Interviews are being conducted with all of the 19 community colleges and with most of the voc-tech schools to assess the role they are playing in economic development. We expect this study to identify specific needs and requirements to enhance the contributions of our two year institutions. Until that study is completed, we believe it would be premature to make appropriations of this magnitude. Policy recommendations from this study should also address the role of various state agencies in business training and economic development, including that of the Department of Commerce, the Department of Human Resources, and the Board of Education. Our business training study is being assisted by an advisory panel that includes: Senator Salisbury, Rep. Gjerstad, officials from the Departments of Commerce, Human Resources, the Board of Education, community colleges, vo-tech schools, and private businesspersons.

Senate Bill 114 would vest the authority for administering these grants in the Secretary of Commerce. If we are to establish a program of this type, it should be integrated into the existing responsibilities of the educational institutions, both programmatically and financially. Administrative responsibility should be vested in the Board of Education, not the Secretary of Commerce.

The purposes of this program are too general and vague. Three uses are cited for these funds: 1) purchase or rental of

equipment and supplies; 2) professional development and training of faculty; and 3) "other appropriate activities." the first purpose was being met with training equipment grants through KTEC. I do not believe the case has been made for the second purpose and I would hope that funding would make a more direct contribution to economic needs, and the third provides no guidance at all. I am confident our study will identify both the precise needs that a program such as this would meet and appropriate levels of funding.

An appropriation of \$2 million would constitute a significant increase in spending for economic development. An increase of that amount should only be made after the Joint Committee and the Senate and House committees on economic development, or the Senate and House Committees on Labor and Industry have analyzed the needs and made their recommendations. None of those committees, nor the Board of Education, nor the Department of Commerce, or Kansas Inc. have endorsed this bill. I would recommended that Senate Bill 114 be tabled for possible consideration and modification during the 1990 session. By that time, both the Legislature and the appropriate executive branch agencies will have addressed the needs for funding economic development activities of our vocational educational institutions.



# Kansas State Board of Education

Kansas State Education Building

120 East 10th Street Topeka, Kansas 66612-1103

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District 9

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District 3

March 14, 1989

Richard J. Peckham  
District 10

TO: Senate Committee on Ways and Means  
FROM: State Board of Education  
SUBJECT: 1989 Senate Bill 114

My name is Tim Emert, State Board of Education Member from Independence. It is a pleasure for me to appear before this Committee on behalf of the State Board.

The State Board of Education has been and continues to be a strong supporter of the economic development initiatives as this relates to Kansas community colleges and area vocational-technical schools. It is our opinion that industries locate in Kansas partially as a result of the high quality educational programs available to them in our institutions of higher education.

Senate Bill 114 will provide additional funding to the Kansas community colleges and area vocational-technical schools to assist in further developing economic incentives for the business and industry who choose to locate in our state. We believe this would have a positive effect on the Kansas economic community.

The State Board of Education hopes that this bill will not have an adverse effect on the community college five-year plan which is a high priority and should be approved by the 1989 Legislature. We also would not want this bill to have an adverse effect on the Kansas Industrial Training Program. This particular appropriation and program is administered by the Secretary of Commerce. Secretary Priddle has been very cooperative with the State Department of Education in the distribution of the KIT funds.

The State Department of Education is currently cooperating with the Secretary of Commerce and Kansas, Inc. in a business training needs assessment. Upon completion of that study, information will be available that will assist the state on the training needs of Kansas.

In reviewing Senate Bill 114, the State Board of Education questions whether it should be administered by the Secretary of Commerce or the State Board of Education. It is the State Board's desire to cooperate in this endeavor regardless of the administering agency.

ATTACHMENT 5  
SWAM 3-14-89

Department of Social and Rehabilitation Services

Winston Barton - Secretary

Statement Regarding: SB 134

Title: An act concerning the Kansas development finance authority; relating to the issuance of bonds for loans to certain community mental health, mental retardation and drug and alcohol abuse services providers.

Purpose: This bill allows the Kansas development finance authority to issue bonds for and in behalf of local community mental health and mental retardation centers who are quasi-governmental in nature.

Background: During the past year the Department has attempted to assist local agencies in obtaining low interest loans through a pooled loan program that is secured by tax-exempt bonds. This program has been successfully used in quite a number of midwestern states to expand client services provided by community based providers. Kansas has experienced significant growth in the number of developmentally disabled, long term mentally ill, and alcohol and drug abusers needing services. The capacity to provide services to these groups depends greatly upon many small agencies who do not have ready access to low interest financing. Generally the loans would be used for new construction, remodeling, and acquisition of already existing property. As we pursued this program, it was determined that the nature of many of our centers was such that they were quasi-governmental in nature because their boards are appointed by county commissioners. As the KDFA is prohibited from issuing bonds for such entities, many of these projects have been put on hold.

Effect of Passage: This bill would make it possible to immediately proceed with our plans to assist these centers in expanding their services through the acquisition of low interest loans secured by bonds issued by the KDFA. The Department is rapidly expanding the use of community-based services for the mentally ill, the developmentally disabled, and those suffering from drug and alcohol abuse.

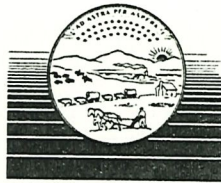
Recommendations: This bill has the full support of the Department of Social and Rehabilitation Services.

For more information contact:  
Commissioner Al Nemec (or Bob Clawson)  
Mental Health & Retardation Services  
(913) 296-3774

ATTACHMENT 6  
SWAM 3-14-89

BOARD OF DIRECTORS  
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**KDFA**  
**KANSAS**  
DEVELOPMENT FINANCE  
AUTHORITY

Suite 113  
Landon State Office Building  
900 S.W. Jackson  
TOPEKA, KANSAS 66612

(913) 296-6747  
KANS-A-N 561-6747

MARTY BLOOMQUIST, ASSISTANT

March 14, 1989

**M E M O R A N D U M**

TO: Senate Ways and Means Committee

FROM: Allen Bell, President *Allen Bell*

SUBJECT: Senate Bill No. 134: KDFFA Community Providers Pooled Loan Program

Senate Bill 134, if enacted, will allow KDFFA to implement an innovative financing program in which low interest building and equipment loans can be made to qualifying non-profit organizations that provide community mental health, mental retardation and drug and alcohol abuse services and receive funding through the Department of Social and Rehabilitation Services. The legislation is needed to correct a technical problem with respect KDFFA's statutory authority to issue bonds on behalf of certain provider organizations which happen to be quasi-county agencies.

For the last year, KDFFA has been working with SRS, underwriters, bond counsel and community provider organizations to adapt this financing program for Kansas. The same basic program has been successfully implemented in Colorado, Oklahoma, Missouri, Illinois, Ohio and Wyoming. Tax-exempt 501(c)(3) revenue bonds are issued on a pooled basis and the proceeds are lent to qualifying community providers. The 15 or 20 year loans can be used by the providers to refinance existing mortgages, construct new facilities, remodel existing facilities, purchase currently leased facilities, or purchase equipment, including vehicles. The bonds will be insured by a municipal bond insurance policy and rated AAA, so the interest rate on provider loans is expected to be around 8% per annum. The financing mechanism that makes this approach possible is a state intercept of provider loan payments from state aid owed to the providers. Instead of sending out one monthly or quarterly check, SRS will send two checks, one to the provider and one to a trustee bank for payment of principal and interest to the bondholders.

Senate Ways and Means  
March 14, 1989  
Page Two

In developing this program, KDFA discovered that community provider organizations in Kansas fall into two categories with respect to legal status. Some are clearly private not-for-profit entities which contract with state and local government; and some are county agencies, or quasi-county agencies whose facilities can be financed by county G.O. bonds. KDFA's enabling statutes include a general prohibition against using KDFA tax-exempt bonds to finance projects which could otherwise be financed by local G.O. or utility revenue bonds. This provision was amended into the KDFA legislation in 1987 at the request of local municipal bond dealers in order to keep KDFA from becoming a municipal bond bank. It was not intended to preclude the type of program being proposed here.

In 1988, the Legislature passed the Kansas Water Pollution Control Revolving Fund Act (1988 Senate Bill No. 472) which authorized KDFA to issue bonds for the 20% state match requirement. In order to accomplish this, the bill also included an amendment of KDFA's statutes to provide for exceptions to the anti-bond banking provisions, on a case-by-case basis, as provided by acts of the legislature. In 1988, two such exceptions were enacted, one for the Water Pollution Control Fund and one for the Kansas Partnership Fund. Today I am asking for a third exception for the Kansas Community Providers Pooled Loan Program. Senate Bill 134 will provide this exception.



# Kansas Association of Rehabilitation Facilities

Jayhawk Tower • 700 Jackson • Suite 802  
Topeka, Kansas 66603 • 913-235-5103

TO: Senate Ways and Means Committee  
Senator Gus Bogina, Chairman

FROM: Kansas Association of Rehabilitation Facilities

RE: SB 134; concerning the Kansas development finance authority;  
relating to the issuance of bonds for loans to certain  
community mental health, mental retardation and drug and  
alcohol abuse services providers.

DATE: March 14, 1989

The Kansas Association of Rehabilitation Facilities is a state-wide Association representing not for profit community-based rehabilitation facilities. These facilities serve over 5000 (average daily attendance) children and adults across Kansas. The programs and services offered by these community programs include; vocational/employment; day activity; community living; children's services; and support programs. The mission of these rehabilitation programs/services is to provide opportunities for persons with disabilities to gain maximum independence according to their abilities in a community setting.

The demand for community services to provide residential and vocational opportunities has been increasing steadily over the years. Community programs have been asked to place individuals once served in state mental retardation hospitals, such as Norton, into community programs. This demand for services not only is for persons currently in state institutions, but also is growing as individuals are graduating from special education and are prepared for integration into a community setting. As of January 1, 1989 the number waiting in communities was 811 unserved individuals. The wait for services may be as long as three years.

Community programs actively pursue every available funding source to build and operate the community programs. On the average community programs are supported primarily by local efforts. The 42% of local support is made up of county mill levy, donations and contributions and production income. Building projects are primarily funded through a variety of means including contributions/foundations, county mill levy, HUD projects, FHA loans or through traditional bank loans. There is no one funding resource that works across the board. Each facility must determine the funding mechanism based on local needs and/or ability.

The opportunity offered through the Kansas development finance authority opens the door to a viable loan program that will greatly benefit community mental retardation facilities across the state. It makes available to any qualified MR facility access to competitive

ATTACHMENT 8  
SWAM 3-14-89

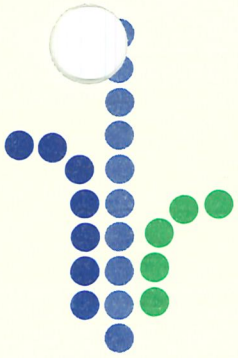


interest rates to finance program expansion or to re-finance existing loans. This would be made possible through the pooled loan program developed by the K DFA.

Governor Hayden endorsed this new concept and supported its development by the K DFA. We commend the Governor for pursuing such an innovative concept. There has been significant interest expressed by community MR facilities which reflects their willingness to expand programs to meet the demand for services.

We would ask your support of SB 134.

Thank you for your consideration.



## Shawnee Community Mental Health Center

2401 West Sixth Topeka, Kansas 66606 (913) 233-1730

March 14, 1989

Senate Ways & Means Committee  
% Gus Bogina, Chairman  
Statehouse  
Topeka, Kansas 66612

Re: Senate Bill 134

I am speaking in support of Senate Bill 134. This bill, upon passage by the legislature, will expand the ability of the Kansas Development Finance Authority to issue tax exempt bonds for loans to community mental health facilities such as Shawnee Community Mental Health Center. Funds obtained under this program would be utilized to assist in financing the alcohol and drug facility we hope to build in the near future. This program would provide low-interest long-term fixed-rate loans which will finance such projects.

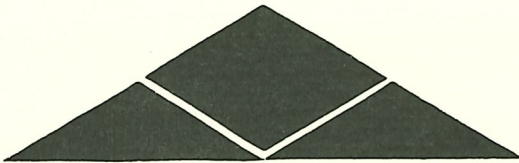
I would appreciate your support for this bill.

Sincerely,

Eunice Ruttinger, MSW  
Executive Director

/nw

ATTACHMENT 9  
SWAM 3-14-89



**SHELTERED LIVING, INC.**

2126 S.W. 36th St., Topeka Kansas 66611 Phone (913) 266-7951

Executive Director - Merilee Larson

To: Senate Ways and Means Committee  
From: Merilee Larson, Executive Director  
Date: March 14, 1989

Re: S.B. 134; concerning the Kansas development finance authority; relating to the issuance of bonds for loans to certain community mental health, mental retardation and drug and alcohol abuse services providers

It is with great anticipation that Sheltered Living, Inc. awaits the passage of S.B. 134. We wish to finance one group home for eight adults with mental retardation which was completed in October 1988 and to refinance an existing group home at a better rate. Although other financing is available for these homes the lower rate that would be available over a 15-year period from this source is the reason we decided to expand to serve clients from the waiting list at this time. The operating funding received from federal, state and local sources has not been sufficient to allow for conventional financing of group homes, and we have had to rely on HUD 40-year low interest loans and fund raising to pay for construction costs.

Sheltered Living, Inc. is but one of many KARF (Kansas Association of Rehabilitation Facilities) agencies that is awaiting the passage of S.B. 134.

Without S.B. 134, some agencies that are considered quasi-governmental would not be able to borrow money through this mechanism. The bond issue would be smaller and, thus, more costly for the remaining agencies.

Your support for S.B. 134 will be helpful in containing operating costs and will allow for the growth of all needed services, whether quasi-governmental or not, for those with mental retardation, mental illness, and alcohol and drug abuse problems. Please support the passage of this bill.

Department of Social and Rehabilitation Services

Winston Barton - Secretary

Statement regarding: Senate Bill No. 134

Title: An act concerning the Kansas Development Finance Authority; relating to the issuance of bonds for loans to certain community mental health, mental retardation and drug and alcohol abuse services providers.

Purpose: The bill's purpose is to expand Kansas Development Finance Authority's ability to issue bonds on behalf of community organizations providing mental health, mental retardation, and alcohol and drug abuse services. The plan is to provide attractive, fixed-rate, 15 year, AAA tax-exempt capital financing to the community providers.

Background: The bill allows nonprofit organizations who find it difficult or impossible to obtain normal financial institution loans, except at high rates, to become eligible for long term fixed rate loans that can be used to finance facilities.

Effect of Passage: Passage of this bill would allow the Kansas Development Finance Authority to issue tax exempt bonds to nonprofit programs that receive a substantial amount of their funding from Social and Rehabilitation Services.

ATTACHMENT 11  
SWAM 3-14-89

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES  
Winston Barton, Secretary

SENATE BILL No. 134

AN ACT CONCERNING THE KANSAS DEVELOPMENT FINANCE AUTHORITY; RELATING TO THE ISSUANCE OF BONDS FOR LOANS TO CERTAIN COMMUNITY MENTAL HEALTH, MENTAL RETARDATION AND DRUG AND ALCOHOL ABUSE SERVICES PROVIDERS. EXEMPTING SUCH ISSUANCE OF BONDS FROM K.S.A. 1988 Supp. 74-8905 AND AMENDMENTS THERETO.

I am David Palmer, Community Program Consultant with SRS Alcohol and Drug Abuse Services. I am speaking in favor of the passage of Senate Bill 134. This proposal will allow some of our community based alcohol and drug abuse programs to purchase new facilities and/or refinance current high interest loans on new or expanded facilities. Currently, if our funded programs are able to obtain loans it is usually at a high interest rate. As an example, one of our funded programs currently carries a ten year mortgage on their present facility. The interest rate is ten percent, but is renegotiated on a regular basis. This program will probably be eligible for 8% money on a fixed basis for fifteen years under the Kansas Development Finance Authorities pooled loan program. Not only will the interest rate be substantially different, in this case the program would save at least \$2730 per year and probably substantially more since their interest rate will increase this year on their current loan. The other advantage of the financing made available by S.B. 134 is the program's ability to budget constant payments over the entire life of the loan. Currently the program can only guess at their new rate of interest.

This is only one example where our funded programs may benefit from this pooled loan program. In 1986 a Facility Task Force was formed from the Kansas Citizens' Committee on Alcohol and Other Drug Abuse. That task force toured 22 facilities across the state and found 12 programs operating in inadequate facilities. There were a total of 343 beds located in these facilities. Total cost for purchase and/or rehabilitation of those facilities was estimated at \$4,936,000. Since that time, 5 of the programs have raised and/or borrowed funds for new and/or rehabilitated facilities at costly interest rates. Even with these new facilities, increased construction costs and increased bed demand would put estimated costs for the remaining programs at about \$6,000,000.

The urgency for affordable funding, such as S.B. 134 makes available, becomes even more apparent when you consider the following: Admissions to Kansas alcohol and drug abuse programs increased by 4% to approach 30,890 in 1988. This is a 50% increase (10,000 clients) since FY 84. Community based alcohol and drug treatment facilities admitted 75% of all admissions (approximately 23,200 in 1988). Of that number, our funded programs admitted approximately 15,000 or 50% of total admissions.

Affordable funding is needed now, before facilities deteriorate more and before waiting lines become longer. Senate Bill 134 is not the solution, but it is an important tool that can allow some alcohol and drug abuse programs to better meet the growing needs of Kansans. Thank you for allowing me the opportunity to speak in favor of this important legislation.

Submitted by

David Palmer  
Community Program Consultant  
Alcohol and Drug Abuse Services  
296-3925

## PROGRAM OVERVIEW

### STATE ENERGY CONSERVATION IMPROVEMENT PROGRAM

#### Introduction

The State of Kansas owns approximately 2,200 buildings with more than 32 million square feet of floor space. Ninety percent of the buildings were constructed prior to 1975, well before the need was perceived for energy conservation. State monies spent on utilities represent a significant level of expenditure (see attached spreadsheet and graph). Although a number of state agencies have undertaken energy conservation programs in the past, there has been no systematic effort in state government to apply energy auditing and make energy improvements.

The Kansas Development Finance Authority (KDFA) in cooperation with the Division of the Budget, Division of Architectural Services, the Kansas Corporation Commission, representatives from the State Board of Regents and the Department of Social and Rehabilitation Services (SRS), has developed a proposal to finance a number of energy conservation improvement projects on state buildings. These energy conservation improvements, when combined with energy conservation management measures, will produce significant energy cost savings which will provide for rapid repayment of the cost of the improvements without additional appropriations.

#### The Governor's Budget Recommendation

Energy conservation projects totalling approximately \$5.0 million are included in the Governor's Budget submitted to the 1989 Kansas Legislature. The projects to be undertaken in the first conservation improvement program are from regents institutions and from SRS.

#### The Legislation

The proposed legislation would authorize the financing of energy conservation improvements to state buildings by KDFA, and provide for the use of energy cost savings to repay the financing. The legislation will establish the Energy Conservation Improvement Fund (ECIF), to be administered by KDFA. Important provisions of the proposed legislation include the following:

1. Subject to approval by the Secretary of Administration and review by the Joint Committee on State Building Construction, KDFA will enter into financing agreements with state agencies and issue revenue bonds in an amount sufficient to pay the costs of the energy conservation improvements, up to \$5.0 million per fiscal year, plus associated program costs, such as the costs of energy audits and financing costs.

2. Payments made to KDFA pursuant to the financing agreements shall be made from monies credited to the ECIF and in accordance to provisions with appropriations acts. The total amount of payments for a fiscal year shall not exceed the amount of energy cost savings identified by engineering analyses conducted prior to carrying out the improvements.

3. No later than October 1 of each year, KDFA will certify to the Director of the Budget a list of energy conservation improvement projects financed along with repayment schedules for each project. The Division of the Budget will make appropriate adjustments to the budget of each state agency on the project list, recommend transfers from the agency budget to the ECIF and appropriations from the ECIF in sufficient amounts to repay the costs associated with financing the improvements.

#### Financing

Tax-exempt revenue bonds would be issued by KDFA to pay for the energy conservation improvements. The bonds would be secured by financing agreements between KDFA and state agencies, subject to annual appropriations. Pursuant to the agreements drawn up between KDFA and the agencies, KDFA would lease the improvements to the agencies until the improvements were paid for. Length of payments would be determined by the payback of the particular improvement. It is anticipated that the maximum length of payments would not exceed 5 to 7 years. The principal and interest of these lease payments would be structured to be repaid with the energy savings of the installed improvements.

Bond proceeds, net of financing costs, would be turned over to the state agencies for the implementation of the improvement projects, following normal state capital improvement procedures. Bond proceeds may be used to pay all construction and equipment costs, as well engineering and design costs. In addition, bond proceeds will be set aside to provide funds for future rounds of energy audits.

STATE OF KANSAS

UTILITY EXPENSES - FY 1981 THRU FY 1988 \*

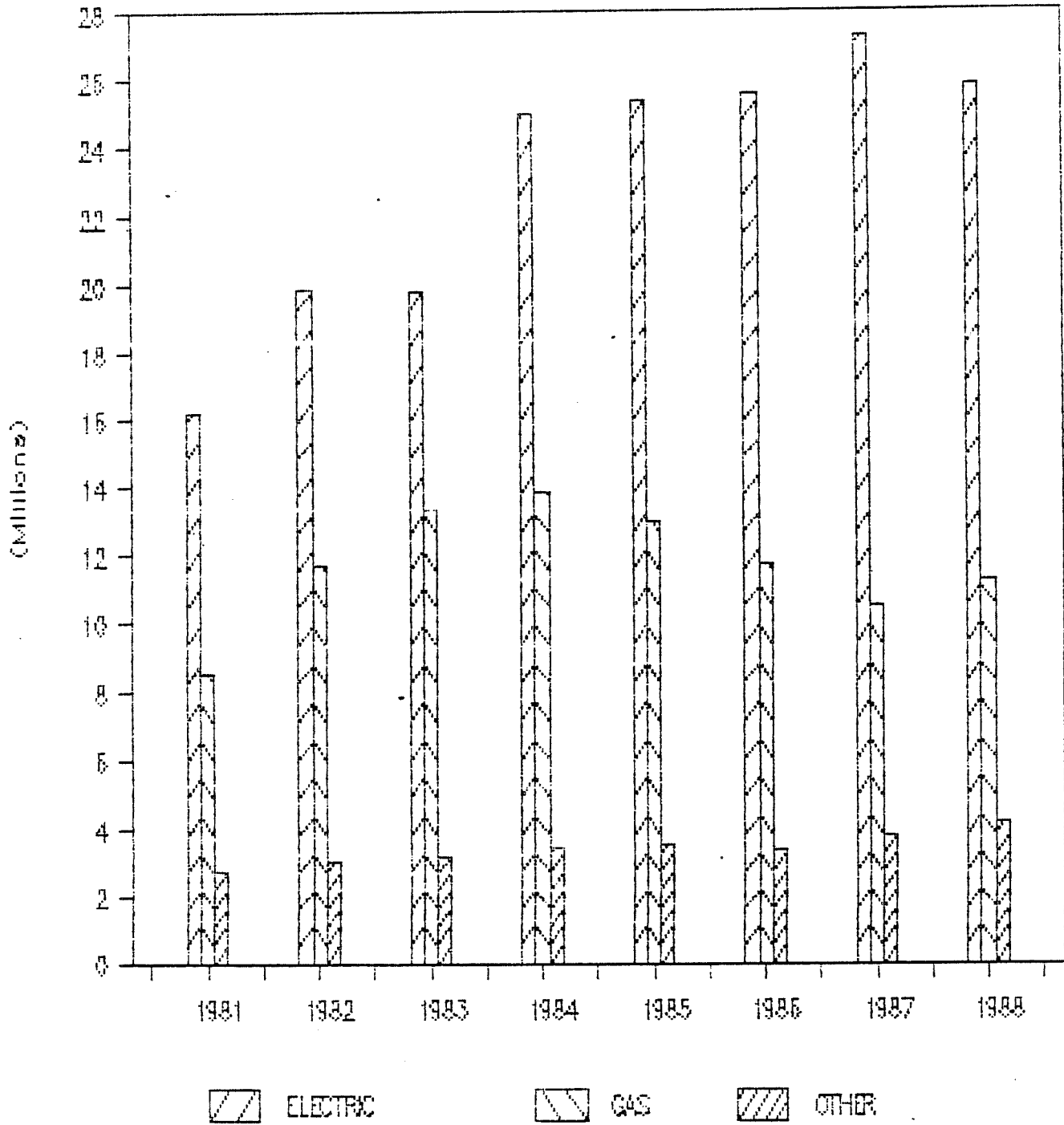
YEAR	ELECTRIC	NAT GAS	STEAM	WATER	SEWAGE	SOLID WASTE	OTHR UTIL	TOTAL
1981	\$16,202,686	\$8,525,039	\$533,324	\$1,271,746	\$696,016	\$241,534	\$11,160	\$27,481,505
1982	\$19,901,490	\$11,706,904	\$798,165	\$1,298,061	\$690,543	\$257,456	\$9,350	\$34,661,969
1983	\$19,799,943	\$13,322,004	\$896,302	\$1,276,534	\$749,667	\$288,482	\$8,836	\$36,341,768
1984	\$24,975,637	\$13,828,873	\$783,417	\$1,521,610	\$862,486	\$299,950	\$1,054	\$42,273,027
1985	\$25,374,032	\$12,961,191	\$697,894	\$1,685,978	\$898,748	\$306,508	\$9,253	\$41,933,604
1986	\$25,512,421	\$11,685,039	\$278,310	\$1,677,193	\$1,039,301	\$371,819	\$9,411	\$40,573,494
1987	\$27,224,445	\$10,423,540	\$183,984	\$1,873,583	\$1,128,822	\$609,152	\$6,626	\$41,450,152
1988	\$25,813,594	\$11,177,607	\$266,609	\$2,067,791	\$1,315,442	\$528,132	\$17,865	\$41,187,040
<b>TOTALS</b>	<b>\$184,804,248</b>	<b>\$93,630,197</b>	<b>\$4,438,005</b>	<b>\$12,672,496</b>	<b>\$7,381,025</b>	<b>\$2,903,033</b>	<b>\$73,555</b>	<b>\$305,902,559</b>

\* SOURCE: STATE OF KANSAS ANNUAL REPORTS, DIVISION OF ACCOUNTS AND REPORTS



# State of Kansas

Utility Expenses: FY81-88





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Topeka, Kansas 66603  
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FAX (913) 233-4830

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Shawnee County Engineer  
(913) 291-4132

Dixie Rose  
Butler County Register of Deeds  
(316) 321-5750

**NACo Representative**  
Joe McClure  
Wabaunsee County Commissioner  
(913) 499-5284

**Executive Director**  
John T. Torbert

**TESTIMONY**

March 14, 1989

To: Senator Gus Bogina, Chairman  
Members Senate Ways and Means Committee

From: Bev Bradley, Legislative Coordinator  
Kansas Association of Counties

Re: SB 323 Continuing the county reappraisal fund to provide state financial assistance in maintaining property valuations.

The number one priority of the Kansas Association of Counties for the 1989 Legislative Session is the continued state reimbursement for one half the cost of the maintenance of the reappraisal program. The State-local partnership must be continued to insure the preservation of the \$65 million investment made over the past three years. Counties have reorganized their appraiser offices. They have added computers, expensive soft ware, computer enhancements, additional staff, and in some cases much additional space to accomplish this giant task of a statewide mass appraisal done in three years. The state has contributed supervision, training, funding, and in most cases, general support. The two levels of government must continue to work together to insure the maintenance as required by the original SB 164.

It is our assumption that, based on past practice and current statements of policy from the legislature and the Governor's office that the 50/50 funding relationship will continue--as it should. Given that assumption, we note that this legislation is essentially one year legislation. If it is your intent to continue to fund reappraisal maintenance from gaming revenues, this legislation should be amended. If it is the intent to switch to General Fund appropriations, this would not need to be changed. Our concern is that the support continue, the partnership remain, and that the valuations be maintained.

Thank you for your interest and we ask your support.

ATTACHMENT 13  
SWAM 3-14-89



MARCH 14, 1989

SENATE WAYS AND MEANS COMMITTEE

HEARING ON SENATE BILL 323

TESTIMONY OF GERRY, INTERGOVERNMENTAL COORDINATOR  
JOHNSON COUNTY BOARD OF COMMISSIONERS.

Mr. Chairman, members of the committee, my name is Gerry Ray representing the Johnson County Board of Commissioners.

On behalf of the County Commission I would like to express support for continued state financial assistance for maintenance of the ongoing reappraisal program. According to our Budget Department in 1988 Johnson County expended \$1,626,280 for reappraisal and received an additional \$1,380,000 from the State. For 1989 the county has \$1,458,330 budgeted and expects to receive \$620,000 from the State. All of the state funds have gone to the installation of a computerized mapping system.

Although the 1990 budget process has not begun yet, the County Budget Department estimates that approximately \$1,200,000 will be expended for the ongoing reappraisal process. Since county taxes are frozen in 1990 at the 1989 level we will be especially in need of assistance from the State to properly carry out the maintenance of property valuation.

The committee is urged to support continued state participation in the reappraisal process to insure that counties can provide a quality product without diverting local funds from other necessary functions.

ATTACHMENT 14  
SWAM 3-14-89

STATE OF KANSAS



MAR 02 1989

KANSAS HIGHWAY PATROL

DEPARTMENT OF COMMERCE

400 S.W. 8th, 5th Floor  
Topeka, Kansas 66603-3957  
Phone (913) 296-3481  
Telex No.—4931494KS

Mike Hayden, Governor

Harland E. Priddle, Secretary

March 2, 1989

Major David Hornbaker  
Director of Support Services  
Kansas Highway Patrol  
122 SW 7th Street  
Topeka, KS 66603

Dear Major Hornbaker:

DN  
3-10

This is my formal request for consideration of our agency receiving the old Port building located just north of our South Haven tourist center. Last fall I requested this building from Ron Desch and was told we could use it for storage in its present location.

Last August, while visiting our tourist center, Helen Wolfe, VIC supervisor at South Haven, Kenith Matthews, Field Supervisor, MCI and I checked the building inside and out, then viewed and considered where best to move it closer to the MCI/VIC building to use for storage by both departments. We determined that it should be moved from its present location to the east side of our building, east of the truck parking lot and across the ditch. Upon moving the building to this location, we would then make it an attractive and complimentary structure to our building. Additionally, we would landscape it comparative to our building. We propose to paint it and set it on a permanent foundation. The building would face a direction that would not confuse truckdrivers. All of this work would be accomplished by a detail from the Pre-Release Unit at Winfield.

The building housing our two agencies contains minimal storage space. We are required to store years supply of toilet tissue and paper towels as specified in the cleaning contract. Additionally, we must keep backup supplies for maintenance inside and outside, including lawnmover, weedeater, gardenhose and ladders. The Tourist Center needs storage space for cups, maps, and brochures that are shipped to them in large quantities to save on shipping costs.

May I ask you to again review all requests for this building and place our needs for storage above private requests.

Respectively,

A handwritten signature in cursive script that reads "Norine Kruse".  
Norine Kruse, VIC Coordinator

ATTACHMENT 15  
SWAM 3-14-89